

**CANASIA FINANCIAL INC.
("CanAsia" or the "Corporation")**

**NOTICE OF MEETING IN RESPECT OF AN ANNUAL GENERAL AND SPECIAL MEETING OF
SHAREHOLDERS TO BE HELD ON THURSDAY, JANUARY 24, 2019**

AND

INFORMATION CIRCULAR DATED NOVEMBER 29, 2018

**CONCERNING THE ACQUISITION BY CANASIA OF ALL THE SHARES OF TECHNI MODUL
ENGINEERING S.A. ("TME")**

All information contained in this Information Circular with respect to CanAsia was supplied by CanAsia for inclusion herein.

All information contained in this Information Circular with respect to TME was supplied by TME for inclusion herein, and with respect to such information, CanAsia and its board of directors and officers have relied on TME.

These materials require your immediate attention. If you are in doubt as to how to deal with these materials, or the matters referred to herein, please consult your investment dealer, stockbroker, bank manager or other professional advisor.

NEITHER THE TSX VENTURE EXCHANGE INC. (THE "EXCHANGE") NOR ANY SECURITIES REGULATORY AUTHORITY HAS IN ANY WAY PASSED UPON THE MERITS OF THE REVERSE TAKEOVER DESCRIBED IN THIS INFORMATION CIRCULAR.

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CANASIA FINANCIAL INC.
Suite 1600, 333 - 7th Avenue SW
Calgary, Alberta
T2P 2Z1

**NOTICE OF THE ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS OF CANASIA FINANCIAL INC.
TO BE HELD ON THURSDAY, JANUARY 24, 2019**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of the holders of common shares (the "**CanAsia Shares**") in the capital of CanAsia Financial Inc. ("**CanAsia**" or the "**Corporation**") will be held at the offices of Burstall LLP, Suite 1600, Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1, at 10:00 a.m. (Mountain time), on Thursday, January 24, 2019, for the following purposes:

1. To receive and consider the financial statements of the Corporation for the financial year ended December 31, 2017, together with the auditors' report thereon;
2. To fix the number of directors to be elected at the Meeting at six (6);
3. To elect directors of the Corporation for the ensuing year;
4. To appoint auditors and to authorize the directors of the Corporation to fix their remuneration;
5. To consider and, if thought fit, to pass a resolution set out in the Information Circular accompanying this Notice of Meeting affirming the stock option plan of the Corporation;
6. To consider and, if thought fit, to pass an ordinary resolution of disinterested shareholders set out in the Information Circular accompanying this Notice of Meeting approving Mr. Sicheng Zhang as a Control Person (as such term is defined in the Information Circular) of the Corporation;
7. To consider and, if thought fit, to pass with or without variation, a special resolution set out in the Information Circular accompanying this Notice of Meeting, to amend the articles of the Corporation to consolidate all of the issued and outstanding CanAsia Shares on the proposed basis of 1 post-consolidation share for up to every 5 pre-consolidation shares, or such lesser number of pre-consolidation CanAsia Shares as determined by the board of directors of the Corporation;
8. To consider and, if thought fit, to pass with or without variation, a special resolution set out in the Information Circular accompanying this Notice of Meeting, to change the name of the Corporation to "Composite Alliance Group Inc." or to such other name as the board of directors of the Corporation may determine;
9. To consider and, if thought fit, pursuant to the policies of TSX Venture Exchange Inc., to pass an ordinary resolution of disinterested shareholders set out in the Information Circular accompanying this Notice of Meeting approving the acquisition by the Corporation of all of the outstanding shares of TME; and
10. To transact such other business as may properly be brought before the Meeting.

Information relating to the matters to be dealt with at the Meeting is set forth in the Information Circular which accompanies this Notice of Meeting.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is December 3, 2018. Shareholders of CanAsia whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a shareholder transfers the ownership of any of such shareholders' shares after such date and the transferee of those shares establishes that the transferee owns the shares and requests, not later than 10 days before the Meeting, to be included in the list of shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those shares at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Proxies, to be valid, must be deposited by hand or mail at the office of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by facsimile at 1-866-249-7775, by internet voting at www.investorvote.com or by telephone at 1-866-732-8683 (toll free within North America) or 1-312-588-4290 (outside of North America), not less than 48 hours, excluding Saturdays, Sundays, and statutory holidays in the Province of Alberta, preceding the Meeting or any adjournment thereof. Further instructions with respect to the voting by proxy are provided in the form of proxy and in the Information Circular accompanying this Notice of Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy for CanAsia are directors and/or officers of CanAsia. Each shareholder has the right to appoint a proxy holder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a CanAsia shareholder should be delivered by facsimile to Computershare Trust Company of Canada at 1-866-249-7775.

DATED at Calgary, Alberta, as of the 29th day of November, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS
OF CANASIA FINANCIAL INC.**

"James G. Louie"

James G. Louie,
President and Chief Executive Officer of
CanAsia Financial Inc.

GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Information Circular and the Schedules hereto.

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as from time to time amended, and including any regulations promulgated thereunder.

"**Affiliate**" means a Company that is affiliated with another Company as described below.

A Company is an "Affiliate" of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"**Arm's Length Transaction**" means a transaction which is not a Related Party Transaction.

"**Associate**" when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
- (b) any partner of the Person or Company;
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity;
- (d) in the case of a Person who is an individual:
 - (i) that Person's spouse or child; or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"**Board**" means the board of directors of CanAsia or TME, as the case may be.

"**CanAsia**" or the "**Corporation**" means CanAsia Financial Inc., a public company incorporated under the ABCA. See "Information Concerning CanAsia".

"**Closing**" means the closing of the Transaction.

"**Closing Date**" means the date upon which the Transaction shall be completed, which date shall be as soon as reasonably practicable following receipt of conditional approval of the Exchange for the Transaction and no later than February 15, 2019, or such other date as agreed to by the parties.

"**Collins Barrow**" means Collins Barrow Edmonton LLP, the auditors of CanAsia.

"**Common Shares**" or "**CanAsia Shares**" means the issued and outstanding common shares in the capital of the Corporation prior to the Consolidation.

"**Company**" means a corporation, unincorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Computershare**" means Computershare Trust Company of Canada, the registrar and transfer agent of CanAsia.

"**Comtec**" means Comtec (Singapore) Pte Ltd., a company incorporated under the laws of Singapore and controlled by Sicheng Zhang.

"**Consolidation**" means a 5 to 1 consolidation of the CanAsia Shares or such lesser number of CanAsia Shares as determined by the Board.

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer, except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**Convertible Bonds Tranche B**" shall have the meaning set out under "Information Concerning TME - Material Contracts of TME - Note 3".

"**CPC Policy**" means Exchange Policy 2.4 – *Capital Pool Companies*.

"**Debentures**" means the principal amount of \$660,000 of convertible unsecured debentures of CanAsia, such Debentures convertible into Resulting Issuer Shares at \$0.125 per Resulting Issuer Share.

"**Evans**" means Evans & Evans, Inc.

"**Exchange**" or "**TSX Venture**" means TSX Venture Exchange Inc.

"**Final Exchange Bulletin**" means the Exchange bulletin which is issued following closing of the Transaction and the submission of all post-meeting documentation and which evidences the final Exchange acceptance of the Transaction.

"**Governmental Authority**" means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal,

commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission or stock exchange.

"**Grant Thornton (France)**" means Grant Thornton, French member Firm of Grant Thornton International, the auditors of TME.

"**IFRS**" means International Financial Reporting Standards.

"**Information Circular**" means the information circular of CanAsia to be forwarded by CanAsia to its shareholders in connection with the Meeting.

"**Insider**" if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the Company that is an Insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of an issuer; or
- (d) an issuer itself if it holds any of its own securities.

"**K Plus**" means K Plus Capital LLC, a company registered under the laws of Delaware and controlled by Yu-Chung (Jim) Hsieh.

"**Letter of Intent**" means the non-binding letter of intent dated September 25, 2018 between CanAsia and TME with respect to the Transaction.

"**Malchemy**" means Malchemy Corporation Limited, a company registered under the laws of Malta and controlled by Sicheng Zhang.

"**Meeting**" means the annual general and special meeting of the shareholders of CanAsia to be held on Thursday, January 24, 2019 to approve the Transaction and certain other matters described herein.

"**Member**" means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange requirements.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions*.

"**Name Change**" means the proposed change of CanAsia's name to "Composite Alliance Group Inc." following completion of the Transaction, subject to shareholder and regulatory approval.

"**Non Arm's Length Party**" means in relation to a Company, a Promoter, officer, director, other Insider or Control Person of that Company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a Promoter, officer, director, Insider or Control Person.

"**Person**" means a Company or individual.

"Private Placement" means the non-brokered private placement of Debentures in the principal amount of \$660,000 of which \$160,000 was used to pay previous advances from Insiders.

"Promoter" shall have the meaning ascribed thereto in the *Securities Act* (Alberta).

"Purchase Price" means 87,600,000 Purchase Price Common Shares issued for a deemed value of \$10,950,000 and 19,200,000 Series D Preferred Shares, all pursuant to the terms of the Share Exchange Agreement.

"Purchase Price Common Shares" means the Common Shares to be issued at a deemed price of \$0.125 per Common Share (assuming the completion of the Consolidation) pursuant to the Share Exchange Agreement.

"Purchase Price Shares" means the Purchase Price Common Shares and Series D Preferred Shares issued as consideration for the exchange of TME Shares pursuant to the Share Exchange Agreement.

"Registrar" means the Registrar of Corporations for the Province of Alberta appointed under Section 263 of the ABCA.

"Related Party Transaction" has the meaning ascribed to that term in Exchange Policy 5.9 and under MI 61-101, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non Arm's Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

"Resulting Issuer" means CanAsia and its wholly-owned subsidiary TME, after completion of the Transaction.

"Resulting Issuer Shares" means the common shares of the Resulting Issuer, assuming completion of the Consolidation.

"Series D Preferred Share" means the non-voting series D preferred shares of CanAsia which shall be issued post-Consolidation pursuant to the Share Exchange Agreement and convertible into one Resulting Issuer Share at no additional cost to the holder for a period of five (5) years from the date of issuance under the following conditions:

- (a) Each Series D Preferred Share is convertible to one Resulting Issuer Share only if TME's aggregate EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) on or before 36 months from the completion date of the Transaction has accumulated to at least €3.5 million (the satisfaction shall be referred to as a "Success");
- (b) Mr. Serge Luquain will continue his employment by, and/or corporate mandate with, TME and/or CanAsia for no less than 36 months from the completion date of the Transaction; and
- (c) CanAsia may, in its discretion, cancel all of the issued and outstanding Series D Preferred Shares if TME fails to reach Success after 36 months from the completion date of the Transaction.

"Share Exchange Agreement" means the share exchange agreement dated November 29, 2018 entered into among CanAsia, TME and the TME Shareholders, pursuant to which the TME Shares will be exchanged for the Purchase Price Shares, a copy of which is attached hereto as Schedule A.

"**SPV Finances**" means SPV Finances, a civil law company registered under the laws of France and controlled by Serge Luquain as he owns 73.11%.

"**Stock Option Plan**" means the current incentive stock option plan of the Corporation.

"**Success**" has the meaning ascribed thereto in the definition of "Series D Preferred Shares" in this Information Circular.

"**Time of Closing**" means 10:00 a.m. (Mountain time) on the Closing Date or such other time as the parties may agree.

"**TME**" means Techni Modul Engineering S.A., a private company incorporated under the laws of France. See "Information Concerning TME".

"**TME Financial Statements**" means the audited annual financial statements of TME for the years ended December 31, 2017, and December 31, 2016, together with the notes and auditor's report thereon and the unaudited interim financial statements for the six months ended June 30, 2018, and June 30, 2017, together with the notes thereon.

"**TME Shareholders**" means the holders of TME Shares.

"**TME Shares**" means common shares in the capital of TME.

"**Transaction**" means the reverse take-over of CanAsia by TME whereby CanAsia will acquire all of the TME Shares pursuant to the Share Exchange Agreement.

"**TSX Venture Escrow Agreement**" means the escrow agreement to be entered into among Computershare, the Resulting Issuer and certain shareholders of the Resulting Issuer in compliance with the requirements of the Exchange, with the securities subject to such agreement to be released as determined by the Exchange. See "Information Concerning the Resulting Issuer - Escrowed Securities of the Resulting Issuer".

"**US**" means United States of America.

"**Valuation Report**" means the "Comprehensive Valuation Report on Techni-Modul Engineering" dated July 9, 2018 prepared by Evans.

"**Waiver Letter**" shall have the meaning set out under "Information Concerning the Resulting Issuer - Material Contracts of the Resulting Issuer".

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Information Circular contains forward-looking statements. Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CanAsia, TME or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Information Circular. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect.

Forward-looking statements and information in this Information Circular include, but are not limited to, statements with respect to:

- the available funds upon completion of the Transaction and the use of those funds;
- general business and economic conditions;
- growth expectations of the Resulting Issuer;
- the ability of the Resulting Issuer to meet milestones and timelines;
- expectations regarding the Resulting Issuer's ability to raise capital; and
- realization of the anticipated benefits of acquisitions.

Various assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions are based on information currently available to CanAsia and TME, including information obtained by CanAsia and TME from third-party sources. In some instances, material assumptions are presented or discussed elsewhere in this Information Circular in connection with the forward-looking information. CanAsia and TME caution you that the following list of material assumptions is not exhaustive. The assumptions include, but are not limited to:

- the ability of CanAsia to satisfy the requirements of the Exchange with respect to the Transaction;
- the Resulting Issuer's ability to create and manage its growth;
- competition in the Resulting Issuer's industry;
- the Resulting Issuer's ability to retain qualified staff in a timely and cost efficient manner;
- the Resulting Issuer's ability to maintain patents and other intellectual property rights with respect to its products;
- the Reporting Issuer's success in identifying other risks to its business and managing the risks outlined in this Information Circular; and
- assumptions relating to the anticipated and unanticipated costs of the Transaction and the business of the Resulting Issuer.

Although CanAsia and TME believe that the expectations reflected in the forward-looking statements and information are reasonable, there can be no assurance that such expectations will prove to be correct. CanAsia and TME cannot guarantee future results, levels of activity, performance or achievements of the Resulting Issuer. Consequently, there is no representation by CanAsia and TME that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements and information. Some of the risks and other factors, some of which are beyond the control of CanAsia and TME, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this Information Circular are disclosed above and under the heading, "Background Concerning the Proposed Transaction - Risk Factors" below.

Actual results, performance or achievement could differ materially from the forward-looking information expressed herein. These forward-looking statements should not be relied upon as representing CanAsia and TME's views as of any date subsequent to the date of this Information Circular. Although CanAsia and TME have attempted to identify important factors that could cause actual actions, events or

results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect CanAsia, TME or the Resulting Issuer.

The forward looking statements contained in this Information Circular are expressly qualified by this cautionary statement. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and, except as required by law, CanAsia and TME undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Readers are cautioned against attributing undue certainty to, and placing undue reliance on, forward-looking statements.

PRESENTATION OF FINANCIAL INFORMATION

All currency amounts in this Information Circular are expressed in Canadian dollars unless otherwise indicated.

The reader is further cautioned that, unless otherwise indicated, the preparation of financial statements, including pro forma financial statements, are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"), and requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

NON-IFRS MEASURES

This Information Circular contains references to earnings before interest, taxes, depreciation and amortization ("**EBITDA**"), which is not a generally accepted accounting measure under IFRS and therefore may differ from definition of EBITDA used by other entities. EBITDA is a non-IFRS measure used by management to assess a company's performance and financial condition. Management of CanAsia and TME believe that the non-IFRS measure is a useful supplemental measure that may assist purchasers in assessing the financial performance and the cash anticipated to be generated by CanAsia and TME's business. This non-IFRS measure should not be considered as the sole measure of either CanAsia or TME's performance and should not be considered in isolation from, or as a substitute for, analysis of CanAsia and TME's financial statements.

EXCHANGE RATE

On November 23, 2018, the closing spot rate reported by the Bank of Canada for Euros into Canadian dollars was €1.00 = CDN1.5000, and for Canadian dollars into Euros was CDN1.00 = €0.6667. Except where noted this is the exchange rate used in this Information Circular.

SUMMARY

The following is a summary of information relating to CanAsia, TME and the Resulting Issuer (assuming completion of the Transaction), and should be read together with the more detailed information and financial data and statements contained elsewhere in this Information Circular. Reference is made to the Glossary of Terms for the definitions of certain terms used in this Information Circular and in this summary.

Purpose of Information Circular:	This Information Circular is furnished in connection with the solicitation of proxies by the management of CanAsia for use at the Meeting to be held on Thursday, January 24, 2019 at 10:00 a.m., Mountain time, at the offices of Burstall LLP, Suite 1600, Dome Tower, 333 – 7 th Avenue S.W., Calgary, Alberta T2P 2Z1, and at any adjournment thereof for the purposes set out in the accompanying Notice of Meeting.
Matters to be Considered at the Meeting:	To the knowledge of the directors of the Corporation, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting relating to: (i) the receipt of the financial statements of CanAsia and the auditors' report thereon; (ii) fixing the number of directors; (iii) the election of directors; (iv) the appointment of auditors of CanAsia; (v) the approval of Mr. Sicheng Zhang as a Control Person of the Corporation; (vi) the affirmation of the Stock Option Plan; (vii) the proposed Consolidation; (viii) the proposed Name Change; (ix) the approval of the Transaction; and (x) such other business as may be properly transacted at the Meeting. See "Particulars of Matters to be Acted Upon".
Summary of the Transaction:	<p>Pursuant to the Share Exchange Agreement, the TME Shareholders will receive 87,600,000 Purchase Price Common Shares with a deemed value of \$10,950,000, and 19,200,000 Series D Preferred Shares in exchange for all of the TME Shares.</p> <p>Subject to certain conditions, each Series D Preferred Share may be converted into one Resulting Issuer Share at no additional cost for a period of five (5) years from the date of issuance.</p> <p>Each Series D Preferred Share is convertible to one Resulting Issuer Share only if: (i) Success is achieved; and (ii) Mr. Serge Luquain continues his employment by, and/or corporate mandate with, TME and/or CanAsia for no less than 36 months from the completion date of the Transaction.</p> <p>CanAsia may, in its discretion, cancel all the issued and outstanding Series D Preferred Shares if TME fails to reach Success after 36 months from the completion date of the Transaction.</p>

An aggregate of 81,685,129 Resulting Issuer Shares and 17,901,398 Series D Preferred Shares will be deposited into escrow pursuant to the terms of the TSX Venture Escrow Agreement and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. See "Information Concerning the Resulting Issuer - Escrowed Securities of the Resulting Issuer".

Prior to the date of this Information Circular, CanAsia completed the Private Placement. The proceeds of the Private Placement were used and will be used to pay outstanding and ongoing expenses to maintain the Corporation's status as a reporting issuer listed on NEX, to pay \$160,000 of advances previously provided by Insiders and to complete the proposed acquisition of TME. Each Debenture accrues interest at 5% per year, matures two years from the date of issuance, will be payable at any time by CanAsia without penalty and will be convertible by the holder at any time into Resulting Issuer Shares at a conversion price of \$0.125 per Resulting Issuer Share.

In conjunction with the completion of the Transaction, the Corporation shall effect the Consolidation and the Name Change to "Composite Alliance Group Inc.". See "Particulars of Matters to be Acted Upon - Approval of the Consolidation" and "Particulars of Matters to be Acted Upon - Approval of the Name Change".

After completion of the Transaction and Consolidation on a 5 for 1 basis, there will be 110,233,610 Resulting Issuer Shares issued and outstanding, of which current shareholders of CanAsia will own 22,633,610 Resulting Issuer Shares (20.5%) (27,913,610 Resulting Issuer Shares (20.7%) on a fully diluted basis (excluding the exercise of any options issuable under the Stock Option Plan or the conversion of the Convertible Bonds Tranche B pursuant to the Waiver Letter)). There is no assurance that the convertible securities will be exercised. See "Information Concerning the Resulting Issuer - Fully Diluted Share Capital of the Resulting Issuer".

Accordingly, the Transaction will constitute a reverse take-over of CanAsia for accounting purposes and under Exchange policies.

Recommendation of the Board:

The Board has concluded that the Transaction is in the best interests of CanAsia and recommends that the shareholders of the Corporation vote in favour of the Transaction.

Interest of Insiders:

Sicheng Zhang is a director and Control Person of both CanAsia and TME, and Yu-Chung (Jim) Hsieh is a director

and security holder of both CanAsia and TME. Except as is otherwise disclosed herein, no Insider, Promoter or Control Person of CanAsia and no Associate or Affiliate of same has any interest in the Transaction other than that which arises from the holding of the Common Shares.

Directors and Officers of the Resulting Issuer:

It is anticipated that the directors and officers of the Resulting Issuer, and the number and percentage of Resulting Issuer Shares over which such directors and officers, and the Associates and Affiliates of such directors and officers, exercise control, will be as set forth below.

Proposed Directors and Officers	Number and Percentage of Resulting Issuer Shares After Giving Effect to the Transaction and Consolidation
Yu-Chung (Jim) Hsieh President, Chief Executive Officer and Director	1,807,988 ⁽¹⁾ 1.6%
Sicheng Zhang Director	47,705,062 ⁽²⁾ 43.3%
Serge Luquain Director, Chairman, Director and Chief Executive Officer of TME	37,961,134 ⁽³⁾ 34.4%
Dale Burstall Director	10,000 0.009%
JianYong (Bill) Cui Director	Nil 0.000%
Ron Love Director	Nil 0.000%
Debbie Chien Chief Financial Officer	Nil 0.000%
Corinne Marchat Chief Financial Officer of TME	945 0.001%

Notes:

- (1) 1,807,043 of these Resulting Issuer Shares will be held indirectly through K Plus, a corporation controlled by Mr. Hsieh.
- (2) 41,904,117 of these Resulting Issuer Shares will be held indirectly through Malchemy, a corporation controlled by Mr. Zhang.
- (3) 37,960,189 of these Resulting Issuer Shares will be held indirectly through SPV Finances, a corporation controlled by Mr. Luquain.

Non Arm's Length Transaction:

The Transaction is not an Arm's Length Transaction. Mr. Zhang and Mr. Hsieh are related parties (as such term is defined under MI 61-101) of CanAsia and TME. See "Background Concerning the Proposed Transaction".

Available Funds:

It is anticipated that upon completion of the Transaction, the Resulting Issuer will have approximately \$2,727,000 in available funds at Closing, consisting mainly of current assets, which will be used as set forth below.

The following table sets forth the funds anticipated to be available to the Resulting Issuer upon the completion of the Transaction and should be read in conjunction with the Resulting Issuer's pro forma financial statements and related

notes and other financial information attached as Schedule F to this Information Circular:

Source of Funds	Available Funds After Giving Effect to the Transaction (\$000)
Approximate working capital (surplus) of the Resulting Issuer as of the date of completion of the Transaction	\$2,727
Total Funds Available on Completion of the Transaction	\$2,727

Principal Purposes of Funds:

The following table sets forth the funds anticipated to be available to the Resulting Issuer upon the completion of the Transaction and the proposed use of such funds over the next 12 months and contains forward looking information developed for this Information Circular:

Use of Available Funds	Amount Assuming Completion of the Transaction (\$000)
TME to hire a technical director	\$68 ⁽¹⁾
Incorporate and commence operations of Composite Alliance Europe	\$68
General and Administrative Costs (12 months)	\$1,299
Expenses and Costs Related to the Transaction	\$517
Research and Development	\$525
Unallocated Working Capital	\$250
	\$2,727

Note:

- (1) TME intends to hire a technical director mid-2019 at an annual cost of €90,000. See "Information Concerning the Resulting Issuer – Business, Stated Objectives and Milestones of the Resulting Issuer - Milestones".

See "Information Concerning the Resulting Issuer – Principal Purposes of Funds", and "Information Concerning TME - Description of the Business of TME".

Selected Pro Forma Consolidated Financial Information for the Resulting Issuer at June 30, 2018:

The following table summarizes selected pro forma financial information for the Resulting Issuer as at June 30, 2018, assuming completion of the Transaction. The information should be read in conjunction with the Resulting Issuer's pro forma financial statements and related notes and other financial information attached as Schedule F to this Information Circular.

	Assuming Completion of the Transaction
Current Assets	\$4,029,172
Intangible Assets	\$2,434,386
Other Assets	\$658,506
Total Assets	\$7,122,064
Current Liabilities	\$2,810,860
Long-term Liabilities	\$5,745,096
Equity	(\$1,433,890)
Total Equity and Liability	\$7,122,064

	<p>See Schedule F "Pro Forma Financial Statements of the Resulting Issuer".</p>
Exchange Listing:	<p>The Common Shares are listed on the NEX Board of the Exchange under the trading symbol "CNA.H". The closing price of the Common Shares on September 21, 2018, the last day they traded prior to the announcement of the Transaction, was \$0.025 per share. The Common Shares were halted on September 25, 2018 and will remain halted until the Closing. The TME Shares are not listed on any public market or stock exchange.</p>
Sponsorship:	<p>No sponsor has been retained at this time in connection with the Transaction as CanAsia has applied for a waiver from sponsorship.</p>
Summary of Conflicts of Interest:	<p>Certain directors of the Resulting Issuer may engage in businesses similar to the Resulting Issuer and situations may arise where the directors may be in direct competition with the Resulting Issuer's business. Conflicts of interest, if any, which arise will be subject to and governed by the procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with us to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.</p>
Interests of Experts	<p>None of the partners and Associates of Burstall LLP hold or will hold more than 1% of any securities or property of CanAsia, TME or the Resulting Issuer. Collins Barrow is independent of CanAsia and TME within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta. Grant Thornton (France) is independent of CanAsia and TME within the meaning of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. None of the partners and Associates of Evans hold any securities or property of CanAsia, TME or the Resulting Issuer or of an Associate or Affiliate of CanAsia, TME or the Resulting Issuer. See "Information Concerning the Resulting Issuer - Interest of Experts".</p>
Risk Factors:	<p>The Resulting Issuer will be subject to numerous risk factors, including those indicated below which are summarized under the heading "Background Concerning the Proposed Transaction – Risk Factors". Shareholders are strongly urged to review the risk factors, some of which are significant.</p>

The completion of the Transaction is subject to regulatory approval, including the approval of a majority of the minority shareholders of CanAsia, and several conditions precedent set out in the Share Exchange Agreement. There is no guarantee that CanAsia will be able to satisfy the requirements of the TSX Venture such that it will issue the Final Exchange Bulletin.

As the Common Shares are currently listed on the Exchange, factors such as announcements of quarterly variations in operating results, or new initiatives or contracts by competitors of CanAsia or the Resulting Issuer, as well as market conditions in the fabrication of composite components industry, may have a significant impact on the market price of the Resulting Issuer Shares.

Due to the highly technical nature of the fabrication of composite components industry within which TME operates, there exist high barriers to entry and a relatively small customer base. Further, given the long lead time on any given project from concept to operation, and the degree of integration between composite manufacturing processes and the customer's product, customers tend to remain loyal to their process designers.

TME has historically offered, and expects to continue to offer, a significant portion of its products through pre-agreed fixed-price contracts with a stipulated delivery schedule, rather than contracts under which payment is determined solely on a time-and-material basis.

Although TME has been operational for many years, its earnings remain unstable. For example, TME has not generated positive earnings consistently during the last four years, including 2017. TME generated losses and its losses have increased throughout this period. Further, TME's products and services have long sales cycles, which makes the timing of TME's revenues uncertain, and at times, difficult to predict.

TME is currently substantially dependent upon the services of key personnel, including design and control engineers, machinists, sales representatives and its management team. In particular, TME is dependent on the services of Serge Luquain. The Resulting Issuer believes its ability to compete successfully depends on a number of factors including its ability to attract and retain key management and personnel.

TME believes that it must continually develop and introduce new products and/or enhance its existing products by integrating newly developed technologies to effectively stimulate customer demand for new and upgraded products.

TME's research and development efforts are complex and require TME to incur substantial research and development expense. TME may not be able to achieve an acceptable return, if any, on its research and development efforts. Further, any failure to complete product transitions effectively could harm TME's brand.

TME cannot provide any assurance that any intellectual property applications will be approved. Even if they are approved, such patents, trademarks or other intellectual property registrations may be successfully challenged by others or invalidated. The success of TME and its ability to compete are substantially dependent on its internally developed technologies and processes which TME will need to protect through a combination of patent, copyright, trade secret and trademark law.

TME's business is cyclical and capital intensive. In the ordinary course of its business, the structure and duration of many of its complex, long-term projects and product development programs require TME to invest significantly in engineering, development and production for one or more years before deliveries are made and the product generates cash flow.

In some of the projects carried out through consortia or other partnership vehicles in which TME participates, partners are jointly and severally liable to the customer. The success of these partnerships is dependent on satisfactory performance by TME and its business partners.

The products that TME manufactures are highly complex and sophisticated and may contain defects that are difficult to detect or correct. These products are subject to detailed specifications, as well as to approval requirements. Defects may be found in products before and after they are delivered to the customer.

TME's manufacturing operations are dependent on a limited number of suppliers for the delivery of raw materials and major compounds. TME regularly engages subcontractors to supply certain machinery, key components and software which TME assembles or uses in its finished products to customers. Outsourcing exposes the company to the risks associated with non-performance, delayed performance or sub-standard performance by subcontractors.

TME's products, as well as its manufacturing and service activities, are subject to environmental laws and regulations in each of the jurisdictions in which it operates, governing, among other things, product performance or materials content, energy use and greenhouse gas emissions, air, water and noise

pollution, the use, storage, labelling, transportation and disposal or release of hazardous substances, human health and safety risks arising from the exposure to hazardous or toxic materials or defective products and the remediation of soil and groundwater contamination on or under TME's properties (whether or not caused by TME), or on or under other properties and caused by TME's current or past operations, including the disposal of hazardous wastes at third party sites.

While TME has established (and continues to monitor and enhance) security controls in order to protect TME's information technology systems, there is no guarantee that these measures will be effective in preventing unauthorized access or cyberattacks.

Sicheng Zhang and Serge Luquain will own, directly or indirectly 43.3% and 34.4% of the Resulting Issuer Shares, respectively. As a result, Sicheng Zhang and Serge Luquain will continue to have a significant influence over the Resulting Issuer following completion of the Transaction.

TME competes with other companies that operate in the industry of the development, production and commercialization of turn-key fabrication solutions. The development by competitors of new process solutions for the industries in which the Resulting Issuer will operate could render the Resulting Issuer's products non-competitive or obsolete.

TME's existing sources of cash and any funds generated from operations may not provide TME with sufficient capital to meet its growth strategy. TME may need to raise additional capital from time to time, and may be unable to do so on attractive terms.

The Resulting Issuer's actual or projected operating results may fail to match past performance and may experience fluctuations in future quarterly or annual operating results or financial condition that may be caused by many factors, some of which are outside of the Resulting Issuer's control.

Global economic, political and social conditions may harm TME's ability to do business, increase its costs, and negatively affect the Resulting Issuer's stock price.

Following completion of the Transaction, the Resulting Issuer intends to reinvest all future earnings in order to finance the development and growth of its business. As a result, the Resulting Issuer does not intend to pay dividends on its securities in the foreseeable future.

In the normal course of business, TME may be subject to lawsuits, claims, regulatory proceedings, litigation and income

tax or other tax claims for amounts not covered by its liability insurance.

The market for the Resulting Issuer Shares may be influenced, in part, by any research and reports that industry or securities analysts may publish about the Resulting Issuer, its business, market, or competitors.

The price of the Resulting Issuer Shares could decline if there are substantial issuances of Resulting Issuer Shares, or securities convertible into Resulting Issuer Shares, after completion of the Private Placement and Transaction.

The issuance of the Debentures was determined by the Board of CanAsia. Accordingly, the conversion price may not be indicative of the true fair value of the Resulting Issuer or the fair value of the securities to be issued to investors upon Closing of the Transaction.

No sponsor has been retained in connection with the Transaction as CanAsia has applied for a waiver from sponsorship.

TME maintains insurance policies in accordance with the needs of its business. However, TME cannot guarantee that its insurance policies will provide adequate coverage should it face occurrences that result in losses.

The Resulting Issuer's financial results will be reported in Canadian dollars and a significant portion of its sales and operating costs are transacted in currencies other than Canadian dollars, most often euros and US dollars. In situations where TME is not fully hedged, TME's results of operations are affected by movements in these currencies against the Canadian dollar.

Conditional Listing Application:

CanAsia has applied to the Exchange for conditional approval of the Transaction.

GENERAL PROXY INFORMATION

Purpose of Solicitation

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CANASIA FOR USE AT THE ANNUAL GENERAL AND SPECIAL MEETING TO BE HELD ON THURSDAY, JANUARY 24, 2019, AT 10:00 A.M., MOUNTAIN TIME, AT THE OFFICES OF BURSTALL LLP, SUITE 1600, DOME TOWER, 333 – 7TH AVENUE S.W., CALGARY, ALBERTA T2P 2Z1, AND AT ANY ADJOURNMENT THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors or officers of CanAsia. Arrangements will also be made with brokerage houses and other custodians, nominees, and fiduciaries to forward proxy solicitation material to the beneficial owners of the Common Shares pursuant to the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"). The cost of any such solicitation will be borne by CanAsia.

Voting of Proxies

All Common Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES OF CANASIA, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES OF CANASIA, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, CANASIA IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THE MANAGEMENT DESIGNEES OF CANASIA INTEND TO VOTE IN ACCORDANCE WITH THE DISCRETION OF SUCH MANAGEMENT DESIGNEES.

Proxies representing Common Shares, to be valid, must be deposited by hand or mail at the office of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by facsimile at 1-866-249-7775, by internet voting at www.investorvote.com or by telephone at 1-866-732-8683 (toll free within North America) or 1-312-588-4290 (outside of North America), not less than 48 hours, excluding Saturdays, Sundays, and statutory holidays in the Province of Alberta, preceding the Meeting or any adjournment thereof.

Appointment of Proxy

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF CANASIA) OTHER THAN YU-CHUNG (JIM) HSIEH AND DALE BURSTALL, THE MANAGEMENT AND DIRECTOR DESIGNEES OF CANASIA, TO ATTEND AND ACT FOR HIM OR HER AT THE MEETING. Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management and director designees or by completing another proper instrument of proxy

and, in either case, depositing the instrument of proxy for Common Shares with the registrar and transfer agent of CanAsia, Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by facsimile at 1-866-249-7775, by internet voting at www.investorvote.com or by telephone at 1-866-732-8683 (toll free within North America) or 1-312-588-4290 (outside of North America), not less than 48 hours, excluding Saturdays, Sundays, and statutory holidays in the Province of Alberta, preceding the Meeting or any adjournment of the Meeting.

Revocation of Proxies

A shareholder of CanAsia who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A shareholder of CanAsia may revoke a proxy by depositing an instrument in writing, executed by him or her or his or her attorney, or, if the shareholder is a corporation, executed by a director, officer or attorney, authorized in writing:

- (a) If a holder of Common Shares, at the offices of the registrar and transfer agent of CanAsia, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting at which the proxy is to be used;
- (b) at the registered office of CanAsia, Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or
- (c) with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

In addition, a proxy may be revoked by the shareholder of CanAsia personally attending the Meeting and voting his or her shares.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders of CanAsia, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of CanAsia as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of CanAsia. Such Common Shares will likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate Person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed

by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Services ("Broadridge"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge or to call their toll free telephone number to vote their shares or access their web site www.proxyvotecanada.com to deliver voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge in advance of the Meeting in order to have their shares voted at such meeting. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners. Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "OBOs".

Pursuant to NI 54-101, the Corporation has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to all Beneficial Shareholders. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

The Corporation will not be paying for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's intermediary assumes the costs of delivery.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting the Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of such meeting.**

Voting Shares and Principal Holders Thereof

CanAsia is authorized to issue an unlimited number of Common Shares, without nominal or par value, of which as at the date hereof, 113,168,052 Common Shares are issued and outstanding.

The holders of Common Shares of record at the close of business on the record date, set by the directors of CanAsia to be 113,168,052, are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held, except to the extent that:

- (a) such Person transfers his or her shares after the record date; and

- (b) the transferee of those shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the shares;

and makes a demand to Computershare or CanAsia, not later than 10 days before the Meeting, that his or her name be included on the shareholders' list.

The by-laws of CanAsia provide that two (2) persons present and representing in person or by proxy not less than ten percent (10%) of the issued shares entitled to vote at the Meeting constitute a quorum for the Meeting.

To the knowledge of the directors and senior officers of CanAsia, as at the date hereof, the only Person who beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights of the outstanding Common Shares is as follows:

<u>Name and Municipality of Residence</u>	<u>Type of Ownership</u>	<u>Number of Common Shares Beneficially Owned⁽¹⁾</u>	<u>Percentage of Class Currently Outstanding</u>	<u>Number and Percentage of Resulting Issuer Shares After Completion of the Transaction and Consolidation⁽¹⁾</u>
Sicheng Zhang	Direct and	29,000,000	25.63%	47,705,062 ⁽²⁾
Griza, Malta	Indirect			43.3%

Notes:

- (1) The information as to Common Shares beneficially owned, as applicable, not being within the knowledge of the Corporation, has been furnished by Mr. Zhang.
- (2) 41,904,117 of these Resulting Issuer Shares will be held indirectly through Malchemy, a corporation controlled by Mr. Zhang. Does not include Resulting Issuer Shares that may be issued pursuant to the conversion or exercise of the Debentures, Series D Preferred Shares, Convertible Bonds Tranche B and the Waiver Letter, or stock options.

BACKGROUND CONCERNING THE PROPOSED TRANSACTION

Background of the Transaction

The provisions of the Transaction are the result of negotiations conducted between CanAsia, TME and their respective representatives and advisors. The following is a summary of the events, negotiations, discussions and actions leading up to the execution and public announcement of the Letter of Intent.

In 2017, TME, through its representative Jim Hsieh, approached CanAsia, through its representative, Jay Leung, and expressed an interest in proceeding with a reverse takeover. To that effect, representatives of the companies engaged in initial discussions to assess the possible terms of a transaction. In late 2017, and further to the initial discussions between the companies, TME delivered background materials to CanAsia.

In February 2018, the board of directors of CanAsia met with representatives of TME in Vancouver, British Columbia and continued discussions of possible transaction terms, including price, structure, and conditions. During the meeting, the parties reviewed a draft of the Letter of Intent and agreed to explore the proposed Transaction.

As a result of the February, 2018 meeting, CanAsia engaged Evans to prepare a fair market appraisal of TME in April 2018. After being engaged by CanAsia for the purposes of providing the valuation and fairness opinion, Evans conducted its due diligence review. Revised versions of the Letter of Intent were circulated amongst the parties. In May, 2018, Evans provided CanAsia with a draft Valuation Report.

CanAsia and TME continued to negotiate the terms of the Letter of Intent. In July, 2018, Evans finalized the Valuation Report which concluded that the fair market value of TME was in the range of €7.31 million to €7.71 million. The opinion of the Valuation Report is summarized below.

On August 21, 2018, the two non-conflicted directors of CanAsia met with Evans to consider the Valuation Report that had been prepared. Evans presented to CanAsia the various valuation methods it had considered, the prospects for the Corporation going forward and the assumptions used in preparing the Valuation Report. Evans informed CanAsia representatives that it had reviewed various documents including financial statements, the loan agreements, market information and reports, and financial forecasts. The non-conflicted directors of CanAsia resolved to accept the Valuation Report, and to present TME with a revised Letter of Intent. In response to the receipt of the Valuation Report, the Board of CanAsia delivered the revised Letter of Intent to TME in September. TME accepted and executed the Letter of Intent on September 27, 2018.

Regulatory Matters – Related Party Transaction

CanAsia is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan and Ontario and is subject to Policy 5.9 of the Exchange and MI 61-101. MI 61-101 is intended to regulate insider bids, issuer bids, business combinations, going private transactions and related party transactions to ensure that all stakeholders are treated in a manner that is fair, and perceived to be fair, by requiring in certain transactions, enhanced disclosure, valuation, review and approval processes. As Mr. Zhang and Mr. Hsieh are directors of both CanAsia and TME, and Mr. Zhang is a Control Person of both CanAsia and TME, the Transaction constitutes a Related Party Transaction and is therefore subject to the requirements of MI 61-101 and specifically the requirements of Part 5 set out therein.

Prior Offers

Other than with respect to the Letter of Intent received from TME, as described under the heading "Background of the Transaction", during the 24 months before the Transaction was agreed to pursuant to the Share Exchange Agreement, CanAsia did not receive any bona fide prior offer that relates to the subject matter of or is otherwise relevant to the Transaction.

Prior Valuations

Other than the Valuation Report, to the knowledge of CanAsia and its directors and senior officers, after reasonable inquiry, there are no prior formal valuations (as such term is defined in MI 61-101) relating to the Transaction or that is otherwise relevant to the transaction made in the 24 months preceding the date hereof.

Shareholder Approval Required

The Transaction is a Related Party Transaction within the meaning of MI 61-101. Subject to certain exemptions found under MI 61-101, no Related Party Transaction shall be carried out in respect of an issuer unless minority approval for the business combination has been obtained. Minority approval is determined by excluding votes attached to securities that are beneficially owned or over which control or direction is exercised by interested parties, any party related to an interested party and a joint actor with any interested party or related party. In relation to this approval, the "minority shareholders" for the purpose of MI 61-101 will be all holders of Common Shares excluding the Common Shares held directly or indirectly by Sicheng Zhang and Yu-Chung (Jim) Hsieh. CanAsia intends to seek approval from a simple majority of the minority shareholders who cast votes at the Meeting to satisfy the requirement of minority approval under MI 61-101.

Exemption from Formal Valuation Requirement

Since the Transaction constitutes a Related Party Transaction under MI 61-101 and Policy 5.9 of the Exchange, CanAsia is required to obtain a formal valuation in respect of the Transaction, unless an exemption to this requirement is available under MI 61-101. Given that the securities of CanAsia are listed on the Exchange, the Corporation may and is relying upon the exemption described in Section 5.5(b) of MI 61-101, which provides that an issuer is exempt from the formal valuation requirement if none of its securities are listed or quoted on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the AIM Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

While the Corporation will rely on the exemption contained in section 5.5(b) of MI 61-101 (Issuer Not Listed on Specified Markets) by virtue of the fact that the Common Shares are listed exclusively on the Exchange, the Board did commission and obtain the Valuation Report.

Valuation Opinion

It is the opinion of Evans, given the scope of its engagement and with reference to its engagement letter that the fair market value of TME is in the range of €7.31 million to €7.71 million. A Valuation Report provides the highest level of assurance regarding the valuation conclusion. This Valuation Opinion as well as the entire Valuation Report is subject to the scope of the work conducted (refer to section 4.0 of the Valuation Report) as well as the assumptions made (refer to Section 6.0 of the Valuation Report) and to all of the other sections of the Valuation Report.

The Valuation Report is available for inspection at the offices of Burstall LLP, 1600, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, at any time during ordinary business hours up to and including the date of the Meeting, as well as for a period of 30 days thereafter.

Summary of the Transaction

Pursuant to the Share Exchange Agreement, the TME Shareholders will receive 87,600,000 Purchase Price Common Shares with a deemed value of \$10,950,000, and 19,200,000 Series D Preferred Shares in exchange for all of the TME Shares. The number of Purchase Price Common Shares and Series D Preferred Shares issued pursuant to the Share Exchange Agreement are subject to Exchange approval.

Subject to certain conditions, each Series D Preferred Share issued as part of the Transaction may be converted into one Resulting Issuer Share at no additional cost for a period of five (5) years from the date of issuance.

Each Series D Preferred Share is convertible to one Resulting Issuer Share only if: Success is achieved; and (ii) Mr. Serge Luquain continues his employment by TME and/or CanAsia for no less than 36 months from the completion date of the Transaction.

If Success is not achieved within 36 months from the Closing Date, the Resulting Issuer may, in its discretion, cancel all of the Series D Preferred Shares issued in exchange for the TME Shares.

The Transaction is a not an Arm's Length Transaction.

An aggregate of 81,685,129 Resulting Issuer Shares and 17,901,398 Series D Preferred Shares will be deposited into escrow pursuant to the terms of the TSX Venture Escrow Agreement and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. See "Information Concerning the Resulting Issuer - Escrowed Securities of the Resulting Issuer".

CanAsia has raised capital through the Private Placement of Debentures in the principal amount of \$660,000. Closing of the Private Placement occurred on November 15, 2018. The net proceeds of the Private Placement were used and will be used to pay outstanding and ongoing expenses to maintain the Corporation's status as a reporting issuer listed on NEX, to pay \$160,000 of advances previously provided by Insiders and to complete the proposed acquisition of TME. The Debentures accrue interest at 5% per year, mature two years from the date of issuance, are payable at any time without penalty and are convertible by the holder at any time into Resulting Issuer Shares at a conversion price of \$0.125 per Resulting Issuer Share.

Concurrent with the completion of the Transaction, CanAsia shall effect the Consolidation and the Name Change to "Composite Alliance Group Inc.". See "Particulars of Matters to be Acted Upon - Approval of the Consolidation" and "Particulars of Matters to be Acted Upon - Approval of the Name Change".

After completion of the Transaction and Consolidation on a 5 for 1 basis, there will be 110,233,610 Resulting Issuer Shares issued and outstanding, of which current shareholders of CanAsia will own 22,633,610 Resulting Issuer Shares (20.5%) (27,913,610 Resulting Issuer Shares (20.7%) on a fully diluted basis (excluding the exercise of any options issuable under the Stock Option Plan or the conversion of the Convertible Bonds Tranche B pursuant to the Waiver Letter)). There is no assurance that the convertible securities will be exercised.

Accordingly, the Transaction will constitute a reverse take-over of CanAsia for accounting purposes and under Exchange policies. See "Information Concerning the Resulting Issuer - Capitalization of the Resulting Issuer".

A full description of the background, history, business, affairs, management and share structure of TME is contained in this Information Circular under the heading "Information Concerning TME".

A full description of the background, history, business, affairs, management and share structure of the Resulting Issuer is contained in this Information Circular under the heading "Information Concerning the Resulting Issuer".

Recommendation of the Board

The Board has concluded that the Transaction is in the best interests of CanAsia and recommends that the shareholders of the Corporation vote in favour of the Transaction.

Description of the Share Exchange Agreement

CanAsia has entered into the Share Exchange Agreement, pursuant to which CanAsia has agreed to complete the Transaction to acquire all of the issued and outstanding TME Shares.

Pursuant to the Share Exchange Agreement, the TME Shareholders will receive in the aggregate 87,600,000 Purchase Price Common Shares with a deemed value of \$0.125 per Purchase Price Common Share for an aggregate deemed value of \$10,950,000, and 19,200,000 Series D Preferred Shares. The value of the Transaction was based independent opinion as to the fair market value of TME as conducted by Evans pursuant to the Valuation Report and negotiations among the parties.

An aggregate of 81,685,129 Resulting Issuer Shares and 17,901,398 Series D Preferred Shares (collectively, the "**Escrowed Shares**") will be deposited into escrow pursuant to the terms of the TSX Venture Escrow Agreement and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. See "Information Concerning the Resulting Issuer -

Escrowed Securities of the Resulting Issuer". The Purchase Price Shares to be issued to the TME Shareholders will be issued pursuant to exemptions from registration and prospectus requirements contained in applicable securities legislation.

The Closing of the Transaction is subject to a number of conditions in favour of CanAsia, including the following:

- (a) the board of directors of TME shall have approved the Transaction;
- (b) the TME Shareholders shall have tendered all stock transfer powers representing the TME Shares duly executed in blank or duly executed instruments of transfer, and all such other assurances, consents and other documents as CanAsia may reasonably request to effectively transfer to CanAsia title to the TME Shares free and clear of all encumbrances;
- (c) there shall be no action taken, or proceedings commenced to have such action taken, under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to CanAsia or TME on a consolidated basis or that would impose any condition or restriction upon CanAsia or TME (after giving effect to the Transaction) which would so materially adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (d) all consents, waivers, permits, orders and approvals of all Governmental Authorities or other Persons, the failure of which to obtain would be materially adverse to CanAsia and TME taken as a whole, shall have been obtained;
- (e) the representations and warranties of TME set forth in the Share Exchange Agreement shall be true and correct in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the date of the Share Exchange Agreement and as of the Time of Closing (as if made on and as of that time) except as affected by the transactions contemplated or permitted by the Share Exchange Agreement and except to the extent that any such representation is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date and an officer's certificate of TME to this effect shall have been delivered to CanAsia;
- (f) the representations and warranties of the TME Shareholders set forth in the Share Exchange Agreement shall be true and correct in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the date of the Share Exchange Agreement and as of the Time of Closing (as if made on and as of that time);
- (g) TME and the TME Shareholders shall be in compliance in all material respects with their respective obligations under the Share Exchange Agreement and an officer's certificate of TME respecting TME's obligations to this effect shall have been delivered to CanAsia;
- (h) any shareholder agreement shall have been terminated effective at the Time of Closing;
- (i) from the date of the Share Exchange Agreement until the Closing Date, there shall not have been any material adverse change since the date of the TME Financial Statements, or the discovery of any previously undisclosed material fact or previously disclosed

material fact which has adversely changed other than in the ordinary course of business, which has or will have a material adverse effect on the business, operations, assets, capitalization, financial condition, liabilities, results or prospects of TME, taken as a whole;

- (j) prior to the date of filing of this Information Circular by CanAsia, CanAsia shall have conducted a due diligence examination of TME and shall be satisfied with the results thereof, or shall promptly notify TME that it is not so satisfied;
- (k) the TSX Venture Escrow Agreement shall have been entered into;
- (l) the Waiver Letter shall have been entered into;
- (m) the latest available annual and interim financial statements of TME shall be true and correct in all material respects and shall have been prepared in accordance with IFRS consistently applied and the TME Financial Statements required to be included in this Information Circular shall be true and correct in all material respects and shall have been prepared in accordance with IFRS consistently applied and audited in accordance with generally accepted auditing standards and accompanied by an auditor's report thereon, where applicable;
- (n) all closing deliverables of TME and the TME Shareholders described in the Share Exchange Agreement shall have been delivered; and
- (o) completion of the Transaction shall have occurred on or before February 15, 2019 or such later date as the parties to the Share Exchange Agreement may agree.

The Closing of the Transaction is also subject to a number of usual conditions in favour of TME and the TME Shareholders, including the following:

- (a) the Transaction, Consolidation and Name Change shall have been duly authorized and approved by all necessary corporate proceedings and approvals in accordance with applicable law and the policies of the Exchange;
- (b) transactions contemplated by the Share Exchange Agreement shall have been approved by the required majority of the votes of the shareholders of CanAsia who, being entitled to do so, vote in person or by proxy at the Meeting in accordance with the provisions of the ABCA;
- (c) there shall be no action taken, or proceedings commenced to have such action taken, under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to CanAsia or TME on a consolidated basis or that would impose any condition or restriction upon CanAsia or TME (after giving effect to the Transaction) which would so materially adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (d) subject to the completion of the Transaction and regulatory approval, CanAsia shall have effected the Consolidation;
- (e) subject to the completion of the Transaction and regulatory approval, CanAsia shall have effected the Name Change;

- (f) the Exchange shall have granted conditional approval subject only to the satisfaction of customary conditions to the Transaction and the Resulting Issuer Shares and the Resulting Issuer Shares issuable upon the conversion of the Series D Preferred Shares, shall have been approved for listing on the Exchange, subject to the usual requirements of the Exchange;
- (g) prior to the date of filing of this Information Circular by CanAsia, TME shall have conducted a due diligence examination of CanAsia and shall be satisfied with the results thereof, or shall promptly notify CanAsia that it is not so satisfied;
- (h) all consents, waivers, permits, orders and approvals of all Governmental Authorities or other persons, the failure of which to obtain would be materially adverse to CanAsia and TME taken as a whole, shall have been obtained;
- (i) from the date of the Share Exchange Agreement until the Closing Date, there shall not have been any material adverse change since the date of the financial statements of CanAsia, or the discovery of any previously undisclosed material fact which has or will have a material adverse effect on the business, operations, assets, capitalization, financial condition, liabilities, results or prospects of CanAsia;
- (j) the representations and warranties of CanAsia set forth in the Share Exchange Agreement shall be true and correct in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the date of the Share Exchange Agreement and as of the Time of Closing (as if made on and as of that time) except as affected by the transactions contemplated or permitted by the Share Exchange Agreement and except to the extent that any such representation is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date and an officer's certificate of CanAsia to this effect shall have been delivered to TME and the TME Shareholders;
- (k) CanAsia shall be in compliance in all material respects with its obligations under the Share Exchange Agreement and an officer's certificate to this effect shall have been delivered to TME and the TME Shareholders;
- (l) the financial statements of CanAsia required to be included in this Information Circular shall be true and correct in all material respects and shall have been prepared in accordance with IFRS consistently applied and audited in accordance with generally accepted auditing standards and accompanied by an unqualified auditor's report thereon;
- (m) at Closing:
 - (i) CanAsia shall have delivered to the TME Shareholders or, to the extent required by the Exchange, to Computershare as escrow agent, certificates duly registered in the name of such securityholder evidencing the number of Purchase Price Units to which such securityholder is entitled pursuant to the Share Exchange Agreement; and
 - (ii) all closing deliverables of CanAsia described in the Share Exchange Agreement shall have been delivered;
- (n) CanAsia shall have maintained its status as, and shall be, a "reporting issuer" in Ontario, Alberta, Saskatchewan and British Columbia, not in default under the Securities Laws,

and no order ceasing or restricting trading in the Common Shares shall have occurred or been threatened;

- (o) at the Closing, CanAsia shall issue the Purchase Price Shares as contemplated in the Share Exchange Agreement, which Resulting Issuer Shares comprising part thereof shall be issued as fully paid and non-assessable and the Resulting Issuer Shares issuable upon conversion of the Series D Preferred Shares, shall be reserved for issuance; and
- (p) completion of the Transaction shall have occurred on or before February 15, 2019 or such later date as the parties to the Share Exchange Agreement may agree.

RISK FACTORS

An investment in the securities of the Resulting Issuer involves a high degree of risk. Upon completion of the Transaction, all of the risks described below in respect of CanAsia and TME will apply equally to the Resulting Issuer. Investors should carefully consider the risks described below, together with all of the other information included in this Information Circular, before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Resulting Issuer could suffer. In that case, the market value of the Resulting Issuer's securities could decline, and an investor may lose all or part of their investment. The risk factors set out below are not a definitive list of all risk factors associated with the Resulting Issuer in connection with its proposed operations. It is believed that the factors set out below are the factors that could cause actual results to be different from expected and historical results.

The Transaction May Not be Completed

The completion of the Transaction is subject to regulatory approval, the approval of a majority of the minority shareholders of CanAsia, and several conditions precedent set out in the Share Exchange Agreement. There is no guarantee that CanAsia will be able to satisfy the requirements of the TSX Venture such that it will issue the Final Exchange Bulletin. There can be no certainty, nor can CanAsia or TME provide any assurance, that the conditions in the Share Exchange Agreement will be satisfied, or if satisfied, when they will be satisfied. There can be no certainty that the Transaction will be completed on the terms set out in the Share Exchange Agreement, as negotiated, or at all. In the event that any of the conditions precedent are not satisfied or waived, the Transaction may not be completed.

Market Price Fluctuations

As the Common Shares are currently listed on the Exchange, factors such as announcements of quarterly variations in operating results, or new initiatives or contracts by competitors of CanAsia or the Resulting Issuer, as well as market conditions in the fabrication of composite components industry, may have a significant impact on the market price of the Resulting Issuer Shares. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular Companies. Share prices for companies in TME's industry have experienced wide fluctuations that have been often unrelated to the operations of the companies themselves. In addition, there can be no assurance that an active public market will develop or be sustained for the Resulting Issuer Shares. The market price of the Resulting Issuer Shares could be subject to significant fluctuations in response to quarterly variations and operating results of the Resulting Issuer, announcements of innovations through technologies, services or products by the Resulting Issuer or its competitors, changes in financial estimates by securities analysts or other events or factors, many of which will be beyond the Resulting Issuer's control.

Customers

Due to the highly technical nature of the fabrication of composite components industry within which TME operates, there exist high barriers to entry and a relatively small customer base. Further, given the long lead time on any given project from concept to operation, and the degree of integration between composite manufacturing processes and the customer's product, customers tend to remain loyal to their process designers. While these industry characteristics may provide some advantages to TME, they also may make finding new customers challenging. If the Resulting Issuer is unable to further penetrate additional target industries, such as the automotive industry, its growth plans may be unattainable.

TME's business is dependent on obtaining new orders and customers, thus continuously replenishing its order backlog. TME's results may be negatively impacted if it is unable to effectively execute strategies to gain access to new customers, capture growth or successfully establish roots in new markets. The realization of revenues from new orders is based on certain assumptions, including the assumption that TME's relevant contracts will be performed in full in accordance with their terms. The termination or modification of any one or more major contracts may have a material and adverse effect on future revenues. TME cannot guarantee that it will realize all of the revenues initially anticipated in its new orders, and any such shortfall may be significant. Although TME has developed and continues to develop its presence in many geographic markets, access to certain markets can prove to be difficult to secure, particularly if there is a local competitor benefiting from a stronghold in its home market. These types of situations could put TME in an unfavourable position relative to some of its competitors and present challenges to TME's strategy and competitive strength in those zones.

While TME has a varied customer base, in any given period a limited number of contracts or customers account for a significant portion of TME's revenues. Although TME is constantly seeking to expand its customer base, TME believes that in any given period revenues and results may continue to be significantly affected by a limited number of customers due to the nature of some of TME's products. Consequently, the loss of such a customer or changes to their orders could result in fewer sales and/or a lower market share.

Fixed-Price Commitments and Production and Project Execution

TME has historically offered, and expects to continue to offer, a significant portion of its products through pre-agreed fixed-price contracts with a stipulated delivery schedule, rather than contracts under which payment is determined solely on a time-and-material basis.

TME is exposed to risks associated with these fixed-price contracts, including unexpected technological problems, difficulties with partners, subcontractors and suppliers, logistical difficulties and other execution issues that could lead to cost overruns, late delivery penalties or delays in receiving milestone payments. In addition, due to the nature of the bidding process, long-term contract revenues are based, in part, on cost estimates. TME's estimates of the costs for completing a project are subject to a number of assumptions, including future economic conditions, cost and availability of labour and raw materials, labour productivity, employment levels and salaries, facility utilization rates, inflation rates, foreign exchange rates and construction and technical standards to be applied to the project, and are influenced by the nature and complexity of the work to be performed. Due to the complexity and the length of many of the projects in which TME participates, the actual investment, costs and productivity may differ materially from what TME had initially modelled or anticipated. In addition, many of TME's contracts contain requirements to comply with mandatory performance levels for the equipment it delivers. If TME is unable to comply with these obligations, its clients could request the payment of contractual penalties, or terminate the contract in question, or even claim compensation.

Revenue Recognition

Although TME has been operational for many years, its earnings remain unstable. For example, TME has not generated positive earnings consistently during the last four years, including 2017. TME generated losses and its losses have increased throughout this period. Further, TME's products and services have long sales cycles, which makes the timing of TME's revenues uncertain, and at times, difficult to predict. Due to the complex and customized nature of TME's products and services, potential customers may spend a substantial amount of time performing internal assessments before purchasing. Further, any particular customized process or product designed by TME may take significant time to develop, which may lead to long-term and sometimes uncertain revenue recognition forecasts. Given the long lead times involved with any particular project, revenue recognition from a contract may be delayed, in some cases, for a number of years.

Key Personnel

TME is currently substantially dependent upon the services of key personnel, including design and control engineers, machinists, sales representatives and its management team. In particular, TME is dependent on the services of Serge Luquain. The Resulting Issuer believes its ability to compete successfully depends on a number of factors including its ability to attract and retain key management and personnel. The growth plans of the Resulting Issuer described in this Information Circular may require additional employees, increase the demand on management, and produce risks in both productivity and retention levels. Substantial competition exists for qualified technicians and personnel in the advanced composite processes industry, and the Resulting Issuer may be unable to attract or retain highly qualified personnel in the future. Furthermore, considerable time is required to train new personnel. Any loss of key personnel or the inability to attract additional key personnel may materially adversely affect the business, financial condition or results of operations of the Resulting Issuer.

Product Development

TME believes that it must continually develop and introduce new products and/or enhance its existing products by integrating newly developed technologies to effectively stimulate customer demand for new and upgraded products. TME's research and development efforts are complex and require TME to incur substantial research and development expense. TME may not be able to achieve an acceptable return, if any, on its research and development efforts. Further, any failure to complete product transitions effectively could harm TME's brand. The success of new product introductions depends on a number of factors including, but not limited to, timely and successful research and development, market and customer acceptance, the effective forecasting and management of product demand, and the risk that new products or processes may have defects in the early stages of introduction. The introduction of new products, processes or product enhancements may replace sales for prior products and processes, thereby offsetting the benefit of even a successful product introduction, and may cause customers to defer purchasing TME's existing products and processes, including for example, TME's product offering under "TME 1.0" in anticipation of the new products. If TME fails to effectively manage new product and process introductions, TME's revenue and profitability may be harmed.

Intellectual Property

TME cannot provide any assurance that any intellectual property applications will be approved. Even if they are approved, such patents, trademarks or other intellectual property registrations may be successfully challenged by others or invalidated. The success of TME and its ability to compete are substantially dependent on its internally developed technologies and processes which TME will need to protect through a combination of patent, copyright, trade secret and trademark law.

The patent, trademark, copyright and trade secret positions of TME's business are uncertain and involve complex and evolving legal and factual questions. In addition, there can be no assurance that competitors will not seek to apply for and obtain patents, trademarks and trade names that will prevent, limit or interfere with TME's processes. Litigation or regulatory proceedings, which could result in substantial cost and uncertainty to TME, may also be necessary to enforce the intellectual property rights of TME or to determine the scope and validity of other parties' proprietary rights. There can be no assurance that TME will have the financial resources to defend its patents, trademarks and copyrights from infringement or claims of invalidity.

TME currently holds seven patents with two patents still in the application phase and six trademarks. There can be no assurance that any of TME's current patent applications, or future patent applications made by or on behalf of TME will result in the issuance of patents, that TME will develop additional proprietary products that are patentable, that any patents currently held by TME, or issued or licensed to TME in the future, will provide TME with any competitive advantages or will not be challenged by any third parties, that the patents of others will not impede the ability of TME to do business or that third parties will not be able to circumvent the patents assigned or licensed to TME. Furthermore, there can be no assurance that others will not independently develop similar products, duplicate any of TME's products or, if patents are issued and licensed to TME, design around the patented product developed for the benefit of TME.

Since patent applications are maintained in secrecy for a period of time after filing, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, TME cannot be certain that the inventors of the patents were the first creators of inventions covered by pending applications, or that it was the first to file patent applications for such inventions. Aside from the patents which have already been granted to TME, there can be no assurance that TME's future patents, if issued, would be valid or enforceable by a court or that a competitor's technology or product would be found to infringe such patents.

TME generally controls access to and distribution of its technologies, documentation and other proprietary information. Despite efforts by TME to protect its proprietary rights from unauthorized use or disclosure, parties may attempt to disclose, obtain or use its solutions or technologies. There can be no assurance that the steps TME has taken or will be taking will prevent misappropriation of its solutions or technologies, particularly in foreign countries where laws or law enforcement practices may not protect proprietary rights as fully as in Canada, France or the United States.

Despite efforts by TME to protect its proprietary rights on which TME's business is dependent, competitive products may be developed in the future. Competition could adversely affect TME's ability to acquire market share.

Cash Flows and Capital Expenditures

TME's business is cyclical and capital intensive. In the ordinary course of its business, the structure and duration of many of its complex, long-term projects and product development programs require TME to invest significantly in engineering, development and production for one or more years before deliveries are made and the product generates cash flow. In addition, TME is required to incur capital expenditures in order to, among other matters, maintain equipment, increase operating efficiency, develop and design new products, improve existing products and services, invest in and develop new technologies and maintain a significant level of highly skilled employees. TME's ability to negotiate and collect customer advances and progress payments is therefore an important element of its cash flow and working capital management. However, competition in the markets in which TME operates and demands by customers in the current economic environment have resulted in fewer and lower advance payments, which could place significant financial pressures on TME's operations.

Business Partners

In some of the projects carried out through consortia or other partnership vehicles in which TME participates, partners are jointly and severally liable to the customer. The success of these partnerships is dependent on satisfactory performance by TME and its business partners. Failure of the business partners to fulfill their contractual obligations could result in additional financial and performance obligations, which could result in increased costs, unforeseen delays or impairment of assets. In addition, a partner withdrawing from a consortium during the bid phase may result in the loss of a potential order.

Product Warranty

The products that TME manufactures are highly complex and sophisticated and may contain defects that are difficult to detect or correct. These products are subject to detailed specifications, as well as to approval requirements. Defects may be found in products before and after they are delivered to the customer. When discovered, TME may incur significant additional costs to modify and/or retrofit its products and it may not be able to correct defects in a timely manner or at all. The occurrence of defects and failures in TME's products could give rise to non-conformity costs, including warranty and damage claims, negatively affect TME's reputation and profitability and result in the loss of customers. Correcting such defects could require significant investment.

Suppliers

TME's manufacturing operations are dependent on a limited number of suppliers for the delivery of raw materials and major components. TME regularly engages subcontractors to supply certain machinery, key components and software which TME assembles or uses in its finished products to customers. Outsourcing exposes the company to the risks associated with non-performance, delayed performance or sub-standard performance by subcontractors. As a result, TME may incur additional costs or be subject to liability under the relevant contracts as a result of any subcontractors' unsatisfactory performance. Such events may impact TME's profitability, financial performance and reputation. In addition, there is no assurance that TME may secure necessary and suitable subcontractors when required, or be able to negotiate acceptable fees and terms of service with subcontractors. In such events, TME's operation and financial position may be adversely affected.

Environmental, Health and Safety Risks

TME's products, as well as its manufacturing and service activities, are subject to environmental laws and regulations in each of the jurisdictions in which it operates, governing, among other things, product performance or materials content, energy use and greenhouse gas emissions, air, water and noise pollution, the use, storage, labelling, transportation and disposal or release of hazardous substances, human health and safety risks arising from the exposure to hazardous or toxic materials or defective products and the remediation of soil and groundwater contamination on or under TME's properties (whether or not caused by TME), or on or under other properties and caused by TME's current or past operations, including the disposal of hazardous wastes at third party sites. These laws and regulations may cause TME to incur costs, including fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in its operations, and may negatively impact the market for its products. Environmental, health and safety regulatory requirements, or enforcement thereof, may become more stringent in the future and TME may incur additional costs to be compliant with such future requirements or enforcement.

Cybersecurity

While TME has established (and continues to monitor and enhance) security controls in order to protect TME's information technology systems, there is no guarantee that these measures will be effective

in preventing unauthorized access or cyberattacks. A significant failure or breach of TME's information technology systems could cause disruption to manufacturing processes, loss, destruction or inappropriate use of data, or result in the theft of intellectual property or confidential information of TME or its key customers. The consequences of these events could have a material adverse effect on TME, its profitability, and financial conditions.

Control Person

Sicheng Zhang and Serge Luquain will own, directly or indirectly 43.3% and 34.4% of the Resulting Issuer Shares, respectively. As a result, Sicheng Zhang and Serge Luquain will continue to have a significant influence over the Resulting Issuer following completion of the Transaction. Further, the concentrated voting control by Sicheng Zhang and Serge Luquain will limit the ability of any shareholder to influence corporate matters for the foreseeable future. As a result, Sicheng Zhang and Serge Luquain will have the ability to influence many matters affecting the Resulting Issuer's company and actions may be taken that other shareholders may not view as beneficial. The market price of the Resulting Issuer Shares could be adversely affected due to the significant influence and voting power of Sicheng Zhang and Serge Luquain, respectively.

Competition

TME competes with other companies that operate in the industry of the development, production and commercialization of turn-key fabrication solutions. The development by competitors of new process solutions for the industries in which the Resulting Issuer will operate could render the Resulting Issuer's products non-competitive or obsolete. The Resulting Issuer expects that competition among products approved for sale will be based, among other things, on product efficacy, reliability, availability and price. Accordingly, key factors for TME's competitiveness are the relative speed and cost with it can develop and supply products for commercialization. Some of the Resulting Issuer's competitors are substantially larger and have considerably greater financial resources than the Resulting Issuer. Some of the Resulting Issuer's competitors, who have greater financial resources, may use such resources to make large investments in new and innovative technologies in order to compete with the Resulting Issuer's products on technology, price or other metrics. Competitors may have a lower cost of funds and many have access to funding sources and unique structures that are not available to the Resulting Issuer. In addition, some of these competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments than the Resulting Issuer. Pressure from competitors may have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Ability to Obtain Financing

TME's existing sources of cash and any funds generated from operations may not provide TME with sufficient capital to meet its growth strategy. TME may need to raise additional capital from time to time, and may be unable to do so on attractive terms. In particular, given TME's current level of debt, it may be difficult to obtain additional debt financing from parties other than insiders, and in particular, Malchemy. If additional capital is raised by the issuance of shares or other forms of convertible securities from treasury, control of the Resulting Issuer may change and shareholders may suffer additional dilution. If TME fails to obtain adequate capital on a timely basis or if capital cannot be obtained at reasonable costs, TME may not be able to achieve its planned growth, which will adversely affect TME's results of operations.

Operating Results and Financial Condition

The Resulting Issuer's actual or projected operating results may fail to match past performance and may experience fluctuations in future quarterly or annual operating results or financial condition that

may be caused by many factors, some of which are outside of the Resulting Issuer's control. Such factors include those identified throughout this "Risk Factors" section and non-exhaustively: (i) the development of new competitive systems or processes by others; (ii) the entry of new competitors into TME's market whether by established companies or by new companies; (iii) changes in the size and complexity of TME's organization, including TME's international sales and after-sales support operations; (iv) levels of sales of TME's products and services to new and existing customers; (v) the geographic distribution of TME's sales; (vi) delays between TME's expenditures to develop new products, technologies and processes, and the generation of sales related thereto; (vii) TME's ability to timely and effectively scale its business during periods of sequential quarterly or annual growth; (viii) changes expenditures, including marketing and other efforts; (ix) the volatile global economy; (x) general economic and industry conditions that affect customer demand and product development trends; and (xi) changes in accounting rules as well as tax and other laws.

Fluctuations in future quarterly or annual operating results or financial condition may cause the market price of the Resulting Issuer's shares to fluctuate. If the Resulting Issuer's operating results do not meet the expectations of securities analysts or investors, who may derive their expectations by extrapolating data from recent historical operating results, the market price of the Resulting Issuer's common shares will likely decline.

Global Economic Conditions

Global economic, political and social conditions may harm TME's ability to do business, increase its costs, and negatively affect the Resulting Issuer's stock price. TME's current business is subject to global economic, political and social conditions that may cause customers to delay or reduce purchases due to economic downturns, volatility in fuel and other energy costs, difficulties in the financial services sector and credit markets, geopolitical uncertainties and other macroeconomic factors affecting spending behavior. In addition, there is a shift in the political climate occurring throughout a number of jurisdictions (but particularly in the United States, Europe and China) towards a more restrictive trade policy environment. TME faces risks that may arise from financial difficulties experienced by its suppliers, resellers or customers, including:

- The risk that customers to whom TME sells its products and services to may face financial difficulties or may become insolvent, which could lead to TME's inability to obtain payment of accounts receivable that those customers or resellers may owe;
- The risk that key suppliers of raw materials, finished products or components used in the products that TME sells may face financial difficulties or may become insolvent, or that such relationships may be impacted by increasingly restrictive trade policies, which could lead to disruption of the supply of components; and
- The inability of customers to obtain financing to finance purchases of TME's products and processes.

Dividends

Following completion of the Transaction, the Resulting Issuer intends to reinvest all future earnings in order to finance the development and growth of its business. As a result, the Resulting Issuer does not intend to pay dividends on its securities in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Resulting Issuer's Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends, and any other factors that the Resulting Issuer's Board deems relevant.

Legal Proceedings

In the normal course of business, TME may be subject to lawsuits, claims, regulatory proceedings, litigation and income tax or other tax claims for amounts not covered by its liability insurance. Some of these proceedings could result in significant costs. For disclosure of the current claims, see "Information Concerning TME - Legal Proceedings Concerning TME".

Analyst Recommendations

The market for the Resulting Issuer Shares may be influenced, in part, by any research and reports that industry or securities analysts may publish about the Resulting Issuer, its business, market, or competitors. If any of the analysts who may cover the Resulting Issuer change their recommendation regarding the Resulting Issuer Shares adversely, or provide more favorable relative recommendations about the Resulting Issuer's competitors, its share price would likely decline. If any analysts who may cover the Resulting Issuer were to cease coverage or fail to regularly publish reports on the Resulting Issuer, the Resulting Issuer could lose visibility in the financial markets, which in turn could cause its share price or trading volume to decline.

Dilution of Equity Share Capital

The price of the Resulting Issuer Shares could decline if there are substantial issuances of Resulting Issuer Shares, or securities convertible into Resulting Issuer Shares, after completion of the Private Placement and Transaction. Assuming completion of the Consolidation on a 5 for 1 basis, the Transaction, the conversion of the Series D Preferred Shares and the Debentures, the Resulting Issuer will have 134,713,610 Resulting Issuer Shares issued and outstanding. See "Information Concerning the Resulting Issuer - Fully Diluted Share Capital of the Resulting Issuer".

Conversion of Debentures Not Indicative of Fair Value

The issuance of the Debentures was determined by the Board of CanAsia. Accordingly, the conversion price may not be indicative of the true fair value of the Resulting Issuer or the fair value of the securities to be issued to investors upon Closing of the Transaction. CanAsia is making no representations that the conversion price of the Debentures to be issued pursuant to the Private Placement bears, or will bear, any relationship to the assets, book value, net worth or any other recognized criteria of TME, CanAsia or the Resulting Issuer.

Sponsor for the Resulting Issuer

No sponsor has been retained in connection with the Transaction as CanAsia has applied for a waiver from sponsorship.

Adequacy of Insurance Coverage for TME

TME maintains insurance policies in accordance with the needs of its business. However, TME cannot guarantee that its insurance policies will provide adequate coverage should it face occurrences that result in losses. TME may not obtain certain insurance coverage or may experience difficulties in obtaining the insurance coverage it needs at acceptable levels and costs in the future, which could materially and adversely affect its business, financial condition and results of operations. TME does not carry any insurance for business interruption or loss of profit arising from accidents at any of its manufacturing facilities or other disruptions of its operations.

Accidents or natural disasters may also result in significant property damage, disruption of TME's operations and personal injuries or fatalities, and TME's insurance coverage may be inadequate to cover such losses. In the event of an uninsured loss or a loss in excess of TME's insured limits, it could suffer

damage to its reputation and/or lose all or a portion of its production capacity as well as future revenues expected to be generated by the relevant facilities. Any material loss not covered by TME's insurance could adversely affect its business, financial condition and results of operations.

Foreign Exchange Risk

The Resulting Issuer's financial results will be reported in Canadian dollars and a significant portion of its sales and operating costs are transacted in currencies other than Canadian dollars, most often euros and US dollars. In situations where TME is not fully hedged, TME's results of operations are affected by movements in these currencies against the Canadian dollar. Significant fluctuations in relative currency values against the Canadian dollar could thus have a significant impact on TME's future profitability.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the directors of CanAsia, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting relating to: (i) the receipt of the financial statements of CanAsia and the auditors' report thereon; (ii) fixing the number of directors; (iii) the election of directors; (iv) the appointment of auditors of CanAsia; (v) the approval of Mr. Sicheng Zhang as a Control Person (as defined herein) of the Corporation; (vi) the affirmation of the Stock Option Plan; (vii) the proposed Consolidation; (viii) the proposed Name Change; (ix) the approval of the Transaction; and (x) such other business as may be properly transacted at the Meeting.

I. FINANCIAL STATEMENTS AND AUDITOR'S REPORTS

The directors will place before the Meeting the audited financial statements of the Corporation for the year ended December 31, 2017 together with the auditors' report thereon. Shareholder approval is not required in relation to these financial statements.

II. FIXING NUMBER OF DIRECTORS

It is proposed that six (6) directors be elected to hold office on the Board of CanAsia for the next ensuing year, subject to the provisions of the articles of CanAsia relating to subsequent appointments by the Board. Management of CanAsia therefore intends to place before the Meeting, for approval, with or without modification, a resolution fixing the number of directors to be elected until the next annual meeting of shareholders, subject to the articles of CanAsia relating to subsequent appointments by the Board, at six (6) members. **In the absence of contrary directions, the management designees of CanAsia intend to vote proxies in favour of the ordinary resolution fixing the number of directors to be elected at six (6) in the event the Transaction is completed.**

III. ELECTION OF DIRECTORS

The Board presently consists of four (4) directors, all of whom are elected annually. The current directors of CanAsia shall retire from office at the Meeting, but shall remain in office until the dissolution of the Meeting.

It is proposed that the persons named below will be nominated for election as directors at the Meeting. **It is the intention of the management designees of CanAsia, if named as proxy, to vote for the election of said persons to the Board, as applicable. Management does not contemplate that any of such nominees will be unable to serve as directors. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors.**

Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of CanAsia.

The Board has adopted an individual voting standard for the election of directors at the Meeting. Under the individual voting standard, in the event that a nominee for director receives a greater number of votes "withheld" than votes "for" his election as a director, the Board shall consider the circumstances of such vote, the particular attributes of the director nominee including his knowledge, experience and contribution at Board meetings and make whatever determination the Board deems appropriate, including without limitation, requesting such director to resign at an appropriate time and advise shareholders of the Board's decision in that regard. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected. The Board may fill any vacancy created by any such resignation or determine to leave the resulting vacancy unfilled.

Shareholders should note that, as a result of the majority voting policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

The following information relating to the nominees as directors is based on information received by CanAsia from said nominees.

Name of Proposed Nominees and Municipality of Residence	Principal Occupation for Last Five Years	Director Since	Common Shares and Percentage Beneficially Owned or Controlled, Prior to the Transaction	Resulting Issuer Shares and Percentage, Directly or Indirectly, Beneficially Owned, After Completion of the Transaction and Consolidation⁽¹⁾
Yu-Chung (Jim) Hsieh Taichung, Taiwan	Chief Executive Officer of K Plus, a boutique corporate finance firm that specializes in cross border M&A transactions and strategic and investment advisory services, since 2007.	October 26, 2017	Nil	1,807,988 ⁽²⁾ (1.6%)
Sicheng Zhang Griza, Malta	President of Sino Composite Co. Ltd., a distributor of composite materials in China, since 1992.	October 26, 2017	29,000,000	47,705,062 ⁽³⁾ (43.3%)
Dale Burstall Calgary, Alberta	Partner of the law firm Burstall LLP since 1994.	March 25, 2015	50,000	10,000 (0.01%)
Serge Luquain Clermont-Ferrand, France	Director and Chief Executive Officer of TME since 2008.	Nominee	Nil	37,961,134 ⁽⁴⁾ (34.4%)
JianYong (Bill) Cui Calgary, Alberta	General Manager of Sales of Annie Choice International Ltd., a jewelry and clothing retailer, since 2008.	Nominee	Nil	Nil 0.00%
Ron Love Calgary, Alberta	Chief Financial Officer of Six Safety Systems Inc., a start-up company developing fatigue detection systems, since 2016. Prior thereto, Chief Financial Officer of Clarocity Corporation (formerly Zaio Corporation), a technology company focused in the real estate market, operating primarily in the US, from 2015 to 2016. Prior thereto, Executive Vice President and Chief Financial Officer of Karnalyte Resources Inc., a start-up potash mining company, from 2010 to 2015.	Nominee	Nil	Nil 0.00%

Notes:

- (1) The information as to Resulting Issuer Shares beneficially owned, as applicable, not being within the knowledge of the Corporation, has been furnished by the holders.
- (2) 1,807,043 of these Resulting Issuer Shares will be held indirectly through K Plus, a corporation controlled by Mr. Hsieh.
- (3) 41,904,117 of these Resulting Issuer Shares will be held indirectly through Malchemy, a corporation controlled by Mr. Zhang.
- (4) 37,960,189 of these Resulting Issuer Shares will be held indirectly through SPV Finances, a corporation controlled by Mr. Luquain.

The nominee directors of CanAsia, as a group, currently control 29,050,000 Common Shares, representing 25.67% of the outstanding Common Shares.

If the Consolidation (on a 5 for 1 basis) and Transaction are completed, the proposed directors, officers, Promoters and Insiders of the Resulting Issuer, as a group, will control, directly or indirectly, 87,484,184 Resulting Issuer Shares, representing 79.36% before giving effect to the exercise of any securities convertible or exercisable into Resulting Issuer Shares. See "Information Concerning the Resulting Issuer - Capitalization of the Resulting Issuer" and "Information Concerning the Resulting Issuer - Fully Diluted Share Capital of the Resulting Issuer".

Cease Trade Orders

Other than as disclosed below or elsewhere in this Information Circular, no proposed director of the Corporation is, as of the date hereof or has been, within the past ten years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company, being the subject of a cease trade order or similar order or an order that denied the company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days.

See also "Information Concerning the Resulting Issuer - Directors, Officers and Promoters of the Resulting Issuer".

Bankruptcy

Except as disclosed under the heading "Information Concerning the Resulting Issuer - Cease Trade Orders or Bankruptcies", no proposed director of the Corporation is, as of the date hereof, or has been within the past ten years, a director or executive officer of a company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcy

No proposed director of the Corporation has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties and Sanctions

Except as disclosed under the heading "Information Concerning the Resulting Issuer - Cease Trade Orders or Bankruptcies", no proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

IV. APPOINTMENT OF AUDITOR

Collins Barrow was the auditor of the Corporation from November 30, 2011 to the commencement of the Meeting. Collins Barrow has informed the Board that it will not stand for re-appointment as auditors of the Corporation at the Meeting as a result of the acquisition of substantially all of the assets of Collins Barrow by RSM Alberta LLP. By resolution of the Board dated November 29, 2018, the Board approved RSM Alberta LLP to stand for appointment as auditors of the Corporation at the Meeting. As required by National Instrument 51-102 – *Continuous Disclosure Obligations*, attached to this Information Circular as Schedule I is the Notice of Change of Auditor of the Corporation in respect of the appointment of RSM Alberta LLP, together with a letter from each of Collins Barrow and RSM Alberta LLP.

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to appoint the firm of RSM Alberta LLP to serve as auditors of the Corporation until the next annual meeting of the Shareholders or until a successor is appointed, and to authorize the directors to fix their remuneration.

V. APPROVAL OF NEW CONTROL PERSON

At the Meeting, or any adjournment thereof, disinterested shareholders will be asked to approve by ordinary resolution, the creation of a new Control Person (as defined below) of the Corporation.

The TSX Venture requires that the Corporation seek approval from disinterested shareholders with respect to the creation of a new Control Person. For the purposes herein, approval from disinterested shareholders means a majority of the votes cast by Shareholders, excluding the votes attaching to Common Shares beneficially owned by the proposed Control Person, its Affiliates, Associates and joint actors. Mr. Sicheng Zhang, the proposed Control Person, his Affiliates, Associates or joint actors beneficially own, as at the date hereof, an aggregate of 29,000,000 Common Shares, representing 25.63% of the currently issued and outstanding Common Shares. Upon the completion of the Transaction and after giving effect to the Consolidation, Mr. Zhang will hold, directly and indirectly, 47,705,062 Common Shares, or approximately 43.3% of the outstanding Common Shares, of which 41,904,117 will be held by Malchemy. Mr. Zhang, his Affiliates, Associates or joint actors beneficially own 44,339 TME Shares, or approximately 47.8% of the issued and outstanding TME Shares as at the date hereof.

Malchemy owns \$600,000 of Debentures as at the date hereof. Pursuant to the terms of the Debentures held by Malchemy, Malchemy is prohibited from exercising its rights of conversion and from receiving Common Shares in respect of the repayment of the principal amount of the Debentures or any part of it, including any accrued interest thereon, until such time as the holder receives disinterested shareholder approval to become a Control Person.

In addition, Mr. Zhang will own or control, directly or indirectly, 9,184,671 Series D Preferred Shares following completion of the Transaction. Each Series D Preferred Share may be converted, subject to certain conditions, into one Resulting Issuer Share at no additional cost for a period of five (5)

years from the date of issuance. See "Information Concerning CanAsia - Description of the Share Capital of CanAsia - Series D Preferred Shares".

Mr. Zhang also owns or controls, directly or indirectly, 31,915 Convertible Bonds Tranche B of TME. Pursuant to the Waiver Letter, if TME fails to repay the Convertible Bonds Tranche B on or before December 31, 2020, Mr. Zhang may convert the Convertible Bonds Tranche B into up to 30,163,063 Resulting Issuer Shares.

Following completion of the Transaction and after giving effect to the Consolidation, on a partially diluted basis (which assumes only Mr. Zhang converts his convertible securities) accounting for conversion of the Series D Preferred Shares, Debentures and the Convertible Bonds Tranche B, but not including any Resulting Issuer Shares issuable upon the exercise of stock options pursuant to the Stock Option Plan, held directly or indirectly by Mr. Zhang, Mr. Zhang will own, directly or indirectly, 91,852,796 Resulting Issuer Shares, or approximately 59.5% of the issued and outstanding Resulting Issuer Shares.

Disinterested shareholders will be asked to approve the creation of Mr. Zhang as a Control Person of the Corporation by passing the Control Person resolution at the Meeting (the "**Control Person Resolution**"), such resolution to be substantially in the form set forth below:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. Mr. Sicheng Zhang be approved and ratified as a new "Control Person" of the Corporation, as such term is defined under the policies of the TSX Venture; and
2. any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions."

For the creation of the new Control Person to be authorized, the Control Person Resolution must be passed by a simple majority of the votes cast by the disinterested shareholders of the Corporation present in person or by proxy at the Meeting. **Unless otherwise directed, management intends to vote such proxies in favour of the Control Person Resolution.**

The Board has concluded that it is in the best interests of the Corporation to proceed with the creation of the new Control Person. **The Board unanimously recommends (other than Mr. Zhang, who is not eligible to vote on such matters in his capacity as a director of the Corporation in accordance with the ABCA) that the disinterested shareholders vote in favour of the Control Person Resolution.**

VI. AFFIRMATION OF EXISTING STOCK OPTION PLAN OF CANASIA

The TSX Venture requires that all listed companies adopt a stock option plan. The Corporation has a stock option plan (the "**Stock Option Plan**") that is designed to advance the interests of the Corporation by encouraging eligible participants to hold equity in the Corporation through the acquisition of Common Shares. Shareholders will be asked at the Meeting to vote on a resolution to approve, for the ensuing year, the Stock Option Plan as described below, which was previously approved on January 4, 2018.

The Stock Option Plan provides that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. The Stock Option Plan permits the Board of Directors to grant up to ten (10%) percent of the issued number of Common Shares outstanding at the date of the stock option grant, as permitted by the policies of the TSX Venture. As at the date hereof, there are 11,316,805 Common Shares available under the Stock Option Plan. As of the date hereof, no options are outstanding under the Stock Option Plan.

Unless disinterested shareholder approval is obtained, the number of Common Shares reserved for issuance to any one person (other than consultants and employees performing investor relations activities) may not exceed five (5%) percent of the outstanding Common Shares. The number of Common Shares reserved for issuance to consultants and employees performing investor relations activities may not exceed two (2%) percent of the outstanding Common Shares. The Board of Directors determines the price per Common Share and the number of Common Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the TSX Venture. The price per Common Share set by the Board of Directors is subject to minimum pricing restrictions set by the TSX Venture.

Options may be exercisable for up to five years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. Options under the Stock Option Plan are not transferable or assignable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the option shall be limited to the number of Common Shares purchasable by the holder immediately prior to the time of his or her cessation of office or employment and the holder shall have no right to purchase any other Common Shares. Pursuant to the Stock Option Plan, options may be exercised 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Management of the Corporation believes that it would be in the best interest of the Corporation to adopt the Stock Option Plan to encourage the interest of directors, officers, employees and consultants of the Corporation and its Affiliates in the growth and development of the Corporation and its Affiliates by providing them with the opportunity through stock options to acquire an increased proprietary interest in the Corporation.

The Stock Option Plan is subject to the approval of the TSX Venture and the approval of the Shareholders, as required by the rules of the TSX Venture. Accordingly, the Shareholders will be asked at the Meeting to vote on a resolution to adopt the Stock Option Plan, for the ensuing year, in the form attached as Schedule G hereto. At the Meeting, the Shareholders will be asked to approve the following resolution:

"BE IT RESOLVED THAT:

1. The Stock Option Plan, substantially in the form set out as Schedule G to the Information Circular dated November 29, 2018 be and the same is hereby affirmed, ratified and approved until the next annual meeting of shareholders of the Corporation with such modifications as may be required by the TSX Venture Exchange;
2. The maximum number of Common Shares which may be issued under the Stock Option Plan shall be equal to ten percent (10%) of the then issued and outstanding Common Shares from time to time; and

3. any one director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

The foregoing resolution must be passed by a majority of the votes cast by the Shareholders who vote on the resolution at the Meeting. If the Stock Option Plan is not ratified by the Shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees, consultants and other personnel. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

VII. APPROVAL OF THE CONSOLIDATION

At the Meeting, or any adjournment thereof, shareholders will be asked to consider, and if thought fit, pass with or without variation, a special resolution (the "**Consolidation Resolution**") authorizing the Corporation to amend the Articles of the Corporation to effect the Consolidation of the Common Shares on the basis of one (1) post-consolidation Common Share for up to every five (5) pre-consolidation Common Shares then issued and outstanding, or such other lesser number of pre-consolidation Common Shares as may be determined by the Board in its sole discretion. The implementation of the Consolidation is a condition to closing of the Transaction. As of the date hereof, the Corporation has 113,168,052 Common Shares outstanding. The final basis of the Consolidation will be determined by the Board at the time of the Consolidation within the limits described above. In addition, notwithstanding approval of the proposed consolidation by the Corporation's shareholders, the Board, in its sole discretion, may revoke the special resolution, and abandon the Consolidation without further approval or action by, or prior notice to, the Corporation's shareholders.

The Corporation wishes to reduce the outstanding Common Share amounts to keep in line with other listed issuers on the Exchange. The Corporation believes that, if implemented, the Consolidation will promote increased liquidity and reduced volatility in the trading of the Common Shares. If approved and when implemented, the Consolidation will occur simultaneously for all of the Corporation's issued and outstanding Common Shares. The Consolidation will affect all holders of currently issued Common Shares uniformly and will not affect any shareholder's percentage ownership interest in the Corporation, except to the extent that the Consolidation would otherwise result in a shareholder owning a fractional Common Share. No fractional post-Consolidation Common Shares will be issued and no cash will be paid in lieu of fractional post-Consolidation Common Shares. Any fractional Common Shares resulting from the Consolidation will be rounded to the nearest whole Common Share, as applicable.

Assuming completion of the Consolidation and the Transaction, there will be 110,233,610 Common Shares issued and outstanding. See "Information Concerning the Resulting Issuer - Capitalization of the Resulting Issuer".

Assuming completion of the Consolidation and the Transaction, there will be 19,200,000 Series D Preferred Shares outstanding. See "Information Concerning the Resulting Issuer - Capitalization of the Resulting Issuer".

Risks Associated with the Consolidation

There can be no assurance that the market price of the Resulting Issuer Shares will increase as a result of the Consolidation. The marketability and trading liquidity of the Resulting Issuer Shares may not improve. The Consolidation may result in some shareholders owning "odd lots" of less than 100

Common Shares which may be more difficult for such shareholders to sell or which may require greater transaction costs per Resulting Issuer Share to sell.

Although approval for the Consolidation is being sought at the Meeting, such a Consolidation would become effective at a date in the future to be determined by the Board when the Board considers it to be in the best interests of the Corporation to implement such a Consolidation, which date is currently expected to be at or around the same date as the completion of the Transaction. The special resolution will also authorize the Board to elect not to proceed with, and abandon, the Consolidation at any time if it determines, in its sole discretion to do so.

Principal Effects of the Consolidation

The principal effects of the Consolidation include the following:

- (a) the fair market value of each Common Share may increase or decrease and will, in part, form the basis upon which further Common Shares or other securities of the Corporation will be issued;
- (b) the number of issued and outstanding Common Shares will be significantly reduced;
- (c) the exercise prices and the number of Common Shares issuable upon the exercise or deemed exercise of any stock options or warrants of the Corporation will be automatically adjusted based on the Consolidation ratio;
- (d) as the Corporation currently has an unlimited number of Common Shares authorized for issuance, the Consolidation will not have any effect on the number of Common Shares available for issuance; and
- (e) as the Corporation currently has an unlimited number of Series D Preferred Shares authorized for issuance, the Consolidation will not have any effect on the number of Series D Preferred Shares available for issuance.

Effect on Common Share Certificates

On the effective date of the Consolidation, CanAsia will instruct Computershare to issue and deliver share certificates or a DRS Advice (if available) representing post-consolidated Common Shares to the existing pre-consolidation shareholders of CanAsia. No further action will be required by shareholders of CanAsia in order to receive the post-consolidated Common Shares. On the effective date, pre-consolidation Common Shares of CanAsia will be considered null and void.

Special Resolution

The shareholders will be asked to approve the Consolidation by passing the Consolidation Resolution at the Meeting, such resolution to be substantially in the form set forth below:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Articles of the Corporation be amended to consolidate the issued and outstanding common shares on the basis of one (1) consolidated new common share for up to every five (5) pre-consolidation common shares then issued and outstanding, or such lesser number of pre-consolidation common shares as may be determined by the board of directors of the Corporation;

2. any one director or officer of the Corporation be and is hereby authorized and directed to execute all documents and instruments and take all such other actions as may be necessary or desirable to implement this resolution and the matters authorized hereby; and
3. the board of directors of the Corporation may, in their discretion, without further approval of the shareholders, revoke this special resolution at any time before the issuance of a Certificate of Amendment in respect of the foregoing."

For the Consolidation to be completed, the Consolidation must be passed by two-thirds (66 2/3%) of the votes cast with respect to the Consolidation Resolution by the shareholders of the Corporation present in person or by proxy at the Meeting. **Unless otherwise directed, management intends to vote such proxies in favour of the resolution approving the Consolidation.**

The Board has reviewed the terms of the Consolidation and concluded that it is in the best interests of the Corporation to proceed with the Consolidation. **The Board recommends that the shareholders vote in favour of the Consolidation Resolution.**

Irrespective of whether the Consolidation Resolution is passed by the shareholders of the Corporation, the majority of the Board may elect not to proceed with the Consolidation and other transactions contemplated in the Consolidation Resolution.

VIII. APPROVAL OF CHANGE OF NAME

At the Meeting, or any adjournment thereof, shareholders will be asked to approve a special resolution (the "**Name Change Resolution**") authorizing the Corporation to file articles of amendment under the ABCA to change the name of the Corporation from "CanAsia Financial Inc." to "Composite Alliance Group Inc.", or to such other name as the Board deems appropriate and as may be approved by the regulatory authorities (the "**Name Change**"), to be implemented at a date in the future to be determined by the Board to be in the best interests of the Corporation.

Although approval for the change of name of the Corporation is being sought at the Meeting, such a name change would become effective at a date in the future to be determined by the Board when the Board considers it to be in the best interests of the Corporation to implement such a change of name. The majority of the Board at its discretion may determine not to implement the Name Change Resolution at any time after the Meeting and after receipt of necessary regulatory approvals, but prior to the issuance of a certificate of amendment, without further action on the part of the shareholders.

The ABCA requires that any change in a Corporation's name must be approved by a special resolution of the shareholders of that corporation, being a majority of not less than two-thirds (66 2/3%) of the votes cast by shareholders who voted in respect of that resolution.

Special Resolution

The shareholders will be asked to approve the Name Change by passing the Name Change Resolution at the Meeting, such resolution to be substantially in the form set forth below:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the name of the Corporation be changed from "CanAsia Financial Inc." to "Composite Alliance Group Inc.", or such other name as the board of directors of the Corporation may, in their sole discretion, determine, and as may be approved by the regulatory authorities (including The TSX Venture Exchange Inc.), and that the Articles of the Corporation be amended to change the name of the Corporation to "Composite Alliance

Group Inc.", or such other name as the board of directors of the Corporation may, in their sole discretion, determine;

2. notwithstanding the approval by the shareholders of the Corporation of this special resolution, the board of directors of the Corporation is hereby authorized, by resolution at any time in its absolute discretion, to determine whether or not to proceed with the transactions contemplated by the Name Change without further approval, ratification or confirmation by the shareholders of the Corporation; and
3. any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions."

For the Name Change to be completed, the Name Change Resolution must be passed by two-thirds (66 2/3%) of the votes cast by the shareholders of the Corporation present in person or by proxy at the Meeting. **Unless otherwise directed, management intends to vote such proxies in favour of the resolution approving the Name Change.**

The Board has reviewed the terms of the Name Change and concluded that it is in the best interests of the Corporation to proceed with the Name Change at the Board's discretion. **The Board recommends that the shareholders vote in favour of the Name Change Resolution.**

Irrespective of whether the Name Change Resolution is passed by the shareholders of the Corporation, the Board may elect not to proceed with the Name Change and other transactions contemplated in the Name Change Resolution at the Board's discretion.

IX. APPROVAL OF THE TRANSACTION

At the Meeting, the shareholders of the Corporation will be asked to consider and if thought appropriate, pass, with or without variation, a resolution approving the Share Exchange Agreement and the Transaction (the "**Transaction Resolution**"). Pursuant to the policies of the TSX Venture and MI 61-101, in order to be effective, the Transaction Resolution must be passed by a majority of the votes cast by the minority shareholders of the Corporation present in person or by proxy at the Meeting. The Common Shares held directly or indirectly by Sicheng Zhang and Yu-Chung (Jim) Hsieh will be excluded from voting on this matter.

Accordingly, at the Meeting, shareholders of the Corporation will be asked to consider and, if thought appropriate, approve the following ordinary resolution to approve the Transaction:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the acquisition (the "**Transaction**") by CanAsia Financial Inc. ("**CanAsia**") of all of the outstanding shares of Techni Modul Engineering S.A. ("**TME**") as provided for in and subject to the terms and conditions set forth in the share exchange agreement (the "**Share Exchange Agreement**") dated as of November 29, 2018, among CanAsia, TME and the TME Shareholders, is hereby approved and authorized, with such restrictions or conditions as may be imposed by The TSX Venture Exchange Inc. (the "**Exchange**") and with discretion to modify the terms of the Transaction provided that such modifications are not material at any time prior to the completion thereof, all as more particularly

described in the management information circular of CanAsia dated November 29, 2018 (the "**Information Circular**");

2. the Share Exchange Agreement, substantially in the form attached to the Information Circular as Schedule A, be and is hereby approved, ratified and confirmed;
3. notwithstanding that this resolution has been passed (and the Share Exchange Agreement and the Transaction adopted) by the shareholders of CanAsia, the directors of CanAsia are hereby authorized and empowered without further notice to or approval of the shareholders of CanAsia: (i) to amend the Share Exchange Agreement to the extent permitted by the Share Exchange Agreement; and (ii) subject to the terms and conditions of the Share Exchange Agreement, not to proceed with the Transaction; and
4. any director or officer of CanAsia be, and such director or officer of CanAsia is hereby, authorized, instructed and empowered, acting for, in the name of and on behalf of CanAsia, to do or to cause to be done all such other acts and things in the opinion of such director or officer of CanAsia as may be necessary or desirable in order to fulfill the intent of this resolution and the matters authorized hereby."

In the absence of contrary directions, the management designees of CanAsia intend to vote proxies in favour of the Transaction Resolution.

Management and the Board are of the view that the Transaction is in the best interests of the shareholders of the Corporation. Accordingly, the Board recommends that all shareholders of the Corporation vote in favour of the Transaction Resolution.

Irrespective of whether the Transaction Resolution is passed by the shareholders of the Corporation, the Board may elect not to proceed with the Transaction and other transactions contemplated in the Transaction Resolution.

INFORMATION CONCERNING CANASIA

Corporate History of CanAsia

CanAsia was incorporated on June 26, 2008 under the ABCA and was classified as a "capital pool company" pursuant to the CPC Policy prior to completion of its qualifying transaction on November 25, 2010. The Common Shares have traded on NEX since September 2, 2016.

The registered and head office of CanAsia is located at Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

General Development of the Business of CanAsia

History

The Corporation completed its initial public offering under the CPC Policy on January 30, 2009 and the Common Shares were listed on the Exchange commencing on February 19, 2009 under the trading symbol "CNA.P".

On June 8, 2010, CanAsia announced that it had entered into an arm's length share exchange agreement (the "**Agreement**") dated May 1, 2010 with Mr. Jacky Chak-Sun Cheng, a Hong Kong resident and Mondeo Development Group Ltd. ("**Mondeo**"), a private corporation incorporated under the laws of the British Virgin Islands which was engaged in the business of designing, manufacturing and distributing optical modules for mobile devices.

Pursuant to the terms of the Agreement, on November 25, 2010, CanAsia acquired all of the issued and outstanding securities of Mondeo and, indirectly, all of the issued and outstanding securities of Mondeo's subsidiaries, Pacific Optical Technologies (Hong Kong) Limited ("**Pacific Optical**") and Pacific Optical Technologies (Shenzhen) Ltd. ("**Pacific Shenzhen**"), in consideration of: (i) the payment by CanAsia of a \$25,000 non-refundable deposit; (ii) the issuance of 36,000,000 CanAsia Shares at a deemed price of \$0.10 per Common Share; and (iii) the issuance of 29,000,000 Series B Preferred Shares at a deemed price of \$0.10 per share for a total deemed transaction value of \$6.525 million which constituted CanAsia's qualifying transaction as defined in the CPC Policy.

On October 18, 2011, Mondeo changed its name to Pacific Mobile Inc. ("**Pacific Mobile**"). Pacific Mobile had exclusive rights to market, distribute and sell Hyundai Corporation mobile phones in the Philippines and commenced this operation in fiscal 2012.

On December 7, 2012, the Corporation sold Pacific Optical and 61.41% of Pacific Shenzhen, in consideration of RMB 2,200,000 (\$350,000). On April 9, 2013, CanAsia announced the termination of the agreement with Hyundai Corporation and the intention of seeking other business opportunities.

On September 9, 2013, the Corporation closed two private placements for aggregate gross proceeds of \$1,250,000. The Corporation issued 20,000,000 Common Shares at a price of \$0.025 per share and 15,000,000 units of CanAsia (the "**Units**") at a price of \$0.05 per Unit. The Units were comprised of one (1) Series C Preferred Share and one-half (1/2) of one CanAsia Warrant. Each whole CanAsia Warrant entitles the holder to purchase one Common Share at a price of \$0.20 per share until September 9, 2018, in accordance with their terms.

On October 9, 2013, the Corporation announced that it had signed an arms-length non-binding letter of intent dated October 3, 2013 with Global Neuro Technologies Inc. ("**GNTI**"), a private company incorporated under the laws of the British Virgin Islands, whereby CanAsia would acquire all of the outstanding shares of GNTI by issuing to the shareholders of GNTI a total of 714,285,714 units of CanAsia at a deemed value of \$0.07 per unit for an aggregate consideration of CDN\$50 million (the "**Proposed Acquisition**"). A condition precedent to the Proposed Acquisition was a concurrent financing to be completed by CanAsia. The financing was not completed and therefore, the Proposed Acquisition was terminated.

On September 6, 2018, the Common Shares of the Corporation began trading on NEX.

On September 27, 2018, the Corporation announced that it had signed the Letter of Intent, whereby CanAsia would acquire all of the outstanding TME Shares by: (i) issuing to the TME Shareholders a total of 87,600,000 Purchase Price Common Shares at a deemed value of \$0.125 per share for an aggregate consideration of CDN\$10,950,000; and (ii) issuing to the TME Shareholders a total of 19,200,000 Series D Preferred Shares.

Subject to certain conditions, each Series D Preferred Share issued as part of the Transaction may be converted into one Resulting Issuer Share at no additional cost for a period of five (5) years from the date of issuance. Each Series D Preferred Share is convertible to one Resulting Issuer Share only if: (i) Success is achieved; (ii) and Mr. Serge Luquain continues his employment by, and/or corporate mandate with, TME and/or CanAsia for no less than 36 months from the completion date of the Transaction.

An aggregate of 81,685,129 Resulting Issuer Shares and 17,901,398 Series D Preferred Shares will be deposited into escrow pursuant to the terms of the TSX Venture Escrow Agreement and will be released from escrow in stages over a period of up to three years from the date of the Final Exchange Bulletin. See "Information Concerning the Resulting Issuer - Escrowed Securities of the Resulting Issuer".

If Success is not achieved within 36 months from the Closing Date, the Resulting Issuer may, in its discretion, cancel all of the Series D Preferred Shares issued in exchange for the TME Shares.

See "Background Concerning the Proposed Transaction - Description of the Share Exchange Agreement".

Selected Financial Information Concerning CanAsia

	<u>Year Ended December 31, 2016</u>	<u>Year Ended December 31, 2017</u>	<u>Six Month Period Ended June 30, 2018</u>
Total Expenses	\$112,656	\$107,096	\$117,997
Deferred Expenditures in connection with the Transaction ⁽¹⁾	Nil	Nil	\$348,750

Notes:

(1) The deferred expenditures include fees for professional, auditor, legal and appraiser services, as well as operating expenses incurred during the second half of 2018.

As of the date hereof, in the event the Transaction is not completed, CanAsia estimates it will have approximately \$43,250 in cash and deposits remaining.

Financial Statements of CanAsia

The audited financial statements of CanAsia for the years ended December 31, 2017 and 2016, as well as the unaudited financial statements for the six month period ended June 30, 2018 are attached to this Information Circular as Schedule B.

Management Discussion and Analysis of Operating Results of CanAsia

CanAsia's management's discussion and analysis for the years ended December 31, 2017 and 2016, as well as for the six month period ended June 30, 2018 are attached to this Information Circular as Schedule C.

Description of Share Capital of CanAsia

Common Shares

CanAsia is authorized to issue an unlimited number of Common Shares. The holders of Common Shares are entitled to dividends if, as and when declared by the directors, to one vote per share at meetings of the shareholders of CanAsia and, upon liquidation, dissolution or winding-up of the Corporation, to receive such assets of CanAsia as are distributable to the holders of the Common Shares.

Preferred Shares

CanAsia is also authorized to issue an unlimited number of preferred shares without nominal or par value. The preferred shares of CanAsia may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The preferred shares of CanAsia rank on a parity with the preferred shares of every other series and are entitled to a priority over the Common Shares, and any other class of shares ranking junior to the preferred shares of CanAsia with respect to the payment of dividends and the distribution of assets upon the liquidation, dissolution or winding-up of the Corporation.

Series D Preferred Shares

The Series D Preferred Shares will be created prior to Closing. Except as otherwise specifically provided in the ABCA, the holders of the Series D Preferred Shares shall not be entitled to receive notice of and to attend and vote at any meeting of the shareholders of the Corporation or to receive any dividends.

The holders of Series D Preferred Shares shall have the right, subject to the Corporation meeting the Exchange's requirements, for a period of five (5) years from the Closing Date, to convert, for no additional consideration, any or all of the Series D Preferred Shares into Resulting Issuer Shares on the basis of one (1) Resulting Issuer Share for each Series D Preferred Share converted only if TME achieves Success.

If Success is not achieved within 36 months from the Closing Date, the Resulting Issuer may, in its discretion, cancel all of the Series D Preferred Shares issued in exchange for the TME Shares.

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Series D Preferred Shares are entitled to receive in respect of each such share, before any distribution of any part of the assets of the Corporation among the holders of the Resulting Issuer Shares and any other class of shares of the Corporation ranking junior to the Series D Preferred Shares, an amount equal to \$nil for each of the Series D Preferred Shares.

Stock Option Plan

CanAsia adopted the Stock Option Plan which provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of CanAsia, or any subsidiary of CanAsia, the option to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares. In addition, the number of Common Shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares or 2% in the case of a person who is a consultant or an employee conducting Investor Relations Activities (as such terms are defined in the Exchange Policies). The Board determines the exercise price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the Exchange. The exercise price per Common Share set by the Board shall not be less than the last price at which a full board lot of Common Shares was, on the last business day prior to the date on which such option is granted, traded on the Exchange or such other principal market on which the Common Shares are then traded, less the applicable discount permitted (if any) by such applicable exchange or market. Options under the Stock Option Plan are non-assignable and non-transferable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of CanAsia, or its subsidiary, the option of the holder shall be limited to the number of Common Shares purchasable by him/her immediately prior to the time of his/her cessation of office or employment and he/she will have no right to purchase any other Common Shares. Options must be exercised within 90 days of termination of employment or cessation of position with CanAsia, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the option must be exercised within 12 months after such death, subject to the expiry date of such option.

As at the date hereof, there are no options outstanding. The Corporation plans to issue options to purchase up to 11,023,361 Resulting Issuer Shares at \$0.125 per Resulting Issuer Share prior to or in conjunction with the completion of the Transaction.

See "Information Concerning the Resulting Issuer - Options to Purchase Securities of the Resulting Issuer".

Prior Sales of Shares of CanAsia

In the 12 months prior to the date of this Information Circular, the Corporation issued an aggregate of 15,000,000 CanAsia Shares to certain individuals on September 6, 2018 pursuant to the conversion of series C preferred shares of CanAsia for no consideration. The series C preferred shares were originally issued for \$0.05 per share.

Trading Range of the Common Shares of CanAsia

The following table sets forth information relating to the trading of the Common Shares on the Exchange.

<u>Period/Year</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
Third Quarter 2016 ⁽¹⁾	N/A	N/A	N/A
Fourth Quarter 2016 ⁽¹⁾	N/A	N/A	N/A
First Quarter 2017 ⁽¹⁾	N/A	N/A	N/A
Second Quarter 2017 ⁽¹⁾	N/A	N/A	N/A
Third Quarter 2017	N/A	N/A	N/A
Fourth Quarter 2017	\$0.15	\$0.005	718,210
First Quarter 2018	\$0.50	\$0.025	4,210,750
Second Quarter 2018	\$0.02	\$0.015	673,407
July 2018	\$0.03	\$0.020	68,800
August 2018	\$0.03	\$0.020	318,494
September 2018 ⁽¹⁾	\$0.03	\$0.015	222,600

Notes:

- (1) The Common Shares were cease traded for failure to file financial statements from May 5, 2016 until September 27, 2017 and resumed trading on October 6, 2017.
- (2) Trading in the Common Shares on the Exchange was halted on September 25, 2018 in conjunction with the press release issued by the Corporation announcing the entering into of the Letter of Intent with TME and will remain halted until the completion of the Transaction.

Executive Compensation

The Canadian Securities Administrators (the "CSA") has implemented Form 51-102F6 - Statement of Executive Compensation ("**Form 51-102F6**"), which governs the disclosure of executive compensation for reporting issuers. The Form 51-102F6, defines "**Named Executive Officers**" as the Chief Executive Officer, the Chief Financial Officer and each of the Corporation's three most highly compensated officer other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was more than \$150,000.

All dollar amounts set forth in this Management Information Circular are in Canadian dollars, except where otherwise indicated.

Compensation Discussion and Analysis

The Corporation's executive compensation program is comprised of the following components: base salary and long-term incentives. Together, these components support the Corporation's long-term growth strategy and the following objectives:

- to align executive compensation with shareholders' interests;
- to attract and retain highly qualified management;

Name and Principal Position	Year Ended Dec. 31	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Debbie Chien ⁽³⁾ Chief Financial Officer	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Louie was appointed as Interim Chief Financial Officer of the Corporation on May 1, 2016 and resigned as Interim Chief Financial Officer of the Corporation on December 1, 2017.
(2) Mr. Kim resigned as Chief Financial Officer of the Corporation on April 30, 2016.
(3) Ms. Chien was appointed as Chief Financial Officer of the Corporation on December 1, 2017.

Incentive Plan Awards*Outstanding Option Based Awards and Share Based Awards*

The following table sets forth for each Named Executive Officer all option based awards and share based awards outstanding at the end of the year ended December 31, 2017:

Name	Option Based Awards				Share Based Awards ⁽¹⁾	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
James G. Louie	Nil	N/A	N/A	N/A	N/A	N/A
Jacob Sung Kyung Kim ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
Debbie Chien ⁽³⁾	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) The Corporation has no share based awards.
(2) Mr. Kim resigned as Chief Financial Officer, Corporate Secretary and a director of the Corporation on April 30, 2016.
(3) Ms. Chien was appointed as Chief Financial Officer of the Corporation on December 1, 2017.

Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer the value of option based awards and share based awards, which vested during the year ended December 31, 2017 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value Earned during the year (\$)
James G. Louie	Nil	Nil	Nil
Jacob Sung Kyung Kim ⁽¹⁾	Nil	Nil	Nil
Debbie Chien ⁽²⁾	Nil	Nil	Nil

Notes:

- (1) Mr. Kim resigned as Chief Financial Officer, Corporate Secretary and a director of the Corporation on April 30, 2016.
(2) Ms. Chien was appointed as Chief Financial Officer of the Corporation on December 1, 2017.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits at, following, or in connection with retirement. The Corporation does not have a defined contribution plan.

Termination and Change of Control Benefits

There is no plan or arrangement in respect of compensation received or that may be received by the Named Executive Officers with a view to compensating such individuals in the event of termination of their employment or a change of responsibilities following a change of control. In addition, there are no plans in place with respect to any of the Corporation's directors or executive officers for termination of employment, change in responsibilities or under employment contracts.

Long-term Incentive Awards

Save as disclosed herein, the Corporation made no long-term incentive awards to any Named Executive Officers during the most recently completed financial year. There are no pension plan benefits in place for any Named Executive Officer.

Director Compensation

Directors' Compensation Table

Other than the right to participate in the Stock Option Plan and to be granted options, directors of the Corporation did not receive any compensation for services rendered in such capacity. Named Executive Officers who also act as directors do not receive any compensation for services rendered in such capacity other than as paid by the Corporation to such executive officers in their capacity as executive officers.

Outstanding Option Based Awards and Share Based Awards

The following table sets forth for each of the Corporation's directors, other than directors who are also Named Executive Officers, the value of option based awards and share based awards which vested during the year ended December 31, 2017 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017:

Name	Option-based Awards⁽¹⁾			Share-based Awards⁽²⁾		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Jay Leung ⁽³⁾	Nil	N/A	N/A	N/A	N/A	N/A
Dale Burstall	Nil	N/A	N/A	N/A	N/A	N/A
Sicheng Zhang	Nil	N/A	N/A	N/A	N/A	N/A
Yu-Chung (Jim) Hsieh	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) No options were outstanding at December 31, 2017.
- (2) The Corporation has no share based awards.
- (3) Mr. Leung resigned as a director of the Corporation on August 13, 2018.

Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer the value of option based awards and share based awards, which vested during the year ended December 31, 2017 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value Earned during the year (\$)
Jay Leung ⁽¹⁾	Nil	N/A	N/A
Dale Burstall	Nil	N/A	N/A
Sicheng Zhang	Nil	N/A	N/A
Yu-Chung (Jim) Hsieh	Nil	N/A	N/A

Note:

(1) Mr. Leung resigned as a director of the Corporation on August 13, 2018.

Securities Authorized for Issuance under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2017:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (A)	Weighted-average exercise price of outstanding options, warrants and rights (B)	Number of securities remaining available for future issuance under equity compensation (excluding securities reflected in column (A)) (C)
Equity compensation plans approved by security holders	Nil	N/A	9,816,805
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	Nil		9,816,805

Directors' and Officers' Liability Insurance

The Corporation provides, from time to time, at its expense, insurance for its directors and officers as well as the directors and officers of the Corporation's Affiliates and subsidiaries. The insurance is for liability incurred by any of them in their capacity as a director or officer of the Corporation. Currently the Corporation does not have insurance in place but plans to do so around the time of the completion of the Transaction. The by-laws of the Corporation and indemnity agreements entered into or to be entered into with each director and officer also provide indemnification, subject to certain limitations.

Corporate Governance

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. CSA have adopted National Policy 58-201 - *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and which contribute to effective and efficient decision making. The Board has adopted a compensation and corporate governance committee charter.

Board of Directors

The Board of Directors is currently comprised of four (4) members: James G. Louie, Dale Burstall, Sicheng Zhang and Yu-Chung (Jim) Hsieh. Yu-Chung (Jim) Hsieh is currently independent as defined pursuant to NI 58-101 and National Instrument 52-110 – Audit Committees ("**NI 52-110**"). Sicheng Zhang is not independent by virtue of being a Control Person, James G. Louie is not independent by virtue of being the Chief Executive Officer of the Corporation and Dale Burstall is not independent by virtue of being legal counsel to the Corporation.

NI 58-101 suggests that the Board of Directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. Upon completion of the Transaction, the Corporation will have two independent directors, JianYong (Bill) Cui and Ron Love. In conjunction with the completion of the Transaction, Yu-Chung (Jim) Hsieh will be appointed as President and Chief Executive Officer and will not be independent.

The Board of Directors facilitates independent supervision of management through meetings of the Board of Directors and through informal discussions among independent members of the Board of Directors and management. In addition, the Board of Directors have free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers. The Board believes that it functions independently of management. The Board transacts business as required, without management present. When conflicts do arise, interested parties are precluded from voting on matters in which they may have an interest. The Board of Directors has adopted a Board of Directors charter.

Committee Chairs

Every chair of a Board committee shall have, among others, the following responsibilities: (i) planning committee meetings, establishing the agenda of these meetings and coordinating the activities of the Corporate Secretary as regards the affairs of the committee; and (ii) chairing all of the meetings of the committee, ensuring the proper and efficient conduct hereof, ensuring that all members are able to express their opinions on the topics being discussed and making sure that the decisions or recommendations made by the committee are clear.

The chair of a committee shall report to the Board in matters relating to his mandate and to the work of his committee.

Orientation and Continuing Education

The Corporation has not implemented a formal orientation and continuing education program. At present, new directors are given an outline of the nature of the Corporation's business, its corporate strategy and current issues with the Corporation. New directors are also expected to meet with management of the Corporation to discuss and better understand the Corporation's business and will be advised by counsel to the Corporation of their legal obligations as directors of the Corporation.

The introduction and education process will be reviewed on an annual basis by the Board and will be revised as necessary.

Ethical Business Conduct

The Corporation does not have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants. The Board monitors ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board is responsible for collectively developing and implementing principles and systems for the management of corporate governance and for identifying qualified candidates and recommending nominees for director and board committee appointments.

Other Board of Directors Committees

The Corporation has no standing committees at this time other than the Audit Committee and the Compensation and Corporate Governance Committee.

Compensation and Corporate Governance Committee

The Corporation is committed to ensuring that its business is conducted in compliance with applicable governmental laws, rules and regulations and in an honest and ethical manner. As such, the Corporation has a Compensation and Corporate Governance Committee.

The proposed Compensation and Corporate Governance Committee will consist of three (3) members: Dale Burstall, JianYong (Bill) Cui and Ron Love. JianYong (Bill) Cui and Ron Love are independent. Dale Burstall is not independent by virtue of being legal counsel to the Corporation.

Assessments

The Board has not implemented a process for assessing its effectiveness. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board does not formally assess the performance or contribution of individual Board members or committee members.

Audit Committee

The audit committee (the "**Audit Committee**") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in the Corporation's audit committee mandate.

Audit Committee Charter

The Board has developed a written audit committee charter (the "**Charter**"). A copy of the Charter is attached hereto as Schedule H to this Information Circular.

Composition of the Audit Committee

The proposed Audit Committee will consist of three (3) members: Ron Love, JianYong (Bill) Cui and Yu-Chung (Jim) Hsieh. Two of the members of the proposed Audit Committee, Ron Love and JianYong (Bill) Cui, will be independent as defined pursuant to NI 58-101 and NI 52-110. Yu-Chung (Jim) Hsieh will not be independent by virtue of being appointed the President and Chief Executive Officer of the Corporation in conjunction with the completion of the Transaction. All of the members of the proposed Audit Committee are "financially literate" for the purposes of NI 52-110.

The audit committee is responsible for, and assists the Board in fulfilling its responsibility for: (i) the oversight and supervision of the audit of financial statements of the Corporation; (ii) the management of the relationship with the auditor of the Corporation; (iii) meeting with the auditor as required in connection with the audit services provided by the auditor; (iv) the oversight and supervision of the accounting and financial reporting practices and procedures of the Corporation; (v) the oversight and supervision of the adequacy of the Corporation's internal accounting controls and procedures; and (vi) the oversight and supervision of the quality and integrity of the Corporation's financial statements.

Relevant Education and Experience

Ron Love

Mr. Love is a Chartered Accountant with over 25 years' experience in senior financial roles in various companies and industries. Mr. Love received his Chartered Accountant designation in 1994 after obtaining his Bachelor of Commerce degree from the University of Calgary. He has substantial experience as a Chief Financial Officer in various public companies with businesses crossing international borders.

JianYong (Bill) Cui

Mr. Cui received his masters in civil engineering from Beijing Jiaotong University and has extensive experience in technical operations as well as sales management, including General Manager of Sales of Annie Choise International Ltd.

Yu-Chung (Jim) Hsieh

Mr. Hsieh received an MBA from Tunghai University in Taiwan where he also serves as a lecturer. Mr. Hsieh has been a financial advisor over the past 30 years and he previously worked with Deloitte & Touche and Arthur Anderson as a Partner and Head of Corporate Finance, and now manages a financial advisory firm.

Pre-Approval Policies and Procedures

The Audit Committee reviews and pre-approves any engagement for non-audit services to be provided by the external auditors or its Affiliates, together with estimated fees, and considers the impact on the independence of the external auditor.

External Auditor Service Fees

The following table provides information about the fees billed to the Corporation for professional services rendered by Collins Barrow during the 2016 and 2017 fiscal years:

	<u>2016</u>	<u>2017</u>
Audit Fees	\$11,000	\$11,000
Audit Related Fees ⁽¹⁾⁽²⁾	\$3,750	\$4,750
Total ⁽³⁾	\$14,750	\$15,750

Notes:

- (1) Audit fees consist of fees for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings or engagements.
- (2) Includes Tax Fees and All Other Fees.
- (3) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf. These additional costs are not material as compared to the total professional services fees each year.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

As the Corporation is a venture issuer on the Exchange, it relies on the exemption in section 6.1 of NI 52-110 (Venture Issuers), which exempts venture issuers from the requirements of Part 3 Composition of the Audit Committee and Part 5 Reporting Obligations of NI 52-110.

Indebtedness of Directors, Senior Officers and Promoters of CanAsia

No director, executive officer, employee or former director, executive officer or employee of the Corporation nor any of their Associates or Affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

Interest of Certain Persons in Matters to be Acted Upon

Other than as set forth elsewhere in this Information Circular, the management of CanAsia is not aware of any material interest, direct or indirect, of any director, proposed director, senior officer, executive officer or Promoter, or any of their respective Associates or Affiliates, in any matter to be acted upon at the Meeting.

Interest of Insiders in Material Transactions of CanAsia

Other than as set forth elsewhere in this Information Circular, the management of CanAsia is not aware of any material interest, direct or indirect, of any insider of CanAsia, any nominee for election as a director of CanAsia, or any Associate or Affiliate of any such Person, in any transaction since the date of incorporation, or in any proposed transaction, that has materially affected or would materially affect CanAsia.

Management Contracts of CanAsia

Management of CanAsia is performed by the directors, senior officers and executive officers of CanAsia and not by any other Person.

Non Arm's Length Transactions of CanAsia

The proposed Transaction is a Non Arm's Length Transaction.

Legal Proceedings Concerning CanAsia

Management of CanAsia is not aware of any material legal proceedings outstanding, pending or threatened as at the date hereof, by or against CanAsia, which would be material to a purchaser of securities of CanAsia.

Auditors, Transfer Agent and Registrar of CanAsia

The auditors of CanAsia are Collins Barrow, Suite 2500, 10104 - 103 Avenue, Edmonton, Alberta T5J 0H8. At the Meeting it will be proposed that RSM Alberta LLP be appointed auditors of CanAsia. See "Particulars of Matters to be Acted Upon – Appointment of Auditors".

Computershare, through its principal offices at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, is the transfer agent and registrar for the Common Shares.

Material Contracts of CanAsia

Other than the Share Exchange Agreement and TSX Venture Escrow Agreement, CanAsia has not entered into any material contracts during the last two years, other than contracts in the ordinary course of business. See "Background Concerning the Proposed Transaction – Description of the Share Exchange Agreement" and "Information Concerning the Resulting Issuer – Escrowed Securities".

Copies of these agreements will be available for inspection at the office of counsel to CanAsia, Burstall LLP, located at Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, at any time during ordinary business hours up to and including the date of the Meeting, as well as for a period of 30 days thereafter. Material contracts may also be found under CanAsia's profile on SEDAR at www.sedar.com.

Additional Information Concerning CanAsia

Additional information relating to the Corporation may be found under CanAsia's profile on SEDAR at www.sedar.com. Financial information regarding the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Securityholders of the Corporation may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis.

INFORMATION CONCERNING TME

Glossary

The following list is a supplement to the "Glossary of Terms" contained in this Information Circular, and includes technical terms applicable to TME's business.

"**compression resin transfer molding**" or "**C-RTM**" is the process that combines the RTM type injection in an open mold and the compression of the resin through the fibers. This process has the advantage of greatly reducing the manufacturing time or injecting more viscous resins

"**final pressure transfer molding**" or "**FPTM**", is TME's proprietary molding process, designed to replace the use of an autoclave (a strong, heated container used for chemical reactions and other processes using high pressures and temperatures). The term "FPTM" has been trademarked by TME.

"**infusion molding**" or "injection molding" is a manufacturing process for producing parts by injecting resin material inside a preform into a mold.

"**molding**" is the process for the polymerization of the part in a cavity, called a mold, having the shape of the final product, which TME produces.

"**preforming**" is the process of creating a three-dimensional fabric form designed to conform to a specific shape to meet mechanical and structural requirements. The resulting part is called a preform.

"**prepreg molding**" is a molding process involving 'pre-impregnated' composite fibers where a thermoset polymer matrix material, such as epoxy, is already present. Pre-preg molding allows the polymerization (or curing) of pre-impregnated fibers or fabrics, on a mold to the final shape of the part to be produced.

"**resin-transfer molding**" or "**RTM**" is a manufacturing process where resin is forced into an enclosed mold, using high pressures to uniformly fill the mold cavity, allowing thicker reinforcing fiber matrices to be completely saturated by resin.

"**self-heated thin mold**" or "**TSHM**" is TME's proprietary process which creates thin composite molds by adapting the heating fluid circuit to the geometry of the composite part, increasing temperature control and thereby reducing mold production times significantly. The term "TSHM" has been trademarked by TME.

"**thermoforming**" is a manufacturing process where a plastic sheet is heated to a pliable forming temperature, to be formed to a specific shape onto a mold, and trimmed to create a useable product.

"**thermoplastic composites**", are materials using thermoplastic resins, allowing shorter manufacturing times and easier recycling.

"**thermoplastic stamping**" is the process of forming thermoplastic materials, heated to the melting temperature of the resin, by quickly transferring it into a closed mold under high pressures.

"**unmolding**" is the process of removing the molding part.

Corporate Structure of TME

TME is a private company existing under the laws of France and was created by way of amalgamation as a limited company (Société Anonyme) in Clermont-Ferrand, France on April 25, 2008. TME's registered and head office is located at ZA de Perache, 63114, Coudes, Puy-de-Dôme, France.

TME is not a "reporting issuer" as defined in applicable Canadian securities laws, in any jurisdiction of Canada and is not the equivalent in any other jurisdiction. No TME Shares or other securities issued by TME are listed for trading on any stock exchange or similar trading platform.

History

In December of 1986, Mr. Serge Luquain, the founder and current Chief Executive Officer of TME, established Ordimoule S.A. ("**Ordimoule**"), a private company which specialized in the design and manufacture of industrial molds and focused on processing technologies of composite materials. In 1996, Mr. Luquain founded Techni-Modul S.A. ("**Techni-Modul**"), which specialized in the design and manufacture of special molding machines for the composite market. On April 25, 2008, Ordimoule and Techni-Modul merged to form TME (Techni Modul Engineering S.A.).

Description of the Business of TME

TME specializes in industrial turn-key solutions for the fabrication of composite components and caters mostly to the aerospace and automotive industries. In essence, TME designs and manufactures the machines and processes that it sells to its customers who use those machines and processes to fabricate composite components. TME provides optimized and innovative composite manufacturing solutions worldwide for various processes and for different functions such as preforming, compaction, molding, unmolding, transfer/handling/unmolding and completion. Moreover, TME can integrate different elements into full production lines with low, medium or high degrees of automation. TME's services include engineering, automation and robotization, manufacturing optimization, prototyping, commission, and after-sales support. TME also provides molding presses, molds, lay-up equipment and tool products.

TME's core strategy is to transform itself from a composite mold and equipment supplier into one of the leading composite forming/curing automation systems & solutions provider in the global advanced composite material market.

Intercorporate Relationships

TME has one subsidiary, Composite Alliance Corp. ("**CAC**"), and one investment in a company in which it owns 2.73% of the outstanding share capital, 2MATech.

TME owns 70% (1,400 out of 2,000) of the voting securities of CAC, which is a corporation incorporated on July 24, 2014 in Delaware and operates out of Dallas, Texas. CAC was formed to facilitate TME's expansion into North and South American markets. CAC is made up of a partnership between TME, Malchemy, a company controlled by Mr. Sicheng Zhang, a director of both TME and the Corporation, and Isojet Equipements S.A.R.L. ("**Isojet**"). TME owns or controls direction over 70% of the voting securities of CAC, while Malchemy and Isojet own 20% and 10%, respectively. In addition to CAC's office in Dallas, Texas, TME has representatives in Israel, China, Taiwan, France, India, Japan and the United Kingdom.

TME owns 2.73% of the share capital of 2MATech, which was incorporated October 15, 2013 under French law. 2MATech was formed to support organizations in their technological transitions, innovations and optimization.

Acquisitions and Dispositions

On June 26, 2018, TME sold its wholly owned subsidiary, EST Technologies SRL ("**EST**") for total proceeds of €31,000 to an arm's length party. EST was incorporated in 2009 in Bacau, Romania and provided contracting services related to the assembly of mechanical parts, welding and machining. TME acquired all of the issued and outstanding equity securities of EST in 2016 for nominal consideration from a Non Arm's Length Party.

Product and Services History and Development

TME's principal product is the development of turn key industrial solutions. Each of TME's project includes the creation of an industrial process ranging from automated production lines to single component creation and including engineering, automation and robotization, manufacturing optimization, prototyping, commissioning and after sales support. These customizable process methods incorporate RTM, C-RTM, FPTM, as well as infusion, prepreg molding, and thermoforming.



History

In 2008, TME introduced "Brace 787", which was the first production unit created by the Company. Brace 787 is process used to create composite landing gear braces for aircrafts through preforming and cooking / injection. Initially created for one of TME's largest and longest standing clients, the production of Brace 787 gave rise to many other projects. Messier-Bugatti-Dowty's choice to develop fiber reinforced composite main landing gear braces for the Boeing 787 Dreamliner was unique, the world's first use of structural composites in commercial aircraft landing gear. From the start, the landing gear design efforts focused on three primary areas: introduction of new materials to minimize landing gear weight, the use of environmentally acceptable alternatives to chromium and cadmium, and the increased use of corrosion resistant materials. The introduction of the composite brace helped to achieve each of these goals.

In 2012, TME commenced its large-scale research and development program. Through this program, TME has achieved the following developmental milestones:

- In 2012, TME created the self-heated thin mold ("**TSHM**") process, which creates thin composite molds by adapting heating fluid circuit to the geometry of a composite part, increasing temperature control and thereby significantly reducing mold production times. TSHM also includes a system for closing tools, which uses a vacuum cleaner and avoids the use of presses or other systems.

- In 2013, TME created the final pressure transfer molding ("**FPTM**") process, designed to replace the use of autoclaves (a strong, heated container used for chemical reactions and other processes using high pressures and temperatures). FPTM is TME's process in fabricating composite parts using prepreg materials in a closed mold. FPTM provides the advantage of uniform pressure application on a particular part and does not require any additional inputs.
- In 2015, TME created a robotization program called "Smart Pick & Place". Smart Pick & Place is an automated preform work cell utilizing robotic placement with preforming and quality inspection in the assembly and formation of client specific RTM parts. As a result of this development, TME received awards in 2016 at the Composites and Advanced Materials Expo, as well as the JEC Innovation Awards.
- In 2016, TME implemented into its products and services line "TME 2.0", being automation processes commercially registered under the names "Smart Pick & Place", "Smart Injection" and "Smart Control". TME 2.0 describes TME's system of automation and robotization, the implementation of which allows TME's customers to optimize manufacturing processes and decrease production times significantly. Smart Control is TME's multifunction control tool developed to assist manual lay-up or robotic pick and place preform processing and quality management.

The terms "Smart Pick & Place", FPTM, TSHM and Smart Control have been trademarked by TME. "Smart Injection" is also trademarked.

2016 saw the growing use of Smart Pick & Place and Smart Control among many of TME's client base, including TME entering into of a contract with Israel Aerospace Industries ("**IAI**"), pursuant to which IAI implemented Smart Pick & Place in their automated RTM process to create lightweight composite helicopter seats. Through the implementation of automated RTM, IAI achieved significant manufacturing cost reductions.

In addition, TME has recently developed software used to analyze all of the operations completed by, or to be completed by Smart Pick & Place robots, including among other things, the detection of foreign elements, fiber orientations, surface defects, ply dimensions and pleat positioning. As well, TME developed a new process for fast stamping thermoplastic composites. While primarily sold to customers in the aerospace industry, TME believes the process will have expanded application in the automotive, sport and leisure industries.

In 2017, TME developed a new injection system (patent pending) which saves 80% of resin losses.

In 2018 and 2019, TME intends to focus on growing its presence in the automotive market, specifically in relation to producing processes for the creation of carbon fiber parts.

Since its inception in 2008, TME has continued to be in the business of providing customers with high quality and customizable composite forming and curing equipment and solutions. TME has accumulated extensive experience from more than 4,000 projects worldwide serving primarily top tier customers in the aeronautic industry. TME's business has evolved with expanding market opportunities in the application of advanced composite materials and adoption of automation in the manufacturing processes.

TME has combined its expertise in molding, RTM and thermoplastics with automation and devoted R&D efforts to create an innovative new standard in the composite forming process.

Principal Products and Services

TME 1.0

"TME 1.0" describes TME's preliminary range of products and solutions for satisfying composite forming needs. TME 1.0 products include, among certain other prototypes:

1. **Compaction machines and hot drape forming.** TME creates unique, cost-effective, reliable and versatile compaction, drape forming and vacuum forming machines. TME's standard range of compaction machines come in five sizes, have an aluminum frame structure, manual opening and clamping systems, heating processes including either a heating plate or infra-red heating, and a vacuum system with pressure of 250mbars/3.6 PSI or 50mbars/0.7 PSI. TME also creates custom-made compaction machines.
2. **Molds.** TME designs molds primarily made of steel, aluminum or invar. TME supplies tooling for the following processes, among others: cutting, lay-up, preforming, compaction, prepreg molding, RTM molding, Infusion, thermoplastic stamping, and FPTM processes.
3. **RTM presses.** TME's product offering includes standard and custom made RTM press systems. The first RTM press system was designed and manufactured by Ourdimoule, TME's predecessor, in 1988. TME designs and supplies standard or custom made RTM press systems including injection units and heating and cooling systems. TME's RTM presses include supervision/PLC adapted to each process.
4. **Prepreg Presses:** TME also creates prepreg press systems, which are customizable and available in a variety of configurations, including being the only company to its knowledge to design and produce presses that open 180°.

TME 2.0

"TME 2.0" describes the shift in TME's products toward robotized and automated solutions following the implementation of its R&D program in March of 2014. Commencing March 2014, TME's R&D efforts were devoted towards TME 2.0 and achieved proven and operational marketplace deployment in July 2016 and registered under a trade name of "Smart Injection". The advantages of TME 2.0 includes:

1. **Thermoplastic Presses:** TME 2.0 has developed a wide range of standard and custom-designed solutions for thermoplastic composites. Complete workstations can be provided including the material transport system, pre-heating ovens, consolidation & forming presses, tooling, and fixtures. TME's equipment line comes in multiple configurations: semi-automated (fully enclosed) workstations, fully-automated or hybrid automated/shuttle systems. Solutions are offered for low (laboratory), medium and high volume production runs.
2. **Lay-up automation:** TME 2.0 reduced cycle time and production variability generated by human factors, increased production rates, quality and repeatability, process improvements through the application of automatic 3-D folding, enhanced reliability and accuracy through camera system detects defects and out-of-tolerance conditions, and automated data collection and imaging for easy and comprehensive traceability.

3. **Automatic RTM Production Line:** TME 2.0 developed automation features to standard and custom RTM systems including automatic unroll, pick, place and fold of woven materials, automatic compaction, contour cutting, molding and injection.
4. **Intelligent Automated Lay-up Software and Algorithm:** TME 2.0 utilizes innovative capabilities to its intelligent automation control software. The control software features complement the pick and place and control of ply lay-up and fiber orientation capabilities.

Operations

TME's core product is in design and engineering of customized composite process solutions. Approximately half of TME's employees are engineers or technicians which allows TME to create turn-key manufacturing processes for its customers without outsourcing or subcontracting technical expertise.

Aside from sales operations, which are conducted internationally through CAC and local agents in China and elsewhere, TME's operations consist primarily of designing, assembling, testing and commissioning its products in its factories in France. TME intends to expand its operations first to the United States, and elsewhere thereafter. TME has current agreements with agents in the United Kingdom, China, Japan and Taiwan, each of which assist TME by identifying new customers, promoting sales and distributing TME's products and services. The compensation paid by TME pursuant to these agreements is a percentage of the contract value entered into between TME and the new customer. TME expects to retain an agent in Spain for similar purposes.

TME purchases its industrial fabrication processes production components from suppliers in France, Romania, China and North America.

TME's business tends to be cyclical as a result of its customers tending to make significant investment decisions at the beginning of a calendar year which are fulfilled by TME later in that calendar year or the next year. This leads to larger deliveries and invoicing at the end of the year.

Plant and Property

TME has two factories in France where it conducts all of its technical designing, assembling, testing and commissioning. The factory located at TME's head office in Coudes, France is primarily used to conduct R&D and the assembly of prototypes and other confidential projects. TME pays €77,000 per year and the term of the lease expires on January 16, 2022, subject to an option to renew for nine years. The lease is with 2SL-Immo, a company 51% owned by Serge Luquian, a director, officer and controlling TME Shareholder. The second factory, a rented workshop in the village of Parent, France, is TME's main workshop wherein most processes are assembled. TME pays €55,000 per year and the lease expires in 2027 but can be terminated in the first two years.

Geographic Breakdown of Sales

TME's revenues are derived primarily from three countries/regions. The following table provides a breakdown of the total revenues derived from each of these regions since January 1, 2016, including the per year average for the same period:

Market	Year of First Project	# of Projects Since January 1, 2016	Total revenue since January 1, 2016 (€M)
China	2006	11	8,959
Europe	2005	21	6,181
USA	2018	6	1,477

Sales pipeline supportive of 2018 Fiscal Year budget

As at August 31, 2018, TME has thirteen (13) ongoing projects with a total estimated value of €5,654,000. TME expects to realize €4,949,000 of the total projects value in 2018.

TME's short-term business objective guideline is to reach, through organic growth, €20 million sales turnover before the end of 2021. In the last two years, requests specific to TME 2.0 products represent over 50% of total requests, for a total amount of €20 million in June 2018.

CAC was established as the Company's sales office for the North and South American markets. TME retains one sales agent in China, Sino Composite Co. Ltd. Sino Composite Co. Ltd. is controlled by Sicheng Zhang, a director and Control Person of TME and CanAsia. TME intends to retain similar sales agents in Japan, Taiwan and elsewhere as international market opportunities present themselves.

TME currently employs 33 people. CAC has one salaried employee and intends to add another in 2018.

Core Technologies & Intellectual Property

TME's core technologies are centered on composite forming technology and three major components areas, being: (i) composite process optimization & innovation, (ii) molds, and (ii) machines, including automation.

Patents

TME currently holds seven patents, most of which apply in France and/or Europe. TME has been granted one international patent, and has made two more applications. The following table details the patents TME owns, as well as TME's two pending applications.

Name of Patent / Description	Patent Number	Date of Application	Area	Notes / Status	Date of Expiration
Procédé et installation de moulage d'une pièce en matériau moulable à chaud - Method and installation for molding a composite part made of hot-meltable material, using a molten metal alloy fusible core molding method, for injection / curing parts	05.04372	2005/4/29	France	Patent granted on April 29, 2005.	2025/4/29
Procédé et installation de moulage par compression de matériaux composites en utilisant un alliage métallique en fusion. - Method and apparatus for compression molding composite material	1717007	2006/4/26	Europe	Patent granted on June 08, 2011	2026/4/26
Dispositif et procédé de fabrication d'une pièce moulée en un matériau composite - Device and method for manufacturing a molded piece of a composite material (TSHM process); similar to the infusion process used by the aeronautical sector, but removing most consumable materials, except for a seal.	FR12/50875	2012/1/31	France	Patent granted on October 10, 2014	2032/1/31

Name of Patent / Description	Patent Number	Date of Application	Area	Notes / Status	Date of Expiration
Outillage auto chauffant - Self-heating tools. A new type of mold, including a heat transfer fluid system (heating and cooling)	2505327	2011/3/29	Europe	Patent granted on May 16, 2014	2031/3/29
Procédé de fabrication d'outillage en composite - Composite tool manufacturing process. A new type of mold, including a vacuum network for closing	12/57593	2012/8/3	France	Patent granted on February 6, 2015	2032/8/3
Procédé de fabrication d'outillage en composite - Composite tool manufacturing process. A new type of mold, including a vacuum network for closing	2879859	2013/5/8	International	Patent granted on August 23, 2017	2033/5/8
Procédé de fabrication d'outillage en composite - Composite tool manufacturing process. A new type of mold, including a vacuum network for closing	N/A	2013/5/8	International	Application in progress	N/A
Librairie d'estimation locale de l'orientation des fibres des matériaux composites - Software and database for the control of fiber orientation	1561999	2015/12/8	France	Patent granted December 1, 2017	2035/12/8
Moyen de production et/ou de contrôle d'une pièce en matériaux composites - means of production and / or control of a composite material part. "Smart Control" software, used to monitor defects on composite fabrics or on the operations performed by the robot.	N/A	2016/12/14	International	Application in progress	N/A

Trademarks

TME currently holds six trademarks, all of which are registered in France. The following table details the trademarks TME owns:

Trademark	Number	Date of Application	Area	Note / Status	Date of Expiration
	N° 184462999 Class 07,09	2018/10/12	France	Active	2028/06/20
	N° 184463005 Class 07	2018/10/12	France	Active	2028/06/20
	N° 184452493 Class 07, 17	2018/09/07	France	Active	2028/05/11

Trademark	Number	Date of Application	Area	Note / Status	Date of Expiration
SMART INJECTION	N° 174406707 Class 07, 17	2018/09/07	France	Active	2028/05/11
FPTM	N° 144119053 Class 07, 17, 42	2014/09/19	France	Active	2024/09/19
TSHM	N° 144119059 Class 07, 17, 42	2014/09/19	France	Active	2024/09/19

Next Generation Technologies and R&D Efforts

TME plans to work with global academic and research institutions in the advanced material area and specifically focus on composite forming/curing applications. At the same time, TME has been contacted by major fabric or resin manufacturers to test TME's processes in terms of performance and economic return for future materials.

Markets, Key Customers and Competition

TME's business targets for the next four years are summarized as the following:

	2019F	2020F	2021F	2022F
Sales Turnover (€Mil)	9	15	20	24
Projects with TME 1.0 solutions	70%	50%	40%	35%
Projects with TME 2.0 solutions	30%	50%	60%	65%
Aeronautics	95%	76%	66%	60%
Automotive	5%	24%	34%	40%
Europe	50%	33%	33%	33%
Asia ⁽¹⁾	30%	33%	33%	33%
North America	20%	33%	33%	33%
Targeted Gross Margin %	54	54	53.5	52.9

Note:

(1) TME's revenue derived from Asia is from customers located in China. TME expects a greater portion of sales to come from Taiwan and Japan going forward as a result of recent distribution and agency arrangements.

The trend in both the aeronautics and automotive industries is that the manufacturers of cars and planes want to reduce the weight of their products without sacrificing strength or durability, which has created opportunities for advanced composite materials. See "Estimated Market Growth and Trends".

The markets for TME's products are highly competitive, both with respect to materials other than advanced composite materials and other manufacturers of advanced composite materials. The main four competitors for TME are Coexpair of Belgium which has a partnership with Radius Engineering of the US, Composite Integration Ltd. of the United Kingdom, JHM Technologies of the US, and Delta Illescas of Spain. Although most of these competitors mainly produce molds, management of TME believes these competitors are attempting to position themselves more as turnkey equipment providers similar to the business plan of TME. As TME expands its business geographically, it expects to compete with other advanced composite material manufacturers already established in those regions, and in particular TME expects that it will face considerable competition for contracts in Asia from established Chinese manufacturers.

Estimated Market Growth and Trends

According to independent research reports, the global market of advanced composite material was roughly US\$21 billion in 2016¹ and estimated to grow at a compound annual growth rate of 8.6% until 2024². The major applications driving global market growth include automotive, aerospace & defense, wind energy, and sports. Geographically, North American, European, and Asian (China, Japan, India, and Australia included) each roughly account for about one-third of the market share.

Driven by the expanding growth and applications of the advanced composite materials, management believes TME's market, being composites fabrication process solutions, will similarly grow by way of efficiency and throughput. For example, existing thermoset centered process requires eight (8) hours to fabricate one piece of blade. Under the thermoplastic centered process, the same fabrication will require only three (3) minutes. With greater efficiency and throughput, advanced composite materials are expected to be increasingly applied in automotive manufacturing.

Specifically concerning aeronautics, according to Technavio, an independent market research organization, the forecasted market size for aerostructure equipment, to which composite forming equipment is included, is expected to reach US\$ 670 million by 2021³. Similarly, the global market for automotive carbon fiber components is estimated to grow at a compound annual growth rate 9.7% between 2018 and 2022, according to market research firm Research and Markets⁴.

As a result of most orders being received early in the calendar year, most of TME's revenues are not recognized until near the end of the year or the following year. In addition, for new products there is a significant lead time which could be over one or more years in order to develop the products required by TME's customers, and TME is often required to invest significantly in engineering, development and production for one or more years before these products are delivered and generate revenue for TME. TME's business is dependent on obtaining new project contracts and customers, but there are a limited number of contracts or customers available at any one time and a significant amount of TME's revenue are derived from a limited number of customers. If TME is unsuccessful on bidding on new projects or loses any projects or customers, TME's revenues will be adversely affected.

Customers

TME has been in the market since 1986 and has accumulated and retained significant customer relations. TME's current customer base is focused primarily on the global aeronautics market.

¹ Markets and Markets (www.marketsandmarkets.com), September 2016

² Grand View Research (www.grandviewresearch.com), March 2018 and K Plus Capital (www.kpluscapital.com) independent analysis

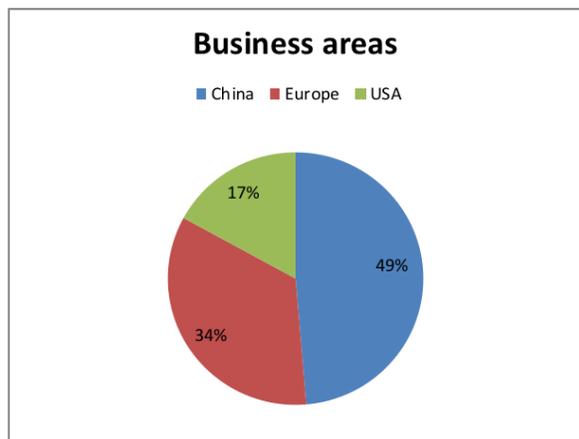
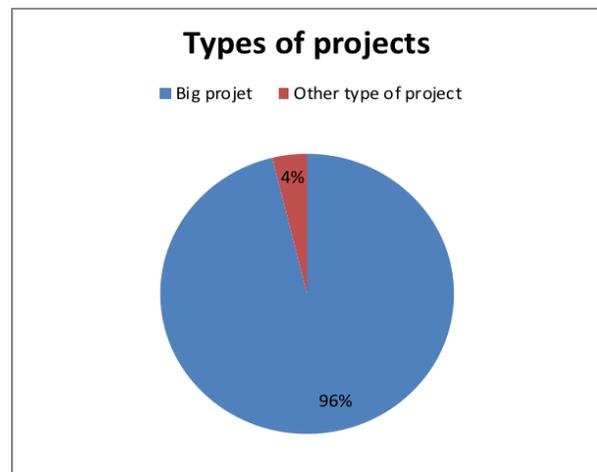
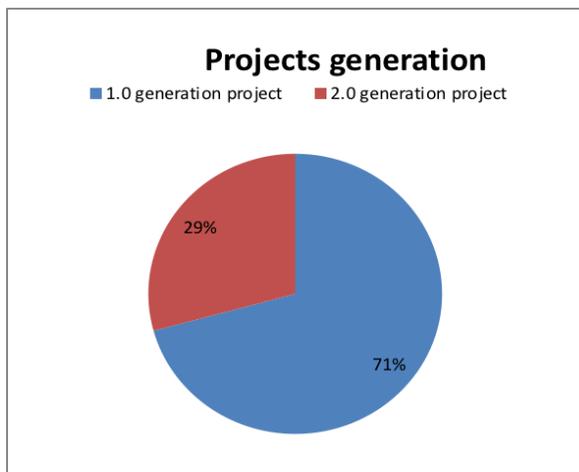
³ Technavio (www.technavio.com), July 2017

⁴ Research and Markets (www.researchandmarkets.com), March 2018

TME's largest three (3) customers in the past three years, including 2018 estimates, are recorded as follows. The Company's top five (5) customers contributed sales turnover of €12,795,000 in the most recent three (3) year period and accounted for 74% of TME's entire sales turnover over that same period.

Customer	Market	First Project	Number of Project in the most recent three (3) past year period	Three (3) year total order amount	Average
(1)	China	2006	5	€6,726,690	€1,345,000
(2)	Europe	2002	6	€1,797,850	€300,000
(3)	China	2006	3	€1,728,310	€576,000

Throughout the most recent three (3) past year period, and as per the following, over 70% the TME's projects utilize TME 1.0 solutions. China's market contributed nearly 50% of the sales turnover; and 96% of sales turnover resulted from of whose contract amounts exceeded €1,000,000 ("**Big Projects**").



Strategy

TME defines its strategy as the alignment of assessed market opportunities and deployment of critical resources to secure TME's unique and defendable market position while achieving above-market-average and sustainable growth targets. Based on the existing external and internal environment, TME plans to offer targeted key customers with TME 2.0 robotized automation solutions in composite

forming/curing processes as the backbone to their material component production. Once implemented, TME expects to collaborate with each of these key customers in utilizing customized TME 2.0 processes to design and manufacture bespoke solutions to expand their respective composite products.

Selected Financial Information Concerning TME

The following has been derived from and should be read in conjunction with the TME Financial Statements.

	Year Ended December 31, 2015 ⁽¹⁾	Year Ended December 31, 2016	Year Ended December 31, 2017	Six Month Period Ended June 30, 2018
	K EUR	K EUR	K EUR	K EUR
Net sales or total revenues	€6,385	€6,676	€3,561	€2,124
Operating income	(€1,162)	€649	(€1,401)	(€521)
Net income or loss, in total	(€1,222)	€531	(€1,561)	(€610)
Total assets	€6,162	€7,367	€4,670	€4,300
Total non-current liabilities	€1,693	€2,348	€3,277	€3,346
Cash dividends declared	-	-	-	-

Notes:

(1) Unaudited financial statement for the year end December 31, 2015.

TME's financial statements have been prepared using International Financial Reporting Standards.

Financial Information

The audited financial statements of TME for the years ended December 31, 2017 and 2016, as well as the unaudited financial statements of TME for the six month period ended June 30, 2018 and 2017 are attached hereto as Schedule D.

The Management Discussion & Analysis on TME with respect to the audited financial statements and unaudited financial statements of TME are attached as Schedule E.

Description of Share Capital of TME

TME is authorized to issue 92,688 TME Shares. The holders of TME Shares are entitled to dividends if, as and when declared by the directors, to one vote per share at meetings of the shareholders of TME and, upon liquidation, dissolution or winding-up of TME, to receive such assets of TME as are distributable to the holders of the TME Shares.

Consolidated Capitalization

The capitalization of TME as at the dates indicated is as follows:

	Authorized	Outstanding as of December 31, 2017 (prior to giving effect to the Transaction) (audited)	Outstanding as at June 30, 2018 (prior to giving effect to the Transaction) (unaudited)
TME Shares	unlimited	81,523	81,523
Share capital	€1,480,552	€1,480,552	€1,480,552

	Authorized	Outstanding as of December 31, 2017 (prior to giving effect to the Transaction) (audited)	Outstanding as at June 30, 2018 (prior to giving effect to the Transaction) (unaudited)
Short Term Debt ⁽¹⁾⁽²⁾	Not Applicable	€176,616	€171,173
Long Term Debt ⁽²⁾	Not Applicable	€2,933,395	€2,995,595

Notes:

- (1) See note X to the financial statements of TME included in Schedule D hereto.
(2) All the loans and convertible bonds were originally subscribed by Comtec and subsequently transferred to Malchemy in October 2018.

Prior Sales of Securities of TME

On August 30, 2018, TME issued 11,165 TME Shares at a price of €8.16 per share to Malchemy pursuant to the conversion of convertible bonds issued by TME pursuant to the Contract for the Subscription for Convertible Bonds Tranche A. Malchemy is a Non Arm's Length Party controlled by Sicheng Zhang. See "Background Concerning the Proposed Transaction - Regulatory Matters - Related Party Transactions".

Director Compensation

Form 51-102F6 *Statement of Executive Compensation*, defines "Named Executive Officers" as the Chief Executive Officer, the Chief Financial Officer and each of TME's three most highly compensated executive officers (or the three most highly compensated individuals acting in a similar capacity) other than the Chief Executive Officer and Chief Financial Officer at the end of the most recently completed financial year, whose total compensation was, individually, more than \$150,000, and each individual who would be a Named Executive Officer but for the fact that the individual was neither an executive officer of TME, nor acting in a similar capacity, at the end of the most recently completed financial year.

Compensation Discussion and Analysis

TME does not have in place any formal executive compensation program, nor does it have in place any formal objectives or criteria. Instead, it relies mainly on discussions between the NEOs and the TME Board. The intention of TME's executive compensation plan is to maintain a compensation program that is competitive, given similar roles and responsibilities, and considering the specifics of the business, market and industry. The intent is to provide a competitive overall compensation program, comprised of a reasonable base salary component. The Board of TME plans to put in place an incentive based bonus plan to compensate individual and company targets, and stock options granted pursuant to the Stock Option Plan.

Summary Compensation Table

The following table sets forth the total compensation paid to or earned by the Named Executive Officers during the financial years ended December 31, 2017, and 2016, respectively.

Name and Principal Position	Year Ended Dec. 31	Salary (EUR)	Bonus (EUR)	Committee or Meeting Fees (EUR)	All Other Compensation (EUR)	Total Compensation (EUR)
Serge Luquain	2017	€57 670	-	-	-	€57 670
Chairman and Chief Executive Officer	2016	€56 110	-	-	-	€56 110
Corinne Marchat	2017	€03 510	-	-	-	€03 510
Chief Financial Officer	2016	€03 505	-	-	-	€03 505

Name and Principal Position	Year Ended Dec. 31	Salary (EUR)	Bonus (EUR)	Committee or Meeting Fees (EUR)	All Other Compensation (EUR)	Total Compensation (EUR)
Stéphane Besson	2017	€12 939	-	-	-	€12 939
Project Director	2016	€14 887	-	-	-	€14 887
Patrick Luquain ⁽¹⁾	2017	€01 375	-	-	-	€01 375
Purchaser	2016	€5 546	-	-	-	€5 546

Note:

(1) Mr. Patrick Luquain ceased to be Purchaser at the end of 2017.

Incentive Plan Awards

There is no incentive Plan Awards for Outstanding Share-Based Awards and Option-Based, specific on NEO.

Employment Contracts

Executive employment contracts have no specific clause that could result in a change in control, or an estimated payment caused by a change of control.

Management /Consulting Agreements

There is no agreement for consulting or management services provided to the company that would otherwise be performed by directors or NEOs, including change of control provisions, estimated payment triggered by change of control.

Director Compensation

TME has no standard arrangements pursuant to which directors are compensated by TME for their services in their capacity as directors. Serge Luquain is a director and NEO of TME. For disclosure regarding their compensation and option-based awards, please refer to the summary compensation table and incentive plan awards, respectively above.

Non Arm's Length Party Transactions of TME

In the first quarter of 2016, TME acquired all of the issued and outstanding equity securities of EST for nominal consideration from a Non Arm's Length Party. On June 26, 2018, TME sold its wholly owned subsidiary, EST, for total proceeds of €31,000 to an arm's length party.

TME has a lease with a company 51% owned by Serge Luquain, a director, officer and controlling shareholder of TME. See "Plant and Property".

TME entered into a distribution agreement with Sino Composite Co. Ltd., a company controlled by Sicheng Zhang, a director and controlling shareholder of TME. Agent fees amounting to €105,185 were paid to Sino Composite Co. Ltd. during the first half of 2018. See "Material Contracts of TME - Note 4".

As at June 30, 2018, SPV Finances, a company controlled by Serge Luquain, a director, officer and controlling shareholder of TME, owes €92,947 to TME.

Legal Proceedings Concerning TME

Management of TME has become aware of a dispute with a TME customer concerning the repair of certain tools delivered in 2015 and for which the warranty period has expired. The dispute was

submitted to TME's insurer on April 2018. The maximum cost (in case of responsibility) is estimated by management of TME to be €150,000 to replace the tools. Although there have not yet been any filings in court, it is possible that TME may be named as the defendant in a statement of claim filed by the customer for damages of up to €800,000, representing the total purchase price of the molds. At this time, no legal action has been launched by the customer. Following analysis performed on this dispute, management of TME believes that the demands of the customer are not justified and that TME has strong arguments to defend itself in case of a legal action.

Management of TME is aware of a dispute with a former employee. TME has received a summons from the Council of Labor Court at the request of the former employee. TME was summoned before the Council of Labour Court on November 5, 2018. TME is waiting for the quantified demand. Once received, TME will decide what to do, accept and pay, or refuse and continue the ongoing court proceedings.

While management of TME does not believe that these disputes would have a material effect on the business or financial condition of the TME, no assurance could be given as to the outcome of these potential claims or any other legal proceedings or that the ultimate resolution of this or any other legal proceedings will not have a material adverse effect on the income of TME.

Material Contracts of TME

The following are the contracts entered into by TME that can reasonably be considered to be material to TME:

1. The loan agreement among TME and Comtec dated September 9, 2016 and its extension. Pursuant to the terms of the loan agreement, Comtec loaned Five Hundred Thousand (€500,000) Euros on December 20, 2013 and to be repaid on or before December 31, 2017. Interest accrued on the outstanding principal balance of the loan as of the date the funds were advanced at an annual rate of 5.72%, payable monthly, and between the periods of December 20, 2013 and September 30, 2014. On December 20, 2017, Comtec extended the term of the loan to December 31, 2019 and on October 15, 2018 Malchemy further extended the term of the loan to December 31, 2020. As of October 9, 2018, Comtec assigned the loan agreement to Malchemy;
2. The loan agreement among TME and Comtec dated October 24, 2017 and its extension. Pursuant to the terms of the loan agreement, Comtec loaned Four Hundred Fifty Thousand (€450,000) Euros on October 24, 2017 and to be repaid on or before December 31, 2018. Interest accrued on the outstanding principal balance of the loan as of the date the funds were advanced at an annual rate of 5.72%, payable monthly, and between the periods of October 24, 2017 and December 31, 2018 and on October 15, 2018 Malchemy further extended the term of the loan to December 31, 2020. As of October 9, 2018, Comtec assigned the loan agreement to Malchemy;
3. The subscription agreement for convertible bonds tranche B ("**Convertible Bonds Tranche B**") among TME and Comtec dated December 8, 2016. Pursuant to the terms of the agreement, Comtec paid to TME an issue price of €1,500,005 in consideration of 31,915 Convertible Bonds Tranche B, each with a face value of €47.00, bearing interest at a fixed rate of 3% per annum and repayable on the first business day after December 31, 2020 at face value. In the event TME fails to repay the full amount of the Convertible Bonds Tranche B on or before December 31, 2020, Comtec may convert the Convertible Bonds Tranche B into new shares of TME at a conversion ratio of one (1) share with a nominal value of €18.16 for each Convertible Bonds Tranche B. As of October 9, 2018, Comtec assigned the Convertible Bonds Tranche B to Malchemy; and

4. The distributor agreement between TME and Sino Composite Co. Ltd. See "Non Arm's Length Party Transactions of TME".

Copies of these agreements will be available for inspection at the office of counsel to CanAsia, Burstall LLP, located at Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, at any time during ordinary business hours up to and including the date of the Meeting, as well as for a period of 30 days thereafter. Copies of these agreements are also available under CanAsia's profile on SEDAR at www.sedar.com.

Corporate Governance

TME emphasizes the importance of good corporate governance. TME's board of directors is committed to sound corporate governance practices which are both in the interest of its shareholders and which contribute to effective and efficient decision making.

TME has retained KPMG as its French statutory auditor under French GAAP and retained Grant Thornton (France) to provide the audit services, under IFRS, for the Transaction. TME has also retained Labonne Et Associes as its legal advisor.

Board of Directors

The Board of Directors is currently comprised of three (3) members: Serge Luquain, Sicheng Zhang, and Yu-Chung (Jim) Hsieh.

Name of Director	Director Since	Common Shares and Percentage Beneficially Owned or Controlled, Prior to the Transaction
Serge Luguain ⁽¹⁾	2008	40,166 (43.3%)
Sicheng Zhang ⁽²⁾	2013	44,339 (47.8%)
Yu-Chung (Jim) Hsieh ⁽³⁾	2018	1,913 (2.1%)

Notes:

- (1) Mr. Luquain is the representative of the SPV Finances and hold 40,165 shares indicated in the above indirectly.
 (2) Mr. Zhang is the representative of Malchemy and hold 44,338 shares indicated in the above indirectly.
 (3) Mr. Hsieh is the representative of K Plus and hold 1,912 shares indicated in the above indirectly.

INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Information for the Resulting Issuer

Upon completion of the Transaction, TME will become a direct wholly-owned subsidiary of the Resulting Issuer. As a result, all of the assets of TME will become indirectly held by the Resulting Issuer. Following the Transaction, TME will continue to exist under the laws of France and the Resulting Issuer will exist under the ABCA and will be named "Composite Alliance Group Inc."

The registered and head office of the Resulting Issuer will be located at Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

Business, Stated Business Objectives and Milestones of the Resulting Issuer

Business of the Resulting Issuer

The business of the Resulting Issuer following completion of the Transaction will be the business of TME. See "Information Concerning TME - Description of the Business of TME".

Stated Business Objectives

The Resulting Issuer expects to utilize its available working capital to achieve its principal milestones as described below.

Milestones

The following are the initial key milestones that management believes will be achieved by the Resulting Issuer to position the Resulting Issuer to achieve success in its business plan:

Milestone	Target Date from Closing	Estimated Costs
1. Incorporate and commence operations of Composite Alliance Europe ⁽¹⁾	Feb 2019	€45,000 (CDN\$67,500)
2. TME to complete an assembly workshop	Year-end 2019	€0.00
3. TME to hire a technical director	2019	€90,000 (CDN\$135,000)
4. Continue research and development program to reach the goal of finalizing the TME 2.0 products	End 2019	€350,000 (CDN\$525,000)

Note:

(1) Composite Alliance Europe is being formed to promote the image of TME and sell TME's products in Europe.

Additional funding by the Resulting Issuer will be required to achieve the milestones in the next calendar year as described above. There is no assurance that additional funding will be available, in which case, the milestones may not be completed in the time period described above or at all.

Description of Securities of the Resulting Issuer

The Resulting Issuer will be authorized to issue an unlimited number of common shares and an unlimited number of preferred shares issuable in series with the same attributes as the share capital of CanAsia. See "Information Concerning CanAsia - Description of Share Capital of CanAsia" and "Fully-Diluted Share Capital of the Resulting Issuer".

Capitalization of the Resulting Issuer

The following sets forth the consolidated capitalization of the Resulting Issuer as at the dates indicated which should be read in conjunction with the pro forma financial statements attached hereto as Schedule F.

Capital	Authorized	Outstanding in the Resulting Issuer as at June 30, 2018 After Giving Effect to the Transaction and Consolidation⁽¹⁾ (unaudited)
Long-term Debt	N/A	\$5,206,379
Short-term Debt ⁽²⁾	N/A	\$264,639
Resulting Issuer Shares	Unlimited	\$4,288,807 (110,233,610 shares) ⁽³⁾
Series D Preferred Shares ⁽⁴⁾	Unlimited	\$441,233 (19,200,000 shares) ⁽⁵⁾

Notes:

- (1) Assumes a Consolidation ratio of 5 for 1
- (2) See the pro forma balance sheet of the Resulting Issuer attached as Schedule F hereto.
- (3) Pursuant to the Stock Option Plan, the Resulting Issuer will have reserved up to 10% of the outstanding Resulting Issuer Shares for stock options. See "Options to Purchase Securities of the Resulting Issuer".
- (4) In accordance with IFRS for a reverse takeover transaction, the dollar value of the share capital of the Resulting Issuer after the completion of the Transaction will be the dollar value of the share capital of TME immediately prior to completion of the Transaction, together with the net value of CanAsia. In addition, the retained earnings of the Resulting Issuer will be the retained earnings of TME immediately prior to the completion of the Transaction.
- (5) Each Series D Preferred Share may be converted into one Resulting Issuer Share at no additional cost for a period of five (5) years from the date of issuance. See "Information Concerning CanAsia - Description of the Share Capital of CanAsia - Series D Preferred Shares".

Fully Diluted Share Capital of the Resulting Issuer

The following table describes and summarizes the fully-diluted share capital of the Resulting Issuer.

	Number of Shares ⁽¹⁾	Percentage (non-diluted/diluted)
Resulting Issuer Shares issued and outstanding after completion of the Transaction	110,233,610	100 %/62.7%
Total Resulting Issuer Shares on a non-diluted basis	110,233,610	100%
Resulting Issuer Shares reserved for issuance pursuant to the Series D Preferred Shares ⁽²⁾	19,200,000	Nil/10.9%
Resulting Issuer Shares reserved for issuance pursuant to the Private Placement	5,280,000	Nil/3.0%
Resulting Issuer Shares reserved for issuance pursuant to the Convertible Bonds Tranche B and the Waiver Letter	30,163,063	Nil/17.1%
Resulting Issuer Shares reserved for issuance of stock options ⁽³⁾	11,023,361	Nil/6.3%
Total Resulting Issuer Shares on a fully diluted basis	175,900,034	100%

Notes:

- (1) Based on post-Consolidation (on a 5 for 1 basis).
- (2) Each Series D Preferred Share may be converted, subject to certain conditions, into one Resulting Issuer Share at no additional cost for a period of five (5) years from the date of issuance. See "Information Concerning CanAsia - Description of the Share Capital of CanAsia - Series D Preferred Shares".
- (3) It is anticipated that on or prior to the completion of the Transaction, the Resulting Issuer will grant stock options to purchase up to 11,023,361 Resulting Issuer Shares at \$0.125 per share pursuant to the Stock Option Plan.

Available Funds

The following table sets forth the funds anticipated to be available to the Resulting Issuer upon the completion of the Transaction:

Source of Funds	Available Funds After Giving Effect to the Transaction (\$000)
Approximate working capital surplus of the Resulting Issuer as of the date of completion of the Transaction	\$2,727
Total Funds Available on Completion of the Transaction	\$2,727

Principal Purposes of Funds

The following table sets forth the funds anticipated to be available to the Resulting Issuer upon the completion of the Transaction and the proposed use of such funds over the next 12 months and contains forward looking information developed for this Information Circular:

Use of Available Funds	Amount Assuming Completion of the Transaction (\$000)
TME to hire a technical director	\$68 ⁽¹⁾
Incorporating and organizing Composite Alliance Europe	\$68
General and Administrative Costs (12 months)	\$1,299
Expenses and costs Related to the Transaction	\$517
Research and Development	\$525
Unallocated Working Capital	\$250
	\$2,727

Note:

- (1) TME intends to hire a technical director mid-2019 at an annual cost of €90,000. See "Business, Stated Objectives and Milestones of the Resulting Issuer - Milestones".

Dividend Policy of the Resulting Issuer

It is not contemplated that any dividends will be paid in the immediate or foreseeable future on the shares of the Resulting Issuer.

Principal Securityholders of the Resulting Issuer

The following is the only Person who will, directly or indirectly, own or direct control or direction over more than 10% of the Resulting Issuer Shares and Series D Preferred Shares after the completion of the Transaction.

Name and Municipality of Residence	Type of Ownership	Resulting Issuer Shares and Series D Preferred Shares Directly or Indirectly, Beneficially Owned, After Completion of the Transaction and Consolidation	Percentage of Class
Sicheng Zhang ⁽⁴⁾ Griza, Malta	Direct and	Resulting Issuer Shares: 47,705,062 ⁽¹⁾	43.3%
	Indirect	Series D Preferred Shares: 9,184,671 ⁽¹⁾⁽³⁾	47.8%
Serge Luquain Coudes, France	Direct and	Resulting Issuer Shares: 37,961,134 ⁽²⁾	34.4%
	Indirect	Series D Preferred Shares: 8,320,249 ⁽²⁾⁽³⁾	43.3%

Notes:

- (1) 41,904,117 of these Resulting Issuer Shares and 9,184,464 of these Series D Preferred Shares will be held indirectly through Malchemy. Mr. Zhang indirectly owns 100% of the shares of Malchemy.
- (2) 37,960,189 of these Resulting Issuer Shares and 8,320,041 of these Series D Preferred Shares will be held indirectly through SPV Finances. Mr. Luquain owns 73% of the shares of SPV Finances.
- (3) Each Series D Preferred Share may be converted, subject to certain conditions, into one Resulting Issuer Share at no additional cost for a period of five (5) years from the date of issuance. See "Information Concerning CanAsia - Description of the Share Capital of CanAsia - Series D Preferred Shares".
- (4) If the Debentures, Convertible Bonds Tranche B and the Series D Preferred Shares held by Mr. Zhang are converted into Resulting Issuer Shares (and assuming none of the other holders of convertible securities convert), Mr. Zhang will own, directly and indirectly, 91,852,796 Resulting Issuer Shares (59.5%).

Directors, Officers and Promoters of the Resulting Issuer

Yu-Chung (Jim) Hsieh, Sicheng Zhang, Serge Luquain, Dale Burstall, JianYong (Bill) Cui and Ron Love will be the directors of the Resulting Issuer. Yu-Chung (Jim) Hsieh will be the President and Chief Executive Officer, Debbie Chien will be the Chief Financial Officer and Dale Burstall will be Corporate Secretary of the Resulting Issuer.

Each director will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Resulting Issuer. Each officer is appointed by the Board from time to time in its discretion.

After completion of the Transaction, Serge Luquain is expected to be the sole director of TME. The officers of TME will not change as a result of the Transaction. See "Information Concerning TME".

Assuming completion of the Consolidation on a 5 for 1 basis and the Transaction, the name and municipality of residence of all directors and officers of the Resulting Issuer, their current occupations, their principal occupations, their security holdings of the Resulting Issuer and the proposed board committees of the Resulting Issuer will be:

Name, Municipality of Residence and Positions with the Resulting Issuer	Principal Occupation for Last Five Years	Resulting Issuer Shares and Percentage, Directly or Indirectly, Beneficially Owned, After Completion of the Transaction and Consolidation ⁽¹⁾
Yu-Chung (Jim) Hsieh ⁽²⁾ Taichung, Taiwan President, Chief Executive Officer and Director	Chief Executive Officer of K Plus, a boutique corporate finance firm that specializes in cross border M&A transactions and strategic and investment advisory services, since 2007.	1,807,988 ⁽⁴⁾ 1.6%
Sicheng Zhang Griza, Malta Director	President of Sino Composite Co. Ltd., a distributor of composite materials in China, since 1992.	47,705,062 ⁽⁵⁾ 43.3%
Serge Luquain St. Germain Lembron, France Director	Director, Chairman and Chief Executive Officer of TME since 2008.	37,961,134 ⁽⁶⁾ 34.4%
Dale Burstall ⁽³⁾ Calgary, Alberta Director and Corporate Secretary	Partner of the law firm Burstall LLP since 1994.	10,000 0.009%
JianYong (Bill) Cui ⁽²⁾⁽³⁾ Calgary, Alberta Director	General Manager of Sales of Annie Choice International Ltd., a jewelry and clothing retailer, since 2008.	Nil 0.000%
Ron Love ⁽²⁾⁽³⁾ Calgary, Alberta Director	Chief Financial Officer of Six Safety Systems Inc., a start-up company developing fatigue detection systems, since 2016. Prior thereto, Chief Financial Officer of Clarocity Corporation (formerly Zao Corporation), a technology company focused in the real estate market, operating primarily in the U.S., from 2015 to 2016. Prior thereto, Executive Vice President and Chief Financial Officer of Karnalyte Resources Inc., a start-up potash mining company, from 2010 to 2015.	Nil 0.000%
Debbie Chien Taipei, Taiwan Chief Financial Officer	Executive Director of K Plus, a boutique corporate finance firm that specializes in cross border M&A transactions and strategic and investment advisory services, since 2007.	Nil 0.000%
Corinne Marchat St. Germain Lembron, France Chief Financial Officer of TME	Chief Financial Officer of TME since 2008.	945 0.001%

Notes:

- (1) Does not include the issuance of Resulting Issuer Shares pursuant to the conversion or exercise of outstanding convertible securities.
- (2) Proposed member of the audit committee of the Resulting Issuer.
- (3) Proposed member of the compensation and corporate governance committee of the Resulting Issuer.
- (4) 1,807,043 of these Resulting Issuer Shares will be held indirectly through K Plus, a corporation controlled by Mr. Hsieh.
- (5) 41,904,117 of these Resulting Issuer Shares will be held indirectly through Malchemy, a corporation controlled by Mr. Zhang.
- (6) 37,960,189 of these Resulting Issuer Shares will be held indirectly through SPV Finances, a corporation controlled by Mr. Luquain.

If the Consolidation (on a basis of 5 for 1) and Transaction are completed, the directors, officers, Promoters and Insiders of the Resulting Issuer, as a group, will control, directly or indirectly, 87,484,184 Resulting Issuer Shares, representing 79.35% of the outstanding Resulting Issuer Shares before giving effect to the exercise of any securities convertible or exercisable into Resulting Issuer Shares. See "Capitalization of the Resulting Issuer" and "Fully Diluted Share Capital of the Resulting Issuer".

The following are summaries of the proposed directors and officers of the Resulting Issuer, including their respective proposed positions with the Resulting Issuer and relevant work and educational background.

Yu-Chung (Jim) Hsieh (Age 60) – Director and Proposed President and Chief Executive Officer

A seasoned business strategist and financial advisor, Mr. Hsieh has served as a strategic and financial advisor over the past 30 years and is experienced in corporate strategy, cross-border M&A

transactions, and direct/indirect financing arrangements. Mr. Hsieh previously worked for Deloitte & Touche and Arthur Andersen as a Partner and Head of Corporate Finance. He now manages K Plus Capital LLC, a boutique financial advisory firm that focuses on helping middle range Chinese businesses grow and expand in the global markets. Mr. Hsieh received his MBA from Tunghai University in Taiwan, where he also serves as lecturer.

Mr. Hsieh will devote up to 50% of his total time to perform the work required in connection with the management of the Resulting Issuer.

Sicheng Zhang (Age 54) – Director

Mr. Zhang is the founder and current President of Sino Composite Co. Ltd. ("**Sino Composite**"), a company that specializes in providing comprehensive solutions in the composites industry worldwide. Mr. Zhang worked as an engineer in the Design Institute of Ministry of Railways and AKZO China BV before he founded Sino Composite in 1992. Actively cultivating global collaboration opportunities, Mr. Zhang has led Sino Composite to become one of the biggest composites players in China. Mr. Zhang has various business and investment footprints in Asia, Europe, United States and South America. Mr. Zhang holds a bachelor degree in Civil Engineering in Beijing Jiaotong University.

Mr. Zhang will devote up to 10% of his total time to perform the work required in connection with the management of the Resulting Issuer.

Serge Luquain (Age 61) – Proposed Director

Mr. Luquain is the founder, Director and Chief Executive Officer of TME. In 1986, Mr. Serge Luquain established Ordimoule S.A., a private company which specialized in the design and manufacture of industrial molds and focused on processing technologies of composite materials. Mr. Luquain also founded Techni-Modul S.A. in 1996 which specialized in the design and manufacture of special molding machines for the composite market. In 2008, Ordimoule and Techni-Modul merged to form TME.

Previously, Mr. Luquain received his mechanical bachelor from Michelin school in 1976 and Higher Technician's Certificate, Automation from Pierre Caraminot in 1978.

Mr. Luquain will devote up to 100% of his total time to perform the work required in connection with the management of the Resulting Issuer.

Dale Burstall (Age 58) - Director and Corporate Secretary

Mr. Burstall received a Bachelor of Commerce degree from the University of Calgary and a Bachelor of Laws degree from the University of British Columbia, and has been a member of the Law Society of Alberta since 1986. Mr. Burstall has practiced as a securities and corporate lawyer dealing with both public and private companies for over 30 years, and has acted as an officer or director of several companies listed on either the TSX Venture or the Toronto Stock Exchange.

Mr. Burstall will devote up to 5% of his total time to perform the work required in connection with the management of the Resulting Issuer.

JianYong (Bill) Cui (Age 57) – Proposed Director

Mr. Cui received his masters in civil engineering from Beijing Jiaotong University and holds extensive professional experience in technical operations as well as domestic and international sales management. Mr. Cui has served in various and increasing managerial roles having most recently held the position as General Manager of Sales of Annie Choice International Ltd.

Previously, Mr. Cui has served as department head and senior engineer of the China International Engineering Consulting Corporation and as a civil engineering lecturer at the Beijing Jiaotong University.

Mr. Cui will devote up to 5% of his total time to perform the work required in connection with the management of the Resulting Issuer.

Ron Love (Age 55) - Proposed Director

Mr. Love is a Chartered Accountant with over 25 years' experience in senior financial roles in various companies and industries. Mr. Love received his Chartered Accountant designation in 1994 after obtaining his Bachelor of Commerce degree from the University of Calgary. He has substantial experience as a Chief Financial Officer in various public companies with businesses crossing international borders. Mr. Love has guided companies through IPO's, M&A transactions, investments/divestitures, equity and debt raises and international strategic partnerships. Mr. Love has significant experience with IFRS and international accounting consolidations and reporting.

Mr. Love will devote up to 5% of his total time to perform the work required in connection with the management of the Resulting Issuer.

Debbie Chien (Age 46) - Chief Financial Officer

Ms. Chien has extensive experience in finance-related fields. She specializes in investment analysis, corporate financial management and cross-border mergers and acquisitions planning and execution. She also participated in the fund management business in Hong Kong, and has a thorough understanding of regional economy and stock exchanges.

Ms. Chien served as VP of Corporate Finance at Andersen and Deloitte, and the Chief Financial Officer of a Taiwanese OTC listed company. She currently is the Partner at K Plus Capital, a boutique financial advisory firm.

Ms. Chien received her bachelor's degree from the Department of Finance in the National Taiwan University, Taiwan and MBA from the Anderson School at University of California, Los Angeles, USA. She is certified by AIMR as a Chartered Financial Analyst (CFA) as well as by American Society of Appraiser.

Ms. Chien will devote up to 50% of her total time to perform the work required in connection with the management of the Resulting Issuer.

Cease Trade Orders or Bankruptcies

Other than as described below, none of the directors, proposed directors, officers, Insiders or the Promoters of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within 10 years before the date of this Information Circular has been, a director, officer, Insider or Promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Burstall was a director of Ranger Canyon Energy Inc. until September 27, 2011, which was cease traded by the Alberta Securities Commission on May 21, 2009 and continues to be cease traded for failure to file financial statements, management discussion and analysis and certificates of annual filings for the year ended December 31, 2008 and subsequent periods. On or about April 2, 2014, the Alberta Securities Commission cease traded QSolar Limited ("**QSolar**") based on the fact that the entire board of directors and all of the executive officers resigned and QSolar discontinued operations. Pursuant to a court order dated on or about April 17, 2015, Dale Burstall, along with three other individuals, were appointed directors of QSolar in order to try to preserve the assets of QSolar. Mr. Burstall resigned as a director of QSolar effective June 18, 2015. Mr. Burstall has been a director of CanAsia since March 25, 2015. On May 5, 2016, the Alberta Securities Commission and other securities commissions cease traded CanAsia for failing to file annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2015 and subsequent periods. On September 27, 2017, the Alberta Securities Commission and other securities commissions revoked CanAsia's cease trade order.

Mr. Burstall was the Secretary of Turnkey E&P Inc. whose wholly owned subsidiary, Turnkey E&P Corporation filed for protection under Chapter 11 of the United States Bankruptcy Code on November 17, 2008.

Penalties or Sanctions

None of the directors, proposed directors, officers, Insiders or the Promoters of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

None of the directors, proposed directors, officers, Insiders or the Promoters of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or within the 10 years before the date of this Information Circular, has been declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Conflicts of Interest

Certain directors of the Resulting Issuer may engage in businesses similar to the Resulting Issuer and situations may arise where the directors may be in direct competition with the Resulting Issuer's business. Conflicts of interest, if any, which arise will be subject to and governed by the procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with us to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

Positions with Reporting Issuers

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been, directors, officers or Promoters of other reporting issuers or equivalent:

<u>Name</u>	<u>Name of Issuer</u>	<u>Name of Exchange or Market</u>	<u>Position(s)</u>	<u>From</u>	<u>To</u>
Dale Burstall	Marksmen Energy Inc.	TSX Venture	Corporate Secretary	November 2011	Present
			Director	December 2012	Present
	Newton Energy Corporation	TSX Venture	Director	February 2013	Present
	Standard Exploration Ltd.	TSX Venture	Director and Corporate Secretary	July 2013	Present
	Big Dougie Capital Corp.	TSX Venture	Director and Corporate Secretary	April 2018	Present
	High Mountain Capital Corporation	TSX Venture	Director and Corporate Secretary	May 2018	Present
Ron Love	Whitemud Resources Inc.	TSX Venture	Chief Financial Officer	2006	2009
	Karnalyte Resources Inc.	TSX	Chief Financial Officer	2010	2015
	Clarocity Corporation (formerly Zaio Corporation)	TSX Venture	Chief Financial Officer	2015	2016

Executive Compensation

The Resulting Issuer will have two (2) named executive officers: Yu-Chung (Jim) Hsieh (Chief Executive Officer) and Debbie Chien (Chief Financial Officer). Following completion of the Transaction, it is anticipated that the Resulting Issuer will initially pay the named executive officers an aggregate amount not to exceed \$450,000. It is not anticipated that the Resulting Issuer will initially pay compensation to any of its directors other than a fee of \$500 per director and committee meeting and granting stock options of the Resulting Issuer.

The board of directors of the Resulting Issuer intends to hold a meeting following completion of the Transaction to finalize the compensation for the named executive officers in accordance with industry standards.

Investor Relations Arrangements of the Resulting Issuer

The Resulting Issuer has not entered into any written or oral agreement or understanding with any Person to provide any promotional or investor relations services but is considering doing so.

Options to Purchase Securities of the Resulting Issuer

As at the date hereof, there are no options outstanding under the Stock Option Plan. Prior to or concurrently with the completion of the Transaction, it is anticipated that the Resulting Issuer may grant stock options to purchase up to 11,023,361 Resulting Issuer Shares at \$0.125 per share to its and TME's directors, officers, employees and consultants subject to approval by the board of directors of the Resulting Issuer.

Stock Option Plan

The stock option plan of the Resulting Issuer will be the stock option plan of CanAsia. See "Particulars of Matters to be Acted Upon - Affirmation of Existing Stock Option Plan of CanAsia".

Escrowed Securities of the Resulting Issuer

As required by the Exchange, the shareholders listed below will enter into the TSX Venture Escrow Agreement with Computershare and the Resulting Issuer, pursuant to which they will deposit the

Escrowed Shares into escrow with Computershare. The TSX Venture Escrow Agreement will be a Tier 2 value escrow agreement, which will provide that 10% of the number of shares held thereunder shall be released on the date the Exchange issues its Final Exchange Bulletin and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.

If the Resulting Issuer meets the Exchange's Tier 1 Initial Listing Requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the Escrowed Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

The TSX Venture Escrow Agreement will provide that the Escrowed Shares held thereunder and the beneficial ownership of or interest in them may not be sold, assigned, hypothecated, transferred within escrow, or dealt with in any manner without the prior written consent of the Exchange.

The following is a list of the holders of the Escrowed Shares:

<u>Name and Municipality of Residence</u>	<u>Number of Escrowed Shares Assuming Completion of the Consolidation and Transaction</u>	<u>Percentage of Class after Completion of the Consolidation and Transaction</u>
Serge Luquain St. Germain Lembron, France	37,961,134 Resulting Issuer Shares ⁽¹⁾ 8,320,249 Series D Preferred Shares ⁽¹⁾	34.44% 43.33%
Sicheng Zhang Griza, Malta	41,905,062 Resulting Issuer Shares ⁽²⁾ 9,184,671 Series D Preferred Shares ⁽²⁾	38.01% 47.84%
Yu-Chung (Jim) Hsieh Taichung, Taiwan	1,807,988 Resulting Issuer Shares ⁽³⁾ 396,271 Series D Preferred Shares ⁽³⁾	1.64% 2.06%
Dale Burstall Calgary, Alberta	10,000 Resulting Issuer Shares	0.009%
Corinne Marchat St. Germain Lembron, France	945 Resulting Issuer Shares 207 Series D Preferred Shares	0.001% 0.001%

Notes:

- (1) 37,960,189 of these Resulting Issuer Shares and 8,320,041 of these Series D Preferred Shares will be held indirectly through SPV Finances, a corporation controlled by Mr. Luquain.
- (2) 41,904,117 of these Resulting Issuer Shares and 9,184,464 of these Series D Preferred Shares will be held indirectly through Malchemy, a corporation controlled by Mr. Zhang.
- (3) 1,807,043 of these Resulting Issuer Shares and 396,064 Series D Preferred Shares will be held indirectly through K Plus, a corporation controlled by Mr. Hsieh.

Proposed Auditors and Registrar and Transfer Agent of the Resulting Issuer

Subject to regulatory and shareholder approval, the proposed auditors of the Resulting Issuer are RSM Alberta LLP, Suite 2500, 10104 - 103 Avenue, Edmonton, Alberta T5J 0H8.

Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, will continue as the registrar and transfer agent for the Common Shares.

Material Contracts of the Resulting Issuer

The material contracts of the Resulting Issuer will be the material contracts of CanAsia and TME. See "Information Concerning CanAsia - Material Contracts of CanAsia" and "Information Concerning TME - Material Contracts of TME". It is a condition of Closing the Share Exchange Agreement that CanAsia, TME and Malchemy enter into a waiver letter (the "**Waiver Letter**") whereby CanAsia would be responsible for issuing up to 30,163,063 Resulting Issuer Shares if TME fails to repay the full amount

owing under the Convertible Bonds Tranche B. See "Information Concerning TME - Material Contracts of TME - Note 3".

GENERAL

Sponsorship

No sponsor has been retained at this time in connection with the Transaction as CanAsia has applied for a waiver from sponsorship.

Experts Opinions

The following Persons have prepared reports or provided opinions that are either included in or referred to in this Information Circular.

1. Collins Barrow has provided an audit report on the audited financial statements of CanAsia for the years ended December 31, 2017 and 2016;
2. Grant Thornton (France) has provided an audit report on the audited financial statements of TME for the years ended December 31, 2017 and 2016. Grant Thornton (France) audited the financial statements of TME for the year ended December 31, 2017 and issued an auditor's report dated July 2, 2018. As at July 2, 2018, Grant Thornton (France) was not required by securities legislation to enter, and had not entered, into a participation agreement with the Canadian Public Accountability Board. An audit firm that enters into a participation agreement is subject to the oversight program of the Canadian Public Accountability Board; and
3. Evans provided the Valuation Report.

Interests of Experts

None of the partners and Associates of Burstall LLP hold or will hold more than 1% of any securities or property of CanAsia, TME or the Resulting Issuer or of an Associate or Affiliate of CanAsia, TME or the Resulting Issuer. Collins Barrow is independent of CanAsia and TME within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta. Collins Barrow is the auditor for CanAsia. Grant Thornton (France) is independent of CanAsia and TME within the meaning of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. None of the partners and Associates of Evans hold or will hold any securities or property of CanAsia, TME or the Resulting Issuer or of an Associate or Affiliate of CanAsia, TME or the Resulting Issuer.

Material Fact

To the knowledge of CanAsia and TME, there are no material facts about CanAsia or the Transaction that are not disclosed above which are necessary for this Information Circular to contain full, true and plain disclosure of all material facts relating to the Resulting Issuer following the Transaction, assuming the completion of the Transaction.

Board Approval

The contents and sending of this Information Circular with respect to CanAsia have been approved by the Board.

Unless otherwise indicated, this information is given as of the 29th day of November, 2018.

CONSENTS



Collins Barrow Edmonton LLP

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 Canada
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November 29, 2018

TSX Venture Exchange

Dear Sirs / Mesdames:

Re: CanAsia Financial Inc.

We refer to the Information Circular of CanAsia Financial Inc. (the Company) dated November 29, 2018 relating to the Acquisition by CanAsia of all the Shares of Techni Modul Engineering S.A.

We consent to being named and to the use, through incorporation by reference in the above-mentioned Information Circular, of our report dated April 30, 2018 to the shareholders of the Company on the following financial statements:

Statements of financial position as at December 31, 2017 and 2016;

Statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years ended December 31, 2017 and 2016, and a summary of significant accounting policies and other explanatory information.

We report that we have read the Information Circular and all information specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the Information Circular as these terms are described in the CPA Canada Handbook – Assurance.

This letter is provided solely for the purpose of assisting the stock exchange to which it is addressed in discharging its responsibilities and should not be used for any other purpose.

Yours truly,

Collins Barrow Edmonton LLP

Collins Barrow Edmonton LLP

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Grant Thornton

L'instinct de la croissance™

To Mr Serge Luquain,
CEO TME
 To whom it may concern,
 TSX Venture Exchange

Lyon, November 29, 2018

Reference : Auditor's Consent
Company: TME

Grant Thornton
 Cité Internationale
 44 quai Charles de Gaulle
 CS 60095
 69463 Lyon cedex 06
 France
 T +33 (0) 4 72 13 11 11
www.grant-thornton.fr

Dear Sirs,

We refer to the “*Information Circular*” of Canasia Financial Inc (CanAsia) dated November 29, 2018 relating to the acquisition by CanAsia of all the shares of the French company **Techni-Modul Engineering SA** (“TME”).

We consent to being named and to the use, through incorporation by reference in the above-mentioned “*Information Circular*”, of our report dated July 2, 2018 to the shareholders of TME on the following financial statements:

- Independent Auditor’s Report on the consolidated statements of financial position of TME as at December 31, 2017, as at December 31, 2016 and as at January 1st 2016 ; and the consolidated statements of income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and a summary of significant accounting policies and other explanatory information.

We report that we have read the “*Information Circular*” and all information specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements.

We have complied with Canadian generally accepted standards for an auditor’s consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the *Information Circular* as these terms are described in the Canadian standard issued by the CPA (Chartered Professional Accountants Canada) “Section 7 150 Auditor’s Consent to the use of a Report of the Auditor included in an Offering Document”.

This letter is provided solely for the purpose of assisting you in your dealings with the Canadian stock exchange to which this letter will be communicated by you. This letter should not be used for any other purpose.

Yours faithfully.

The contractual auditor:
Grant Thornton
French member Firm of Grant Thornton International



Thierry Chautant
Partner

EVANS & EVANS, INC.

1075 WEST GEORGIA STREET
SUITE 1330
VANCOUVER, BRITISH COLUMBIA
CANADA, V6E 3C9

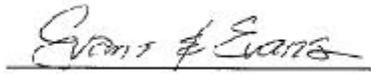
Tel: (604) 408-2222
www.evans-evans.com

CONSENT OF EVANS & EVANS, INC.

To: The board of Directors of CanAsia Financial Inc. (the “Corporation”)

We refer to the Comprehensive Valuation Report on Techni-Modul Engineering (“TME”) dated July 9, 2018 (the “Report”), which we prepared for the Corporation in connection with the acquisition by the Corporation of all the shares of TME. We consent to the filing of the Report with the securities regulatory authority and the inclusion of a summary of the Report in the Information Circular dated November 29, 2018.

Evans & Evans, Inc.



Evans & Evans

November 29, 2018

CERTIFICATE OF CANASIA

Dated: November 29, 2018

The foregoing and the Schedules which are attached to and form part of this Information Circular, to the extent the foregoing and the Schedules relate to CanAsia Financial Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of CanAsia Financial Inc. assuming the completion of the Transaction.

"James G. Louie"

James G. Louie
President and Chief Executive Officer

"Debbie Chien"

Debbie Chien
Chief Financial Officer

ON BEHALF OF THE BOARD

"Dale Burstall"

Dale Burstall
Director

"Yu-Chung (Jim) Hsieh"

Yu-Chung (Jim) Hsieh
Director

CERTIFICATE OF TME

Dated: November 29, 2018

The foregoing, to the extent that it relates to Techni Modul Engineering S.A., constitutes full, true and plain disclosure of all material facts relating to the securities of Techni Modul Engineering S.A. and its predecessors.

"Serge Luquain"
Serge Luquain
Chief Executive Officer and Director

"Corinne Marchat"
Corinne Marchat
Chief Financial Officer

ON BEHALF OF THE BOARD

"Sicheng Zhang"
Sicheng Zhang
Director

"Yu-Chung (Jim) Hsieh"
Yu-Chung (Jim) Hsieh
Director

**THIS IS SCHEDULE A ATTACHED TO AND MADE A PART OF
THE INFORMATION CIRCULAR IN CONNECTION WITH THE
ANNUAL GENERAL AND SPECIAL MEETING OF THE
SHAREHOLDERS OF CANASIA FINANCIAL INC. TO BE HELD
ON JANUARY 24, 2019, AND ANY ADJOURNMENT THEREOF**

SHARE EXCHANGE AGREEMENT

(see attached)

SHARE EXCHANGE AGREEMENT

THIS AGREEMENT is made effective the 29th day of November, 2018.

AMONG:

CANASIA FINANCIAL INC., a corporation existing under the laws of Alberta
(hereinafter referred to as “**CanAsia**”)

AND:

TECHNI MODUL ENGINEERING S.A., a corporation existing under the laws of France
(hereinafter referred to as “**TME**”)

AND:

The Persons listed in Schedule “A” attached hereto
(collectively referred to as the “**TME Shareholders**”)

WHEREAS pursuant to the terms of a letter of intent dated September 25, 2018 (the “**Letter of Intent**”), the parties agreed to effect a reverse takeover of CanAsia by TME;

AND WHEREAS on the terms and subject to the conditions herein set forth, CanAsia desires to purchase from the TME Shareholders all of the issued and outstanding shares of TME held by the TME Shareholders (the “**TME Shares**”) and the TME Shareholders desires to sell the TME Shares to CanAsia subject to the terms and conditions set forth herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the respective covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless otherwise defined, capitalized words and terms shall have the following meanings:

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as from time to time amended, and including any regulations promulgated thereunder;

“**Agreement**” means this share exchange agreement as the same may be supplemented or amended from time to time;

“**Board**” means the board of directors of CanAsia or TME, as the case may be;

“**Business**” means the business carried on by TME as disclosed in the Information Circular;

“**Business Day**” means a day which is not a Saturday, Sunday or a statutory holiday in the Province of Alberta;

“**CanAsia**” means CanAsia Financial Inc., a public company incorporated under the ABCA;

“**CanAsia Alternative Transaction**” means: (a) CanAsia entering into a letter of intent with another similar publicly traded entity; or (b) an issuance of securities by CanAsia in excess of 20% of the total value or number of securities currently outstanding or a business transaction involving CanAsia including, without limitation, a merger, amalgamation, arrangement, reorganization, joint venture, sale of all or substantially all assets, exchange of assets, or any similar transaction;

“**CanAsia Claims**” has the meaning set forth in subsection 5.4(b) hereof;

“**CanAsia Financial Statements**” means:

- (i) the audited annual financial statements of CanAsia for the years ended December 31, 2017 and 2016; and
- (ii) the unaudited interim financial statements for the six month period ended June 30, 2018;

“**CanAsia Indemnified Parties**” has the meaning set forth in subsection 5.4(b) hereof;

“**CanAsia Options**” means the stock options to acquire up to 11,023,361 Resulting Issuer Shares to be issued concurrently with the completion of this Transaction;

“**CanAsia Public Record**” has the meaning set forth in subsection 5.1(f) hereof;

“**Closing**” means the completion of the Transaction pursuant to and in accordance with this Agreement at the Time of Closing;

“**Closing Date**” means the date upon which the Transaction shall be completed, which date shall be as soon as reasonably practicable following receipt of the conditional approval of the Exchange for the Transaction and no later than February 15, 2019, or such other date as agreed to by the parties;

“**Common Share**” means a common share in the capital of CanAsia prior to the Consolidation;

“**Company**” means a corporation, unincorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Computershare**” means Computershare Trust Company of Canada, the registrar and transfer agent of CanAsia;

“**Consolidation**” means a 5 to 1 consolidation of the Common Shares or such lesser number of Common Shares as determined by the Board;

“**Encumbrance**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege or any agreement, indenture, contract, lease, deed of trust, licence, option, instrument or other commitment, whether written or oral, to create any of the foregoing;

“**Exchange**” or “**TSX Venture**” means the TSX Venture Exchange Inc.;

“Governmental Authority” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission or stock exchange;

“IFRS” means International Financial Reporting Standards;

“Information Circular” means the information circular of CanAsia dated November 29, 2018 to be forwarded by CanAsia to its shareholders in connection with the Meeting;

“Intellectual Property” means all registered or pending or common law intellectual property issued to, owned, held or used by TME in carrying on the Business including, without limiting the generality of the foregoing, all trade or brand names, business names, domain names, trade-marks (including logos), trade-mark registrations and applications, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, issued patents and pending applications and other patent rights, industrial design registrations, pending applications and other industrial design rights, trade secrets, proprietary information and know-how, and other intellectual property issued to or owned, held by or used by TME in carrying on the Business, together with all rights under licenses, registered user agreements, technology transfer agreements and other agreements or instruments relating to any of the foregoing, including but not limited to those patents and patent applications set out in Schedule “B” attached hereto;

“Meeting” means the annual and special meeting of the shareholders of CanAsia to be held on January 9, 2019 to approve the Transaction, Consolidation, Name Change and certain other matters described herein;

“Name Change” means the proposed change of CanAsia’s name to "Composite Alliance Group Inc." following completion of the Transaction, subject to shareholder and regulatory approval;

“NI 45-106” means National Instrument 45-106 *Prospectus and Registration Exemptions* of the Canadian Securities Administrators, as amended from time to time;

“Non-Offending Persons” has the meaning set forth in subsection 3.1(i) hereof;

“ordinary course of business” when used in relation to the conduct by TME of its business, means any transaction which constitutes an ordinary day-to-day business activity conducted in a commercially reasonable and businesslike manner;

“person” means a Company or individual;

“Purchase Price” has the meaning set forth in Section 2.2 hereof;

“Purchase Price Common Shares” means the Common Shares to be issued at a deemed price of \$0.125 per Common Share (assuming the completion of the Consolidation) pursuant to this Agreement;

“Purchase Price Shares” means the Purchase Price Common Shares and Series D Preferred Shares issued as consideration for the exchange of TME Shares pursuant to this Agreement;

“Resulting Issuer” means CanAsia and its wholly-owned subsidiary TME, after completion of the Transaction;

“Resulting Issuer Shares” means the common shares of the Resulting Issuer, assuming completion of the Consolidation;

“**Securities Commissions**” means the Alberta Securities Commission, British Columbia Securities Commission, Financial and Consumer Affairs Authority of Saskatchewan and the Ontario Securities Commission;

“**Securities Laws**” means, collectively, the securities laws of the provinces of Alberta, British Columbia, Saskatchewan and Ontario and the regulations and rules made and forms prescribed thereunder, together with all applicable multilateral or national instruments, published policy statements, blanket orders, rulings and notices of the respective provincial commissions, together with all policies, rules and regulations of the Exchange;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Series D Preferred Share**” means the non-voting series D preferred shares of CanAsia which shall be issued post-Consolidation pursuant to this Agreement and convertible into one Resulting Issuer Share at no additional cost to the holder for a period of five (5) years from the date of issuance under the following conditions:

- (a) Each Series D Preferred Share is convertible to one Resulting Issuer Share only if TME’s achieves success;
- (b) Mr. Serge Luquain will continue his employment by, and/or corporate mandate with, TME and/or CanAsia for no less than 36 months from the completion date of the Transaction; and
- (c) CanAsia may, in its discretion, cancel all of the issued and outstanding Series D Preferred Shares if TME fails to reach Success after 36 months from the completion date of the Transaction;

“**Success**” means TME’s aggregate EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) having accumulated to at least €3.5 million on or before 36 months from the completion date of the Transaction;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Time of Closing**” means 10:00 a.m. (Mountain time) on the Closing Date or such other time as shall be agreed upon between the parties;

“**TME**” means Techni Modul Engineering S.A., a private company incorporated under the laws of France;

“**TME Alternative Transaction**” means: (a) TME entering into a letter of intent with another similar publicly traded entity; (b) an issuance of securities by TME in excess of 20% of the total value or number of securities currently outstanding or a business transaction involving TME including, without limitation, a merger, amalgamation, arrangement, reorganization, joint venture, sale of all or substantially all assets, exchange of assets, or any similar transaction; or (c) in the case of a transaction involving the TME Shareholders, any sale, transfer, arrangement, pledge or disposition of beneficial ownership of 20% or more of the outstanding TME Shares (except, in each case, as may be contemplated by this Agreement);

“**TME Claims**” has the meaning set forth in subsection 5.4(c) hereof;

“**TME Financial Statements**” means the audited annual financial statements of TME for the years ended December 31, 2017, and December 31, 2016, together with the notes and auditor’s report thereon and the unaudited interim financial statements for the six months ended June 30, 2018, and June 30, 2017, together with the notes thereon;

“**TME Indemnified Party**” has the meaning set forth in subsection 5.4(c) hereof;

“**TME Corporate Shareholders**” has the meaning set forth in Schedule “A” hereof;

“**TME Individual Shareholders**” has the meaning set forth in Schedule “A” hereof;

“**TME Shareholders**” means collectively the TME Corporate Shareholders and TME Individual Shareholders; individually a “**TME Shareholder**”;

“**TME Shares**” means the common shares in the capital of TME;

“**Transaction**” means the reverse takeover of CanAsia by TME whereby CanAsia will acquire all of the TME Shares pursuant to this Agreement;

“**TSX Venture Escrow Agreement**” means the escrow agreement to be entered into among Computershare, the Resulting Issuer and certain shareholders of the Resulting Issuer in compliance with the requirements of the Exchange, with the securities subject to such agreement to be released as determined by the Exchange;

“**Waiver Letter**” means the waiver letter of Malchemy Corporation Limited;

1.2 Schedules

The following are the Schedules referred to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule “A”	-	TME Shareholders List
Schedule “B”	-	List of Intellectual Property

1.3 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

1.4 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Number, etc.

Unless the subject matter or context requires the contrary, words importing the singular number only shall include the plural and vice versa; words importing the use of any gender shall include all genders and words importing persons shall include natural persons, firms, trusts, partnerships and corporations.

1.6 Date for Any Action

In the event that any date on which any action is required or permitted to be taken hereunder by any person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.7 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute in force from time to time and any statute, regulation or rule that supplements or supersedes such statute, regulation or rule.

1.8 Entire Agreement

This Agreement, together with the documents required to be delivered pursuant to this Agreement, constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained in this Agreement and any document delivered pursuant to this Agreement.

1.9 Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be IFRS from time to time approved by the Canadian Institute of Chartered Accountants, or any successor thereto, applicable as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles.

1.10 Knowledge

References herein to “the knowledge” or similar expressions when referring to either CanAsia or TME means the actual knowledge of the directors and executive officers of either CanAsia or TME as the case may be and, when referring to an individual, the actual knowledge of such individual, and in either case, the actual knowledge that any such person should have acquired upon reasonable inquiry.

ARTICLE 2 PURCHASE AND SALE OF TME SHARES

2.1 Purchase and Sale of the TME Shares

Subject to the terms and conditions hereof, the TME Shareholders covenant and agree to sell, assign and transfer to CanAsia on the Closing Date and CanAsia covenants and agrees to purchase from the TME Shareholders on the Closing Date, all of the TME Shares owned by the TME Shareholders which shall be free and clear of all Encumbrances of any kind whatsoever, and in full consideration and payment therefor CanAsia will pay to the TME Shareholder the Purchase Price in accordance with Section 2.2 of this Agreement.

2.2 Purchase Price Shares

The aggregate purchase price payable by CanAsia to the TME Shareholders for the TME Shares shall be 87,600,000 Purchase Price Common Shares issued for a deemed value of \$10,950,000 and 19,200,000 Series D Preferred Shares (the “**Purchase Price**”) and as set forth in Schedule “A” hereto.

2.3 Treatment of TME Convertible Securities

As of the Closing Date, TME shall have no outstanding shares, options, securities or rights to acquire securities other than the TME Shares which shall be exchanged for Purchase Price Shares on the terms set forth herein.

2.4 Restrictions on Resale and Escrow

- (a) The TME Shareholders acknowledge that the Exchange, in addition to any restrictions on transfer imposed by applicable Securities Laws, may require certain of the Resulting Issuer Common Shares and Series D Preferred Shares to be held in escrow under the TSX Venture Escrow Agreement and pursuant to the policies of the Exchange, which escrow by the TME Shareholder, if any, shall be a condition to Closing.
- (b) The TME Shareholders acknowledges that if Success is not achieved within three (3) years from the Closing Date, the Resulting Issuer may, in its discretion, cancel all of the Series D Preferred Shares issued in exchange for the TME Shares.

ARTICLE 3 COVENANTS

3.1 Mutual Covenants

Each of the parties hereby covenants and agrees, until the earlier of the completion of the Transaction on the Closing Date or the day upon which this Agreement is terminated in accordance with Section 6.2 herein unless another date is otherwise specified, to:

- (a) make available and afford the other parties and their respective legal counsel and auditors and authorized representatives, as the case may be, reasonable access during regular business hours to the property, assets, undertaking, agreements, financial statements, reports, accounting records and records pertaining to CanAsia and TME and such party shall cause its officers and accountants to furnish such additional financial and operating data and other information as the other party shall from time to time reasonably request for such purpose; provided that any such investigation shall be conducted in such manner as not to interfere unreasonably with the operations of TME;
- (b) use its commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws and regulations to complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person, including without limitation, any securities regulatory authority, seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, each of the parties shall use its commercially reasonable efforts (subject to applicable law) to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;
- (c) use its commercially reasonable efforts to obtain, before the Closing Date, all authorizations, waivers, exemptions, consents, orders and other approvals from domestic or foreign courts,

Governmental Authorities, shareholders and third parties as are necessary for the consummation of the transactions contemplated hereby;

- (d) consult and cooperate with the other party and use its commercially reasonable efforts to defend or cause to be defended any lawsuits or other legal proceedings brought against it challenging this Agreement or the completion of the Transaction. No party will settle or compromise any claim brought by their respective present, former or purported holders of any of their securities in connection with the transactions contemplated by this Agreement prior to the Closing Date without the prior written consent of each of the others, such consent not to be unreasonably withheld or delayed;
- (e) promptly notify each of the other parties if any of the representations and warranties made by it in this Agreement ceases to be true, accurate and complete in any material respect and of any failure to comply in any material respect with any of its obligations;
- (f) co-operate with each of the other parties hereto in good faith in order to ensure the timely completion of the Transaction;
- (g) make available to the other parties prospectus level disclosure with respect to it as required to complete the Information Circular and, after review of the Information Circular, to certify as required to the other parties and the Exchange that the information disclosed in the Information Circular with respect to it (and, to the extent required, its subsidiaries and shareholders) constitutes full, true and plain disclosure of all material facts relating to the securities of CanAsia or TME, as the case may be;
- (h) provide for review and comment by TME or CanAsia, as the case may be, all press releases or other similar public written communications of any sort by CanAsia or by TME relating to this Agreement or the Transaction. Each of CanAsia and TME will deal expeditiously with a request for comments on such written communication provided that the party issuing such press release shall not be delayed if to do so would be contrary to its legal obligations;
- (i) indemnify and hold harmless each of the other parties hereto (and such other parties' respective directors, officers and advisers) (collectively, the "**Non-Offending Persons**") from and against all claims, damages, liabilities, actions or demands to which the Non-Offending Persons may be subject insofar as such claims, damages, liabilities, actions or demands arise out of or are based upon a violation of Securities Laws, or arise out of or are based upon the information supplied by a party (other than the Non-Offending Persons) and contained in the Information Circular having contained a misrepresentation other than as a result of gross negligence, willful misconduct or fraud. Each party hereto shall obtain and hold the rights and benefits of this subsection in trust for and on behalf of such party's directors, officers and advisers; and
- (j) subject to the terms hereof, to deliver or cause to be delivered all closing deliveries required to be delivered by it pursuant to this Agreement.

3.2 Covenants of CanAsia

CanAsia covenants and agrees with each of the other parties hereto that, until the earlier of the completion of the Transaction on the Closing Date or the day upon which this Agreement is terminated in accordance with Section 6.2 herein unless another date is otherwise specified, it will:

- (a) in a timely and expeditious manner prepare, in consultation with TME, the Information Circular in prescribed form and in form and content acceptable to TME acting reasonably, and as it relates to CanAsia, not containing any misrepresentation, as defined under applicable laws and file the Information Circular with the Exchange;
- (b) promptly notify TME and the TME Shareholders if, at any time before the Time of Closing, it becomes aware that the information in the Information Circular contains a misrepresentation and prepare a supplement or amendment to the Information Circular, as the case may be, that corrects the misrepresentation, and cause the same to be delivered to the shareholders of CanAsia and filed on SEDAR and with the Exchange;
- (c) make application to the Exchange and take such actions as are required to receive, in a timely manner, Exchange approval of the Transaction and the issuance and listing of the Resulting Issuer Shares and the Resulting Issuer Shares issuable upon the conversion of the Series D Preferred Shares;
- (d) furnish promptly to TME a copy of each notice, report, schedule or other document or communication delivered, filed or received by CanAsia in connection with the Transaction, any filings under applicable laws and any dealings with regulatory or Governmental Authorities in connection with or in any way affecting the transactions contemplated herein;
- (e) forthwith use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Section 4.2 herein to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction and to validly issue the Purchase Price Shares, including using its commercially reasonable efforts to:
 - (i) effect all necessary filings and submissions of information requested by any regulatory authority, stock exchange or Governmental Authority required to be effected by it in connection with the Transaction, including the Exchange, and participate and appear in any proceedings of either CanAsia or TME before any regulatory authority or Governmental Authority to the extent permitted by such authorities; and
 - (ii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (f) subject to applicable laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the timely consummation of the Transaction;
- (g) conduct and operate its business and affairs only in the ordinary and usual course in a prudent manner and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and for greater certainty, it will not enter into any material transaction out of the usual and ordinary course of business and in all material respects conduct itself so as to keep TME and the TME Shareholders fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business and, without limiting the generality of the foregoing, it will not, without the prior written consent of TME, such consent not to be unreasonably withheld, prior to the earlier of the completion of the Transaction or the day upon which this Agreement is terminated in accordance with Section 6.2 herein;

- (i) issue any securities, other than as contemplated by this Agreement and other than pursuant to the exercise of the CanAsia Options;
 - (ii) make any expenditures, other than in connection with its ongoing public filing requirements, due diligence investigations with respect to the Transaction and the completion of the Transaction contemplated herein;
 - (iii) declare or pay any dividends or distribute any of its properties or assets to shareholders;
 - (iv) enter into any contracts, other than in connection with the Transaction contemplated herein;
 - (v) alter or amend its articles or by-laws other than in connection with the Transaction contemplated herein;
 - (vi) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets;
 - (vii) redeem, purchase or offer to purchase any of its Common Shares or other securities;
 - (viii) acquire, directly or indirectly, any assets, including but not limited to securities of other companies;
 - (ix) except as set out in the Information Circular, incur or commit to incur any indebtedness for borrowed money, or issue any debt securities; or
 - (x) approve, authorize or implement any change to the business, financial condition, management, share capital or otherwise of CanAsia, other than as described herein;
- (h) prepare and file with all applicable securities commissions or similar securities regulatory authorities, including the Securities Commissions, all such notifications and fees as to maintain its status as a reporting issuer not in default of any applicable Securities Laws and to permit the issuance of the Purchase Price Shares to the TME Shareholder on a basis exempt from the prospectus and registration requirements of the applicable Securities Laws of the provinces and territories of Canada;
- (i) cause CanAsia's board of directors to be reconstituted on Closing, to a board of six (6) members consisting of Yu-Chung (Jim) Hsieh, Sicheng Zhang, Serge Luquain, Dale Burstall, JianYong Cui and Ron Love, provided the Exchange does not object to such nominations and such persons are eligible to act as directors pursuant to the requirements of:
- (i) the ABCA;
 - (ii) the Exchange's policies; and
 - (iii) applicable Securities Laws;
- (j) subject to the completion of the Transaction and regulatory approval, effect the Consolidation at the Meeting;

- (k) subject to the completion of the Transaction and regulatory approval, effect the Name Change at the Meeting; and
- (l) not (without prior written consent of TME and the TME Shareholders not to be unreasonably withheld), directly or indirectly:
 - (i) initiate, solicit, cause, facilitate or participate in any offer (confidential or otherwise) or expression of interest to acquire any shares or assets of a third party, including any discussions with any businesses, with a view to completing a transaction with any such businesses to the exclusion of completing the Transaction; or
 - (ii) except with regard to the Transaction, pursue any other material amalgamation, merger, arrangement or sale of assets or make any other material change to the business, capital or affairs of CanAsia, including any CanAsia Alternative Transaction.

3.3 Covenants of TME

TME covenants and agrees with CanAsia that, until the earlier of the completion of the Transaction on the Closing Date or the day upon which this Agreement is terminated in accordance with Section 6.2 herein unless another date is otherwise specified, it will:

- (a) in a timely and expeditious manner, assist CanAsia in the preparation of the Information Circular, including providing such information in relation to the business and affairs of TME as may be necessary to comply with applicable law and the requirements of the Exchange;
- (b) promptly notify CanAsia if, at any time before the Time of Closing, it becomes aware that the information in the Information Circular contains a misrepresentation and prepare a supplement or amendment to the Information Circular, as the case may be, that corrects the misrepresentation, and cause the same to be delivered to the shareholders of CanAsia and filed on SEDAR and with the Exchange;
- (c) furnish promptly to CanAsia a copy of each notice, report, schedule or other document or communication delivered, filed or received by TME in connection with the Transaction, any filings under applicable laws and any dealings with regulatory or Governmental Authorities in connection with or in any way affecting the transactions contemplated herein;
- (d) forthwith use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Section 4.1 herein to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using its commercially reasonable efforts to:
 - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other contracts;
 - (ii) effect all necessary filings and submissions of information requested by any regulatory authority or Governmental Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either TME or CanAsia before any regulatory authority or Governmental Authority to the extent permitted by such authorities; and

- (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (e) subject to applicable laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the timely consummation of the Transaction;
- (f) conduct and operate its business and affairs only in the ordinary course consistent with past management practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and for greater certainty, it will not enter into any material transaction out of the usual and ordinary course of business and in all material respects conduct itself so as to keep CanAsia fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, and, without limiting the generality of the foregoing, it will not, without the prior written consent of CanAsia, such consent not to be unreasonably withheld, prior to the earlier of the completion of the Transaction or the day upon which this Agreement is terminated in accordance with Section 6.2 herein:
 - (i) issue any securities;
 - (ii) approve, authorize or implement any change to the business, financial condition, management, share capital or otherwise of TME, other than as described herein;
 - (iii) declare or pay any dividends or distribute any of its properties or assets to shareholders;
 - (iv) enter into any contract, other than in connection with this Transaction;
 - (v) alter or amend its articles or by-laws, other than in connection with the transactions contemplated herein;
 - (vi) engage in any business enterprise or other activity materially different from that carried on as of the date hereof;
 - (vii) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets;
 - (viii) redeem, purchase or offer to purchase (or permit any of its subsidiaries to redeem, purchase or offer to purchase) any of its TME Shares or other securities;
 - (ix) enter into any employment, severance, collective bargaining or similar agreements, policies or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any of its employees, officers or directors;
 - (x) acquire, directly or indirectly, any assets, including but not limited to securities of other companies;
 - (xi) incur or commit to incur any indebtedness for borrowed money, or issue any debt securities; or
 - (xii) approve, authorize or implement any change to the business, financial condition, management, share capital or otherwise of CanAsia, other than as described herein

- (g) not (without prior written consent of CanAsia not to be unreasonably withheld), directly or indirectly:
 - (i) initiate, solicit, cause, facilitate or participate in any offer (confidential or otherwise) or expression of interest to acquire any shares or assets of a third party, including any discussions with any businesses, with a view to completing a transaction with any such businesses to the exclusion of completing the Transaction; or
 - (ii) except with regard to the Transaction, pursue any other material amalgamation, merger, arrangement or sale of assets or make any other material change to the business, capital or affairs of TME, including any TME Alternative Transaction; and
- (h) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the TME Shares to CanAsia, free and clear of all Encumbrances;

3.4 Covenants of the TME Shareholders

Each of the TME Shareholders covenant and agree with the other parties hereto that, until the earlier of the Closing Date or the day upon which this Agreement is terminated in accordance with Section 6.2 herein, it will:

- (a) in a timely and expeditious manner, provide such information with respect to such TME Shareholder as CanAsia may reasonably require in connection with the preparation of the Information Circular and as may be required by the Exchange;
- (b) enter into such escrow, pooling or similar arrangements in respect of the Purchase Price Shares to be received by such TME Shareholder as the Exchange may require, including without limitation the TSX Venture Escrow Agreement;
- (c) furnish promptly to CanAsia and TME a copy of each notice, report, schedule or other document or communication delivered, filed or received by such TME Shareholder in connection with the Transaction, any filings under applicable laws and any dealings with regulatory or Governmental Authorities in connection with or in any way affecting, the transactions contemplated herein;
- (d) forthwith use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Section 4.2 herein to the extent the same are within its control and to take, or cause to be taken, all other action and to do, or cause to be done, to the extent within its control, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using its commercially reasonable efforts to:
 - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other contracts;
 - (ii) effect all necessary filings and submissions of information requested by any regulatory or Governmental Authorities required to be effected by it in connection with the Transaction; and
 - (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction applicable to it;

- (e) subject to applicable laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the timely consummation of the Transaction; and
- (f) not, until the earlier of the termination of this Agreement in accordance with Section 6.2 hereof and the completion of the Transaction, enter into, or agree to enter into, or initiate any discussions subsequent to the date hereof with a view to completing a TME Alternative Transaction.

3.5 Conversion of TME into a *société par actions simplifiée*

The parties shall procure that TME shall be converted into a *société par actions simplifiée* no later than two (2) months after the Closing Date, and that Mr Serge Luquain shall be appointed as *Président* of TME immediately upon such conversion. The shareholder's resolutions appointing Mr Serge Luquain as *Président* shall provide for limitations of his powers in respect of certain reserved matters.

ARTICLE 4 CONDITIONS

4.1 Conditions of CanAsia

The obligations of CanAsia to complete the Transaction are subject to the fulfillment of the following conditions on or before the Closing Date:

- (a) the board of directors of TME shall have approved the Transaction;
- (b) the Transaction, Consolidation and Name Change shall have been approved in accordance with applicable law and the policies of the Exchange;
- (c) the TME Shareholders shall have tendered stock transfer forms relating to the transfer of ownership of their respective TME Shares to CanAsia free and clear of all Encumbrances;
- (d) the TME Shareholders shall have properly completed and duly executed this Agreement;
- (e) there shall be no action taken, or proceedings commenced to have such action taken, under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to CanAsia or TME on a consolidated basis or that would impose any condition or restriction upon CanAsia or TME (after giving effect to the Transaction) which would so materially adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (f) all consents, waivers, permits, orders and approvals of all Governmental Authorities or other persons, the failure of which to obtain would be materially adverse to CanAsia and TME taken as a whole, shall have been obtained;
- (g) the Exchange shall have granted conditional approval subject only to the satisfaction of customary conditions to the Transaction and the Resulting Issuer Shares and the Resulting Issuer Shares issuable upon the exercise of the CanAsia Options and the conversion of the Series D Preferred Shares, shall have been approved for listing on the Exchange, subject to the usual requirements of the Exchange

- (h) the representations and warranties of TME set forth in this Agreement shall be true and correct in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the date hereof and as of the Time of Closing (as if made on and as of that time) except as affected by the transactions contemplated or permitted by this Agreement and except to the extent that any such representation is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date and an officer's certificate of TME to this effect shall have been delivered to CanAsia;
- (i) the representations and warranties of the TME Shareholders set forth in this Agreement shall be true and correct in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the date hereof and as of the Time of Closing (as if made on and as of that time);
- (j) TME and the TME Shareholders shall be in compliance in all material respects with their respective obligations under this Agreement and an officer's certificate of TME respecting TME's obligations to this effect shall have been delivered to CanAsia;
- (k) any shareholder agreement shall have been terminated effective at the Time of Closing;
- (l) from the date of this Agreement until the Closing Date, there shall not have been any material adverse change since the date of the TME Financial Statements, or the discovery of any previously undisclosed material fact or previously disclosed material fact which has adversely changed other than in the ordinary course of business, which has or will have a material adverse effect on the business, operations, assets, capitalization, financial condition, liabilities, results or prospects of TME, taken as a whole;
- (m) prior to the date of filing of the Information Circular by CanAsia, CanAsia shall have conducted a due diligence examination of TME and shall be satisfied with the results thereof, or shall promptly notify TME that it is not so satisfied;
- (n) the TSX Venture Escrow Agreement shall have been entered into;
- (o) the Waiver Letter shall have been entered into;
- (p) the latest available annual and interim financial statements of TME shall be true and correct in all material respects and shall have been prepared in accordance with IFRS consistently applied and the TME Financial Statements required to be included in the Information Circular shall be true and correct in all material respects and shall have been prepared in accordance with IFRS consistently applied and audited in accordance with generally accepted auditing standards and accompanied by an auditor's report thereon, where applicable;
- (q) all closing deliverables of TME and the TME Shareholders described in this Agreement shall have been delivered; and
- (r) completion of the Transaction shall have occurred on or before February 15, 2019 or such later date as the parties to this Agreement may agree.

The foregoing conditions precedent are for the benefit of CanAsia and may be waived by CanAsia, in whole or in part, without prejudice to CanAsia's right to rely on any other condition in favour of CanAsia. If any of the said conditions shall not have been satisfied or waived by CanAsia on or before the date required for their performance and provided such non-compliance did not arise from acts or omissions of

CanAsia, then CanAsia's obligation to complete the Transaction shall be at an end upon written notice to the other parties hereto.

4.2 Conditions of TME and the TME Shareholders

The obligations of TME and the TME Shareholders to complete the Transaction are subject to the fulfillment of the following conditions on or before the Closing Date:

- (a) the Transaction, Consolidation and Name Change shall have been duly authorized and approved by all necessary corporate proceedings and approvals in accordance with applicable law and the policies of the Exchange;
- (b) transactions contemplated by this Agreement shall have been approved by the required majority of the votes of the shareholders of CanAsia who, being entitled to do so, vote in person or by proxy at the Meeting in accordance with the provisions of the ABCA;
- (c) there shall be no action taken, or proceedings commenced to have such action taken, under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to CanAsia or TME on a consolidated basis or that would impose any condition or restriction upon CanAsia or TME (after giving effect to the Transaction) which would so materially adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (d) subject to the completion of the Transaction and regulatory approval, CanAsia shall have effected the Consolidation;
- (e) subject to the completion of the Transaction and regulatory approval, CanAsia shall have effected the Name Change;
- (f) the Exchange shall have granted conditional approval subject only to the satisfaction of customary conditions to the Transaction and the Resulting Issuer Shares and the Resulting Issuer Shares issuable upon the exercise of the CanAsia Options and the conversion of the Series D Preferred Shares, shall have been approved for listing on the Exchange, subject to the usual requirements of the Exchange;
- (g) prior to the date of filing of the Information Circular by CanAsia, TME shall have conducted a due diligence examination of CanAsia and shall be satisfied with the results thereof, or shall promptly notify CanAsia that it is not so satisfied;
- (h) all consents, waivers, permits, orders and approvals of all Governmental Authorities or other persons, the failure of which to obtain would be materially adverse to CanAsia and TME taken as a whole, shall have been obtained;
- (i) from the date hereof until the Closing Date, there shall not have been any material adverse change since the date of the financial statements of CanAsia, or the discovery of any previously undisclosed material fact which has or will have a material adverse effect on the business, operations, assets, capitalization, financial condition, liabilities, results or prospects of CanAsia;
- (j) the representations and warranties of CanAsia set forth in this Agreement shall be true and correct in all material respects (save and except for any representation or warranty already qualified by materiality, which shall be true and correct in all respects) as of the date hereof and as of the Time

of Closing (as if made on and as of that time) except as affected by the transactions contemplated or permitted by this Agreement and except to the extent that any such representation is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date and an officer's certificate of CanAsia to this effect shall have been delivered to TME and the TME Shareholder;

- (k) CanAsia shall be in compliance in all material respects with its obligations under this Agreement and an officer's certificate to this effect shall have been delivered to TME and the TME Shareholder;
- (l) the financial statements of CanAsia required to be included in the Information Circular shall be true and correct in all material respects and shall have been prepared in accordance with IFRS consistently applied and audited in accordance with generally accepted auditing standards and accompanied by an unqualified auditor's report thereon;
- (m) at Closing:
 - (i) CanAsia shall have delivered to the TME Shareholders or, to the extent required by the Exchange, to Computershare as escrow agent, certificates duly registered in the name of such securityholders evidencing the number of Purchase Price Shares to which such securityholder is entitled pursuant to this Agreement; and
 - (ii) all closing deliverables of CanAsia described in this Agreement shall have been delivered;
- (n) CanAsia shall have maintained its status as, and shall be, a "reporting issuer" in Ontario, Alberta, Saskatchewan and British Columbia, not in default under the Securities Laws, and no order ceasing or restricting trading in the Common Shares shall have occurred or been threatened;
- (o) at the Closing, CanAsia shall issue the Purchase Price Shares as contemplated in this Agreement, which Resulting Issuer Shares comprising part thereof shall be issued as fully paid and non-assessable and the Resulting Issuer Shares issuable upon conversion of the Series D Preferred Shares, shall be reserved for issuance; and
- (p) completion of the Transaction shall have occurred on or before February 15, 2019 or such later date as the parties to this Agreement may agree.

The foregoing conditions precedent are for the benefit of TME and the TME Shareholders and may be waived by TME and the TME Shareholders, in whole or in part, without prejudice to TME and the TME Shareholders' right to rely on any other condition in favour of TME and the TME Shareholders. If any of the said conditions shall not have been satisfied or waived by TME and the TME Shareholders on or before the date required for their performance and provided such noncompliance did not arise from acts or omissions of the TME Shareholder or TME, then TME's and the TME Shareholder's obligations to complete the Transaction shall be at an end upon written notice to the other parties hereto.

4.3 Notice and Cure Provisions

Each party will give prompt notice to the other parties hereto of the occurrence, or failure to occur, at any time from the date hereof until the Closing Date, of any event or state of facts which occurrence or failure would or would be likely to:

- (a) cause any of the representations or warranties of any party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Closing Date; or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any party hereunder prior to the Closing Date.

No party may elect not to complete the transactions contemplated hereby pursuant to the conditions precedent contained in Sections 4.1 or 4.2 or any termination right under Section 6.2 unless the party intending to rely thereon has delivered forthwith a written notice to the other parties prior to the Time of Closing specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent or termination right, as the case may be. If any such notice is delivered, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may terminate this Agreement.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of CanAsia

CanAsia represents and warrants to and in favour of each of the other parties hereto as follows and acknowledges that such parties are relying upon the same in connection with the transactions contemplated herein:

- (a) CanAsia is a corporation incorporated and validly existing under the laws of Alberta and has the corporate power to own or lease its property, to carry on its business as now being conducted, to enter into this Agreement and to perform its obligations hereunder;
- (b) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement, will be duly authorized, executed and delivered by CanAsia and each is or will be a legal, valid and binding obligation of CanAsia, enforceable against CanAsia in accordance with its terms;
- (c) the execution and delivery of this Agreement do not and the consummation of the Transaction will not:
 - (i) result in a breach or violation of the articles or by-laws of CanAsia,
 - (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an Encumbrance upon any material agreement, license, permit or authority to which CanAsia is a party or by which CanAsia is bound or to which any material assets or property of CanAsia is subject, or
 - (iii) violate any provision of law or regulation or any judicial or administrative order, award, judgment or decree applicable to CanAsia;
- (d) the authorized capital of CanAsia consists of an unlimited number of Common Shares and an unlimited number of preferred shares without nominal or par value, of which as of the date hereof, prior to Consolidation, 113,168,052 Common Shares (and no more) are issued and outstanding as fully paid and non-assessable;

- (e) CanAsia is a “reporting issuer” (as such term is defined under the Securities Laws) under the Securities Laws of Alberta, British Columbia, Saskatchewan and Ontario and has been a “reporting issuer” thereunder for at least four (4) months prior to the date of this Agreement, is not in default of any requirements of the Securities Laws or the rules thereto or, any of the by-laws, rules or policies of the Exchange or any other regulatory authority, and, to the best of its knowledge, there is no deficiency in the filing of any document with any Securities Commission that would cause it to be placed on the list of defaulting reporting issuers maintained by any of the Securities Commissions. CanAsia has prepared and filed all documents required to be filed by it with the Securities Commissions in connection with its status as a “reporting issuer” under the Securities Laws of Alberta, British Columbia, Saskatchewan and Ontario (collectively the “**CanAsia Public Record**”) and such documents, as of the date they were filed, complied with applicable laws and did not fail to state a material fact required to be stated in order to make the statements contained therein not misleading in light of the circumstances in which they were made. No material adverse change has occurred in relation to CanAsia that is not disclosed in the CanAsia Public Record and CanAsia has not filed any confidential material change reports as part of the CanAsia Public Record that continues to be confidential. CanAsia is not subject to any cease trade order or other order of any Securities Commission or the Exchange and, to the best of CanAsia’s knowledge, no investigation or other proceeding involving CanAsia which may operate to prevent or restrict trading of any securities of CanAsia is currently in progress, pending or threatened before any of the Securities Commissions or the Exchange;
- (f) the Common Shares of CanAsia are listed for trading on the Exchange;
- (g) Except as otherwise disclosed in the Information Circular, no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of CanAsia;
- (h) the CanAsia Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with prior periods, are correct and complete and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of CanAsia as at December 31, 2017 and 2016 and as at June 30, 2018, as the case may be. There has been no material alteration in the manner of keeping the books, accounts or records of CanAsia or in the accounting practices therein reflected since June 30, 2018;
- (i) other than as disclosed in the CanAsia Public Record, since June 30, 2018, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of CanAsia;
- (j) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over CanAsia is required to be obtained by CanAsia in connection with the execution and delivery of this Agreement or the consummation of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent CanAsia from performing its obligations under this Agreement and could not reasonably be expected to have a material adverse effect on CanAsia;

- (k) there is no suit, action or proceeding pending, or to the knowledge of CanAsia, threatened against CanAsia that, individually or in the aggregate, could reasonably be expected to have a material adverse effect upon CanAsia, and there is no judgment, decree, injunction, rule or order of any Governmental Authority with jurisdiction over CanAsia outstanding against CanAsia causing, or which insofar as can reasonably be foreseen, in the future would cause, a material adverse effect on CanAsia;
- (l) CanAsia has duly filed on a timely basis all material tax returns required to be filed by it and has paid all taxes which are due and payable and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof, and adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed. There are no actions, suits, or claims asserted or assessed against CanAsia in respect of taxes, governmental charges or assessments, nor are any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by such Governmental Authority. CanAsia has withheld from each payment made by it to any person and remitted to the proper tax and other receiving offices within the time required all income tax and other deductions required to be withheld from such payments;
- (m) CanAsia has no subsidiaries and does not own nor have any obligation to acquire any securities or assets of any other person;
- (n) no CanAsia Alternative Transaction is currently under discussion, consideration or negotiation with any third party;
- (o) CanAsia is not bound by any restrictions of any nature whatsoever which will prevent it from acquiring the TME Shares subject to regulatory approvals;
- (p) the corporate records and minute books of CanAsia contain complete and accurate minutes of all meetings and resolutions of the directors (and any committees thereof) and shareholders of CanAsia (other than missing signature pages in certain director and shareholder resolutions) and the share certificate books, register of shareholders, register of transfers and register of directors of CanAsia are complete and accurate in all material respects;
- (q) CanAsia currently has no employees and is not a party to any employment, management or consulting agreement of any kind whatsoever;
- (r) CanAsia has in all material respects complied with applicable Securities Laws;
- (s) except as described in the Information Circular, CanAsia is not a party to or bound by any outstanding or executory agreement, contract or commitment of any nature or kind whatsoever, and CanAsia is not conducting any other investigations as to identifying a potential target as a CanAsia Alternative Transaction; and
- (t) All of the information and particulars as set out in and otherwise forming part of the Information Circular, to the extent they relate to CanAsia, are true, complete and accurate and not misleading in any material respect.

5.2 Representations and Warranties of TME

TME represents and warrants to and in favour of CanAsia as follows and acknowledges that CanAsia is relying upon the same in connection with the transactions contemplated herein:

- (a) TME is a corporation incorporated and validly existing under the laws of France and has the corporate power to own or lease its property, to carry on its business as now being conducted, to enter into this Agreement and to perform its obligations hereunder;
- (b) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be, duly authorized, executed and delivered by TME and each is or will be, a legal, valid and binding obligation of TME, enforceable against TME in accordance with its terms;
- (c) the execution and delivery of this Agreement do not and the consummation of the Transaction will not:
 - (i) result in a breach or violation of the articles or by-laws of TME,
 - (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an Encumbrance upon any material agreement, license, permit or authority to which TME is a party or by which any of them is bound or to which any material assets or property of TME is subject,
 - (iii) result in the creation of any Encumbrance upon the TME Shares, or
 - (iv) violate any provision of law or regulation or any judicial or administrative order, award, judgment or decree applicable to TME;
- (d) TME's share capital consists of 92,688 TME Shares;
- (e) the TME Shareholders are the sole legal, beneficial and registered owners of all of the TME Shares, free and clear of all Encumbrances and, without limiting the generality of the foregoing, none of the TME Shares are subject to any voting trust, shareholder agreement or voting agreement;
- (f) Except as otherwise disclosed in the Information Circular, no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of TME;
- (g) as of the Closing Date, TME does not own or have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or proprietary interest in any person. TME does not have any agreements to acquire or lease any other business operations;
- (h) the TME Financial Statements have been or will be prepared in accordance with IFRS applied on a basis consistent with prior periods, are correct and complete and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of TME as at the years ended December 31, 2017, and 2016, and for the six month period ended June 30,

2018, or such other periods as may be required. There has been no material alteration in the manner of keeping the books, accounts or records of TME or in the accounting practices therein reflected since June 30, 2018;

- (i) Other than as disclosed in the TME Financial Statements, since June 30, 2018, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of TME;
- (j) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over TME is required to be obtained by TME in connection with the execution and delivery of this Agreement or the consummation of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent TME from performing its obligations under this Agreement and could not reasonably be expected to have a material adverse effect on TME;
- (k) Except for (i) an ongoing claim raised against TME by a former employee (*directeur industriel*) before the labour tribunal (*prud'hommes*) and (ii) a claim made by a Belgian client against TME in an amount of approximately EUR 800,000, there is no suit, action or proceeding pending, or to the knowledge of TME, threatened against TME that, individually or in the aggregate, could reasonably be expected to have a material adverse effect upon TME, and there is no judgment, decree, injunction, rule or order of any Governmental Authority with jurisdiction over TME outstanding against TME causing, or which insofar as can reasonably be foreseen, in the future would cause, a material adverse effect on TME;
- (l) as of the Closing Date, TME will have good and marketable title free and clear of any Encumbrances to its properties and other assets including the Intellectual Property (other than property or an asset as to which TME is a lessee, in which case it has a valid leasehold interest);
- (m) as of the Closing Date, TME will own or possess all licenses or rights necessary to use all of the Intellectual Property as currently used in the Business as currently operated. To the knowledge of TME, the conduct of the Business does not infringe upon the industrial or intellectual property rights, domestic or foreign, of any other person. To the knowledge of TME, there exist no claims of any infringement or breach of any industrial or intellectual property rights of any other person, and TME has not received any notice that the conduct of the Business, including the use of the Intellectual Property, infringes upon or breaches any industrial or intellectual property rights of any other person, or the trade secrets, know-how or confidential or proprietary information of any other person. To the knowledge of TME, there exist no infringement or violation by any other person of any of the rights of TME in the Intellectual Property, nor does there exist any state of facts which casts doubt on the validity or enforceability of any of the Intellectual Property;
- (n) as of the Closing Date, TME will have all permits, licenses, certificates of authority, orders and approvals of, and will have made all filings, applications and registrations with, applicable Governmental Authorities that are required in order to permit it to carry on its business as presently conducted, except for such permits, licenses, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, have not had and could not reasonably be expected to have, a material adverse effect on TME;

- (o) TME has duly filed on a timely basis all material tax returns required to be filed by it and has paid all taxes which are due and payable and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof, and adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed; there are no actions, suits, or claims asserted or assessed against TME in respect of taxes, governmental charges or assessments, nor are any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by such Governmental Authority, except for the ongoing tax audit of TME in respect of the period covering financial years 2014, 2015, 2016 and 2017 (until July 2017). TME has withheld from each payment made by it to any person and remitted to the proper tax and other receiving offices within the time required all income tax and other deductions required to be withheld from such payments;
- (p) Other than Composite Alliance Corp. and 2MATech, TME has no subsidiaries and does not own nor have any obligation to acquire any securities or assets of any other person;
- (q) as of the Closing Date, the business of TME will be conducted in all material respects in compliance with all applicable laws, regulations and ordinances of all authorities having jurisdiction, except where the failure to comply would not have a material adverse effect on TME; TME has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified TME of such Governmental Authority's intention to commence or to conduct any investigation that would have a material adverse effect on TME;
- (r) the corporate records and minute books of TME contain complete and accurate minutes of all resolutions of the director and shareholder of TME and the share certificate books, register of the shareholder, register of transfers and register of the director of TME are complete and accurate in all material respects;
- (s) upon completion of the transactions contemplated by this Agreement, all of the TME Shares will be owned by CanAsia as the owner of record, free and clear of any and all Encumbrances, except as may arise by or through CanAsia; and
- (t) All of the information and particulars as set out in and otherwise forming part of the Information Circular, to the extent they relate to TME, are true, complete and accurate and not misleading in any material respect.

5.3 Representations and Warranties of the TME Shareholders

Each of the TME Shareholders hereby represents and warrants to and in favour of CanAsia as follows, to the extent such TME Shareholder is concerned, and acknowledges that CanAsia is relying upon the same in connection with the transactions contemplated herein:

- (a) The TME Individual Shareholder is an individual residing in the jurisdiction identified in Schedule "A" to this Agreement and has the capacity to own the respective TME Shares owned by such TME Individual Shareholder, to duly enter into this Agreement and to perform each of the TME Individual Shareholder's obligations hereunder;
- (b) the TME Corporate Shareholder is a corporation incorporated and validly existing under the laws of the laws of the jurisdiction of its incorporation and has the corporate power to own or lease its

property, to carry on its business as now being conducted, to enter into this Agreement and to perform its obligations hereunder;

- (c) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be, duly authorized, executed and delivered by the TME Shareholder and each is or will be, a legal, valid and binding obligation of the TME Shareholder, enforceable against the TME Shareholder in accordance with its terms;
- (d) the TME Shareholder is the registered and beneficial owner of that number of TME Shares set forth in Schedule "A" attached hereto and the TME Shareholder holds such TME Shares, with good and marketable title, free and clear of all Encumbrances whatsoever.
- (e) none of the TME Shares is subject to: (i) any contract or restriction which in any way limits or restricts the transfer to CanAsia of the TME Shares; or (ii) any voting trust, pooling agreement, shareholder agreement, voting agreement or other contract, arrangement or understanding with respect to the voting of its TME Shares (or any of them). On completion of the Transaction, the TME Shareholder will have transferred good title to the TME Shares to CanAsia free and clear of all Encumbrances and the TME Shareholder will have no ownership interest in TME, whether direct or indirect, actual or contingent (other than through ownership of securities of CanAsia and as expressly permitted hereto);
- (f) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over such TME Shareholder is required to be obtained by such TME Shareholder in connection with the execution and delivery of this Agreement or the consummation of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement;
- (g) the TME Shareholder:
 - (i) is knowledgeable of, or has been independently advised as to the applicable securities laws of the regulatory authorities (the "**Authorities**") in the jurisdiction in which the TME Shareholder is resident (the "**International Jurisdiction**") which would apply to the acquisition and issuance of the Purchase Price Shares;
 - (ii) is acquiring the Purchase Price Shares pursuant to exemptions from the prospectus and registration requirements under the applicable securities laws of the Authorities in the International Jurisdiction or, if such is not applicable, the TME Shareholder is permitted to acquire the Purchase Price Shares under the applicable securities laws of the Authorities in the International Jurisdiction without the need to rely on any exemption and such purchase does not contravene any applicable laws in the International Jurisdiction;
 - (iii) the applicable securities laws in the International Jurisdiction do not require CanAsia to make any filings or seek any approvals of any nature whatsoever from any Authority in the International Jurisdiction in connection with the issue and sale or resale of the Purchase Price Shares;
 - (iv) the acquisition of the Purchase Price Shares by the TME Shareholder does not trigger: (A) any obligation to prepare and file a prospectus, offering memorandum or similar document, or any other report with respect to such acquisition in the jurisdiction in which

the TME Shareholder is resident; or (B) any continuous disclosure reporting obligation of CanAsia in the International Jurisdiction;

- (v) agrees that it will not sell, transfer or dispose of the Purchase Price Shares except in accordance with all applicable laws, including applicable securities laws of Canada, the United States and the International Jurisdictions; and
 - (vi) will, if requested by CanAsia, deliver to CanAsia a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in subsections (ii), (iii) and (iv) above to the satisfaction of CanAsia, acting reasonably.
- (h) the TME Shareholder has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the Purchase Price Shares and is able to bear the economic risk and withstand a complete loss of its investment in the Purchase Price Shares;
 - (i) to its knowledge, the TME Shareholder understands that no agency or regulatory body, including without limitation the Securities Commissions, has approved or disapproved the Purchase Price Shares or passed upon or endorsed the merits of the Transaction or the other transactions contemplated by this Agreement;
 - (j) the TME Shareholder has received independent legal and tax advice as to this Agreement, the Transaction and matters related thereto, as they affect the TME Shareholder and its associates and affiliates, and the TME Shareholder is satisfied with the results thereof; and
 - (k) the TME Shareholder understands that the Exchange will require that certain Resulting Issuer Shares and Series D Preferred Shares be held in escrow and such securities may be delivered to Computershare as escrow agent in accordance with the requirements of the Exchange.

5.4 Survival of Representations and Warranties and Indemnity

- (a) The representations and warranties of CanAsia, TME and the TME Shareholders contained in this Agreement or any document or certificate given pursuant hereto shall survive the Closing of the Transaction until the second anniversary of Closing. No claim for breach of any representation, warranty or covenant shall be valid unless the party against whom such claim is made has been given notice thereof before the expiry of such two-year period. The representations and warranties of CanAsia and TME shall merge on Closing.
- (b) Each TME Shareholder hereby undertake to indemnify and save harmless CanAsia, its officers, directors and shareholders (the “**CanAsia Indemnified Parties**”), from and against any and all claims, losses, liabilities, obligations, damages, fees, fines, taxes, penalties, interests, deficiencies, costs and expenses, of any nature or kind whatsoever (collectively the “**CanAsia Claims**”), arising by virtue or in respect of any inaccuracy, misstatement, misrepresentation or omission made by TME or the relevant TME Shareholders in connection with any matters set forth in this Agreement relating to TME and itself, the failure of TME or such TME Shareholders to comply with and carry out its respective obligations and covenants made hereunder provided that any TME Shareholder shall only be required to indemnify a CanAsia Indemnified Party in respect of any amount equal to the percentage of the Purchase Price Common Shares transferred to such shareholder hereunder multiplied by the amount of such recoverable claim provided that such shareholder’s aggregate liability, for indemnification of all recoverable claims hereunder, shall not be greater than that such shareholder’s number of Resulting Issuer Shares transferred hereunder multiplied by the deemed price per Purchase Price Common Share determined under

Section 2.2 hereof. The TME Shareholders shall not be liable for any CanAsia Claims unless the aggregate amount of the liability of the TME Shareholders for all CanAsia Claims exceeds \$100,000.

- (c) CanAsia hereby indemnifies and save harmless TME and the TME Shareholders (the “**TME Indemnified Party**”), from and against any and all claims, losses, liabilities, obligations, damages, fees, fines, taxes, penalties, interests, deficiencies, costs and expenses, of any nature or kind whatsoever (collectively the “**TME Claims**”), arising by virtue or in respect of any inaccuracy, misstatement, misrepresentation or omission made by CanAsia in connection with any disclosure in the CanAsia Public Record or the Information Circular. CanAsia shall not be liable for any TME Claims unless the aggregate amount of the liability of CanAsia for all TME Claims exceeds \$100,000.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Amendment

This Agreement shall only be amended by written agreement of the parties hereto, and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties hereto;
- (b) waive compliance with or modify any representations, warranties or covenants of the parties;
- (c) waive or modify performance of any of the obligations of any of the parties hereto; or
- (d) waiver compliance with or modify any conditions precedent contained herein.

6.2 Termination

This Agreement may be terminated:

- (a) upon mutual agreement in writing of all the parties hereto;
- (b) subject to the provisions of Section 4.3, upon notice by a party hereto of termination of this Agreement due to a material breach of the terms of this Agreement by another party or parties hereto; or
- (c) subject to the provisions of Section 4.3, upon written notice by one party to the other parties that any of the conditions to the closing of the Transaction have not been satisfied prior to the Time of Closing as required in accordance with the terms of this Agreement.

In the event of the termination of this Agreement as permitted above, this Agreement shall become void and no party shall have any liability or further obligation to any other party, except that nothing contained in this Section 6.2 shall relieve or have the effect of resulting in relieving any party from liability for damages incurred or suffered by another party as a result of a breach of this Agreement by a party acting in bad faith intended and designed to prevent the conditions precedent set out in this Agreement from being satisfied. Notwithstanding the foregoing, the provisions of subsection 3.1(i) and Sections 5.4, 8.2, 8.3, 8.8 and 8.10 shall survive any termination of this Agreement.

**ARTICLE 7
CLOSING ARRANGEMENTS**

7.1 Time and Place of Closing

Closing of the Transaction shall take place at the Time of Closing on the Closing Date at the offices of Burstall LLP, Suite 1600, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1.

7.2 Closing Deliveries

- (a) At the Time of Closing, CanAsia will deliver or cause to be delivered:
- (i) certificates evidencing the Purchase Price Shares registered in the names as directed by the respective TME Shareholders;
 - (ii) certified copies of the resolutions of the Board approving the Transaction, Consolidation and Name Change and allotting for issuance and authorizing the issuance of the Purchase Price Shares;
 - (iii) the officer's certificates evidencing the conditions referred to in subsections 4.2(i), (j) and (k) hereof;
 - (iv) evidence of the conditional approval of the Exchange to the completion of the Transaction and all matters incidental thereto as contemplated or permitted herein;
 - (v) evidence of the Consolidation and Name Change;
 - (vi) a certificate of status for CanAsia and evidence of "No Default" from the Securities Commissions; and
 - (vii) such other document as may be reasonably requested from TME and TME's counsel.
- (b) At the Time of Closing, TME will deliver or cause to be delivered:
- (i) certified copies of the resolutions of the director of TME approving the Transaction and the transfer of the TME Shares to CanAsia;
 - (ii) the officer's certificates evidencing the conditions referred to in subsections 4.1(h), (i) and (j) hereof;
 - (iii) certificate of good standing of TME;
 - (iv) evidence that the Intellectual Property listed in Schedule "B" attached hereto is owned by TME free and clear of all Encumbrances;
 - (v) a copy of the share transfer register (*registre de mouvement de titres*) and shareholders' accounts (*comptes d'actionnaires*) updated further to the transfer of the TME Shares by the TME Shareholders to CanAsia in accordance the terms and conditions of this Agreement, and all such other assurances, consents and other documents as CanAsia may reasonably request to effectively transfer to CanAsia title to the TME Shares free and clear of all Encumbrances; and

- (vi) such other documents as may be reasonably requested by CanAsia and CanAsia's counsel.
- (c) At the Time of Closing, the TME Shareholders will deliver or cause to be delivered:
 - (i) Subject to the terms and conditions hereof, at Closing, the TME Shareholders shall deliver to CanAsia share transfer forms in respect of the transfer of the TME Shares to CanAsia; and
 - (ii) the TSX Venture Escrow Agreement duly executed by the TME Shareholder. The Exchange may require that certain Resulting Issuer Shares and Series D Preferred Shares be held in escrow and such securities may be delivered to Computershare as escrow agent in accordance with the requirements of the Exchange.

ARTICLE 8 GENERAL

8.1 Power of Attorney

Each TME Shareholder hereby irrevocably appoints TME as its agent and attorney to take any action that is required or to execute and deliver any documents on its behalf, including without limitation, for the purposes of all Closing matters and deliveries of documents and do and cause to be done all such acts and things as may be necessary or desirable in connection with the Transaction. Such appointment is coupled with an interest and is irrevocable. Without limiting the generality of the foregoing, TME may, on behalf of itself and the TME Shareholder, extend the Time of Closing, modify or waive such conditions as are contemplated herein, negotiate, settle and deliver the final forms of this Agreement and any other documents that are necessary or desirable to give effect to the Transaction, other than any escrow agreements required by the Exchange to be entered into by the TME Shareholder. The TME Shareholder hereby acknowledges and agrees that any decision or exercise of discretion required to be made by TME under this Agreement, shall be final and binding upon the TME Shareholder so long as such decision or exercise was made bona fide. CanAsia shall have no duty to enquire into the validity of any document executed or other action taken by TME on behalf of the TME Shareholder pursuant to this Section 8.1.

8.2 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement shall be in writing and may be given by delivering same or sending same by email transmission addressed to the party to which the notice is to be given at its address for service herein. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day, if not, the next succeeding Business Day) and if sent by email transmission be deemed to have been given and received at the time of receipt unless actually received after 4:00 p.m. at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of the parties shall be as follows:

- (a) if to CanAsia:
c/o 1600, 333 - 7th Avenue S.W.
Calgary, Alberta T2P 2Z1
Attention: James G. Louie
Email: louiej@shaw.ca

With a copy to:

Burstall LLP
 1600, 333 - 7th Avenue S.W.
 Calgary, Alberta T2P 2Z1
 Attention: Dale Burstall
 Email: dale@burstall.com

- (b) if to TME:
 Z.A. de Pérache
 63114 Coudes, France
 Attention: Serge Luquain
 Email: s-luquain@tme-composites.com
- (c) if to the TME Shareholders:
 c/o Techni Modul Engineering S.A.
 Z.A. de Pérache
 63114 Coudes, France
 France Attention: Serge Luquain
 Email: s-luquain@tme-composites.com

8.3 Confidentiality

Prior to Closing and, if the Transaction is not completed, at all times thereafter, each of the parties hereto will keep confidential and refrain from using all information obtained by it in connection with the transactions contemplated by this Agreement relating to any other party hereto, provided however that such obligation shall not apply to any information which was in the public domain at the time of its disclosure to a party or which subsequently comes into the public domain other than as a result of a breach of such party's obligations under this Section 8.3.

8.4 Assignment

No party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other parties hereto.

8.5 Binding Effect

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns.

8.6 Waiver

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting the same.

8.7 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and each of the parties hereto irrevocably attorns to the non-exclusive jurisdiction of the courts of Alberta, Canada.

8.8 Expenses

Due to the requirements of the TSX Venture Exchange, TME is requested by CanAsia to re-compile its historic financial statements in accordance with IFRS, have them audited or reviewed following International Standards of Auditing, as well as compile Management's Discussion and Analysis documents and have them reviewed by auditors and/or lawyers. Therefore, CanAsia agrees to bear fifty (50%) percent of the total costs of the aforementioned works.

Unless otherwise agreed by the parties, each party shall be responsible for other respective out-of-pocket costs and expenses, including legal, accounting, financial advisor and sponsorship expenses, whether or not the Transaction is completed.

8.9 Time of Essence

Time is of the essence of this Agreement and of each of its provisions.

8.10 Public Announcements

Each of the parties hereto shall cooperate with the other parties in releasing information concerning this Agreement and the transactions contemplated herein, and shall furnish to and discuss with the other parties hereto drafts of all press and other releases prior to publication. No press release or other public announcement concerning the proposed transactions contemplated by this Agreement will be made by any party hereto without the prior consent of the other parties, such consent not to be unreasonably withheld or delayed; provided that nothing contained herein shall prevent any party hereto at any time from furnishing any information to any governmental agency or regulatory authority or to the public if so required by applicable law.

8.11 Further Assurances

Each party will, upon request but without further consideration, from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to and perform the provisions and intent of this Agreement and to complete the transactions contemplated hereby.

8.12 Counterparts

This Agreement and any amendment, supplement or restatement of this Agreement may be executed and delivered in one or more counterparts and may be executed and delivered by email, or other electronic means and each of which when executed and delivered shall be deemed an original and all of which counterparts together shall be deemed to constitute one and the same instrument.

8.13 Language

The parties hereto have expressly requested that this Agreement and all ancillary documents be drafted in the English language. *Les parties aux présentes ont expressément exigé que cette convention et tous les documents accessoires soient rédigés en langue anglaise.*

[The remainder of this page is left intentionally blank.]

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto on the date first above written.

CANASIA FINANCIAL INC.

Per: (signed) "James G. Louie"
James G. Louie
President, Chief Executive Officer and Director

TECHNI MODUL ENGINEERING S.A.

Per: (signed) "Serge Luquain"
Serge Luquain
Chief Executive Officer and Director

Counterpart Execution Page for TME Shareholders

This page constitute the counterpart execution page of the agreement entered into on November 29, 2018 (the “**Share Exchange Agreement**”) by and among CanAsia Financial Inc. (“**CanAsia**”), Techni Modul Engineering S.A. (“**TME**”) and the shareholders of TME, and upon execution hereof, the undersigned is bound by and is a party to such Share Exchange Agreement as a shareholder of TME.

(signed) "*Bernard Chaput*"

Bernard Chaput

By: _____

Authorized Signatory

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

Official Capacity (please print)

Please print name of individual whose signature appears above if different than the name of the TME Shareholder printed above

Note: Purchase Price Common Shares and Series D Preferred Share may only be registered in a name other than the TME Shareholder with the approval of CanAsia

Counterpart Execution Page for TME Shareholders

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(signed) *"Paul Luquain"*

Paul Luquain

By:

Authorized Signatory

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

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(signed) "*Sicheng Zhang*"

Sicheng Zhang

By: _____

Authorized Signatory

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

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Address for Registration Purposes

Official Capacity (please print)

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(signed) *”Yu-Chung Hsieh”*

Yu-Chung Hsieh

By:

Authorized Signatory

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

Official Capacity (please print)

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(signed) *"Serge Luquain"*

Serge Luquain

By:

Authorized Signatory

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

Official Capacity (please print)

Please print name of individual whose signature appears above if different than the name of the TME Shareholder printed above

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(signed) "*Corinne Marchat*"

Corinne Marchat

By:

Authorized Signatory

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

Official Capacity (please print)

Please print name of individual whose signature appears above if different than the name of the TME Shareholder printed above

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(signed) "*Stéphane Besson*"

Stéphane Besson

By:

Authorized Signatory

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

Official Capacity (please print)

Please print name of individual whose signature appears above if different than the name of the TME Shareholder printed above

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(signed) *"Yi-Han Liu"*

Yi-Han Liu

By:

Authorized Signatory

Official Capacity (please print)

Please print name of individual whose signature appears above if different than the name of the TME Shareholder printed above

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

Note: Purchase Price Common Shares and Series D Preferred Share may only be registered in a name other than the TME Shareholder with the approval of CanAsia

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SPV FINANCES

By: (signed) "Serge Luquain"
Authorized Signatory

President
Official Capacity (please print)

Serge Luquain
Please print name of individual whose signature appears above if different than the name of the TME Shareholder printed above

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

Note: Purchase Price Common Shares and Series D Preferred Share may only be registered in a name other than the TME Shareholder with the approval of CanAsia

Counterpart Execution Page for TME Shareholders

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MALCHEMY CORPORATION LIMITED

By: (signed) "Sicheng Zhang"
Authorized Signatory

Director
Official Capacity (please print)

Sicheng Zhang
Please print name of individual whose signature appears above if different than the name of the TME Shareholder printed above

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

Note: Purchase Price Common Shares and Series D Preferred Share may only be registered in a name other than the TME Shareholder with the approval of CanAsia

Counterpart Execution Page for TME Shareholders

This page constitute the counterpart execution page of the agreement entered into on November 29, 2018 (the “**Share Exchange Agreement**”) by and among CanAsia Financial Inc. (“**CanAsia**”), Techni Modul Engineering S.A. (“**TME**”) and the shareholders of TME, and upon execution hereof, the undersigned is bound by and is a party to such Share Exchange Agreement as a shareholder of TME.

K PLUS CAPITAL LLC

By: (signed) "Yu-Chung (Jim) Hsieh"
Authorized Signatory

Chief Executive Officer
Official Capacity (please print)

Yu-Chung (Jim) Hsieh
Please print name of individual whose signature appears above if different than the name of the TME Shareholder printed above

Registration Instructions:

Register the Purchase Price Common Shares and Series D Preferred Share in the name and at the address of the TME Shareholder set forth below:

Name for Registration Purposes

Address for Registration Purposes

Note: Purchase Price Common Shares and Series D Preferred Share may only be registered in a name other than the TME Shareholder with the approval of CanAsia

**SCHEDULE “A”
TME SHAREHOLDERS**

“TME Individual Shareholder” means:

Name and Address	No. of TME Shares	No. of Common Shares to be issued	No. of Series D Preferred Shares to be issued
Chaput, Bernard [Address redacted]	1	945	207
Luquain, Paul [Address redacted]	1	945	207
Zhang, Sicheng [Address redacted]	1	945	207
Hsieh, Yu-Chung [Address redacted]	1	945	207
Luquain, Serge [Address redacted]	1	945	207
Marchat, Corinne [Address redacted]	1	945	207
Besson, Stéphane [Address redacted]	1,267	1,197,450	262,455
Liu, Yi-Han [Address redacted]	5,000	4,725,531	1,035,733
TOTAL	6,273	5,928,651	1,299,430

“TME Corporate Shareholder” means:

Name and Address	No. of TME Shares	No. of Common Shares to be issued	No. of Series D Preferred Shares to be issued
SPV Finances [Address redacted]	40,165	37,960,189	8,320,041
Malchemy Corporation Limited [Address redacted]	44,338	41,904,117	9,184,464
K Plus Capital LLC [Address redacted]	1,912	1,807,043	396,064
TOTAL	86,415	81,671,349	17,900,570

SCHEDULE "B"
Intellectual Property - Patents and Patent Applications by TME

Name of Patent / Description	Patent Number	Date of Application	Area	Notes / Status	Date of Expiration
Procédé et installation de moulage d'une pièce en matériau moulable à chaud - Method and installation for molding a composite part made of hot-meltable material, using a molten metal alloy fusible core molding method, for injection / curing parts	05.04372	4/29/2005	France	Patent granted on April 29, 2005.	4/29/2025
Procédé et installation de moulage par compression de matériaux composites en utilisant un alliage métallique en fusion. - Method and apparatus for compression molding composite material	1717007	4/26/2006	Europe	Patent granted on June 08, 2011	4/26/2026
Dispositif et procédé de fabrication d'une pièce moulée en un matériau composite - Device and method for manufacturing a molded piece of a composite material (TSHM process); similar to the infusion process used by the aeronautical sector, but removing most consumable materials, except for a seal.	FR12/50875	1/31/2012	France	Patent granted on October 10, 2014	1/31/2032
Outillage auto chauffant - Self-heating tools. A new type of mold, including a heat transfer fluid system (heating and cooling)	2505327	3/29/2011	Europe	Patent granted on May 16, 2014	3/29/2031
Procédé de fabrication d'outillage en composite - Composite tool manufacturing process. A new type of mold, including a vacuum network for closing	12/57593	8/3/2012	France	Patent granted on February 6, 2015	3/8/2032
Procédé de fabrication d'outillage en composite - Composite tool manufacturing process. A new type of mold, including a vacuum network for closing	2879859	8/5/2013	International	Patent granted on August 23, 2017	5/8/2033
Procédé de fabrication d'outillage en composite - Composite tool manufacturing process. A new type of mold, including a vacuum network for closing	N/A	8/5/2013	International	Application in progress	N/A
Librairie d'estimation locale de l'orientation des fibres des matériaux composites - Software and database for the control of fiber orientation	1561999	12/8/2015	France	Patent granted December 1, 2017	8/21/2035

Name of Patent / Description	Patent Number	Date of Application	Area	Notes / Status	Date of Expiration
<p>Moyen de production et/ou de contrôle d'une pièce en matériaux composites</p> <p>- means of production and / or control of a composite material part. "Smart Control" software, used to monitor defects on composite fabrics or on the operations performed by the robot.</p>	N/A	12/14/2016	International	Application in progress	N/A

Trademark	Number	Date of Application	Area	Note / Status	Date of Expiration
	N° 184462999 Class 07,09	2018/10/12	France	Active	2028/06/20
	N° 184463005 Class 07	2018/10/12	France	Active	2028/06/20
	N° 184452493 Class 07, 17	2018/09/07	France	Active	2028/05/11
SMART INJECTION	N° 174406707 Class 07, 17	2018/09/07	France	Active	2028/05/11
FPTM	N° 144119053 Class 07, 17, 42	2014/09/19	France	Active	2024/09/19
TSHM	N° 144119059 Class 07, 17, 42	2014/09/19	France	Active	2024/09/19

**THIS IS SCHEDULE B ATTACHED TO AND MADE A PART OF
THE INFORMATION CIRCULAR IN CONNECTION WITH THE
ANNUAL GENERAL AND SPECIAL MEETING OF THE
SHAREHOLDERS OF CANASIA FINANCIAL INC. TO BE HELD
ON JANUARY 24, 2019, AND ANY ADJOURNMENT THEREOF**

FINANCIAL STATEMENTS OF CANASIA

(see attached)

CANASIA FINANCIAL INC.
Financial Statements
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of CanAsia Financial Inc.

We have audited the accompanying financial statements of CanAsia Financial Inc., which comprise the statements of financial position as at December 31, 2017 and December 31, 2016 and the statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years ended December 31, 2017 and December 31, 2016 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

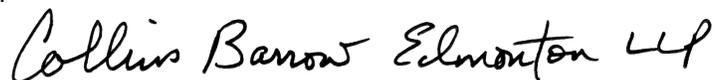
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CanAsia Financial Inc. as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the years ended December 31, 2017 and December 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the financial statements which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Edmonton, Alberta
April 30, 2018



Chartered Professional Accountants

CANASIA FINANCIAL INC.

Statements of Financial Position

December 31, 2017 and 2016

(Expressed in Canadian Dollars)

	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	<u>\$ 3,578</u>	<u>\$ 4,150</u>
LIABILITIES		
Current Liabilities		
Accounts payables and accrued liabilities (Note 3)	\$ 93,137	\$ 36,613
Loans payable (Note 4)	<u>60,000</u>	<u>10,000</u>
	<u>153,137</u>	<u>46,613</u>
EQUITY		
Share capital (Note 6)	2,084,126	2,084,126
Share premium	997,920	997,920
Contributed surplus	391,857	391,857
Deficit	<u>(3,623,462)</u>	<u>(3,516,366)</u>
	<u>(149,559)</u>	<u>(42,463)</u>
	<u>\$ 3,578</u>	<u>\$ 4,150</u>

Going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors on April 30, 2018:

"James Louie"
Signed _____
Director

"Dale Burstall"
Signed _____
Director

See accompanying notes to the financial statements

CANASIA FINANCIAL INC.

Statements of Income (Loss) and Comprehensive Income (Loss)

December 31, 2017 and 2016

(Expressed in Canadian Dollars)

	<u>2017</u>	<u>2016</u>
Expenses		
General and administrative	<u>\$ 107,096</u>	<u>\$ 112,656</u>
Net loss before other income	(107,096)	(112,656)
Other income		
Gain on settlement of liabilities	<u>---</u>	<u>258,191</u>
Net income (loss) and comprehensive income (loss)	<u>\$ (107,096)</u>	<u>\$ 145,535</u>
Earnings per share		
- basic (Note 6)	\$ 0.00	\$ 0.00
- diluted (Note 6)	\$ 0.00	\$ 0.00

See accompanying notes to the financial statements

CANASIA FINANCIAL INC.
Statements of Changes in Equity
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

	<u>Common Shares</u>	<u>Warrants</u>	<u>Preferred Shares</u>	<u>Total</u>	<u>Share Premium</u>	<u>Contributed Surplus</u>	<u>Deficit</u>	<u>Equity</u>
Balance, December 31, 2015	\$ 1,351,029	\$ 244,324	\$ 488,773	\$ 2,084,126	\$ 997,920	\$ 391,857	\$ (3,661,901)	\$ (187,998)
Net income for the year	---	---	---	---	---	---	145,535	145,535
Balance, December 31, 2016	1,351,029	244,324	488,773	2,084,126	997,920	391,857	(3,516,366)	(42,463)
Net loss for the year	---	---	---	---	---	---	(107,096)	(107,096)
Balance, December 31, 2017	<u>\$ 1,351,029</u>	<u>\$ 244,324</u>	<u>\$ 488,773</u>	<u>\$ 2,084,126</u>	<u>\$ 997,920</u>	<u>\$ 391,857</u>	<u>\$ (3,623,462)</u>	<u>\$ (149,559)</u>

See accompanying notes to the financial statements

CANASIA FINANCIAL INC.
Statements of Cash Flows
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

	2017	2016
Cash Provided by (Used in):		
Operating Activities		
Net income (loss)	\$ (107,096)	\$ 145,535
Items not affecting cash:		
Gain on settlement of liabilities	---	(258,191)
Changes in non-cash working capital:		
Accounts payables and accrued liabilities	<u>56,524</u>	<u>(216,840)</u>
	<u>(50,572)</u>	<u>(329,496)</u>
Investing Activity		
Deposit refunded	<u>---</u>	<u>600,000</u>
Financing Activities		
Advance on loan payable	50,000	10,000
Repayments to related parties	<u>---</u>	<u>(285,076)</u>
	<u>50,000</u>	<u>(275,076)</u>
Decrease in cash and cash equivalents	(572)	(4,572)
Cash and cash equivalents, beginning of year	<u>4,150</u>	<u>8,722</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,578</u></u>	<u><u>\$ 4,150</u></u>

See accompanying notes to the financial statements

CANASIA FINANCIAL INC.
Notes to the Financial Statements
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

1. Nature of Operations

CanAsia Financial Inc. (the "Company") was incorporated on June 26, 2008 under the *Business Corporations Act* (Alberta). The Company has no significant assets and has previously paid a deposit of \$600,000 to acquire all the outstanding shares of Global Neuro Technologies Inc. The proposed acquisition was terminated during 2016 and the deposit of \$600,000 was fully refunded to the Company on May 4, 2016. The Company is currently seeking new business opportunities. The Company's registered office is located at Suite 1600, 333-7 Avenue S.W., Calgary, Alberta, Canada.

Going Concern

These financial statements have been prepared in accordance with International Financial Reporting Standards that are applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of operations. There are material uncertainties that may cast significant doubt on the validity of this assumption. The Company has been unable to generate a profit from operations up to December 31, 2017. For the year ended December 31, 2017, the Company incurred a net loss before other income of \$107,096 (2016 - \$112,656), and at December 31, 2017 had a working capital deficiency of \$149,559 (2016 - \$42,463) and an accumulated deficit of \$3,623,462 (2016 - \$3,516,366). The Company's ability to continue as a going concern is dependent on accessing additional funding.

These financial statements do not reflect adjustments in the carrying value of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications that would be necessary if the going concern assumption were not appropriate.

2. Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements have been prepared on a historical cost basis except certain financial instruments that are at fair value.

The financial statements were approved by the Board of Directors on April 30, 2018.

b) Functional and presentation currency

These financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional currency and presentation currency.

CANASIA FINANCIAL INC.
Notes to the Financial Statements
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (Continued)

c) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on deposit with banks, cash on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments with initial maturities of three months or less.

d) Measurement uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other resources. 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.

The amounts recorded for deferred income taxes are based on estimates of the probability of the Company utilizing the deferred tax assets. To the extent assumptions regarding future probability change, there can be a change in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period the change occurs.

e) Share issuance costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

f) Income taxes

Income taxes for the year is comprised of any current tax and changes in deferred tax assets and liabilities.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, plus any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the assets can be utilized, are recognized.

CANASIA FINANCIAL INC.
Notes to the Financial Statements
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (Continued)

f) Income taxes (Continued)

The amount of deferred tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and changes therein, are presented separately from each other and are not offset.

g) Provisions and contingent liabilities

Provisions and contingent liabilities are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Provisions and contingent liabilities are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

h) Share-based compensation

The Company maintains a stock option incentive plan that grants stock options on its common shares to employees, directors, officers and consultants. The purpose of the stock option plan is to align interests with those of shareholders by providing an additional incentive to improve company performance and increase the share price on a long-term basis. The grant of stock options represents a benefit and is recorded as share-based compensation. The compensation expense is equal to the fair value of the option at the grant date, measured using the Black-Scholes option pricing model. Non-employee options are measured at the fair value of the goods or services received unless such value is not reliably determinable. The fair value is recognized over the vesting period of the option, with a corresponding credit to contributed surplus.

CANASIA FINANCIAL INC.
Notes to the Financial Statements
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (Continued)

i) Earnings per share

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of shares outstanding, adjusted for the effects of all dilutive potential common shares.

j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Financial assets include cash and cash equivalents. Purchases and sales of financial assets are recognized on the settlement date, which is the date on which the asset is delivered to or by the Company. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of initial recognition based on the purpose for which the financial assets were acquired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets either held for trading or designated as such on recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy. Financial assets classified as fair value through profit or loss are initially recognized and subsequently carried, at fair value, with changes recognized in the statement of loss. Transaction costs are expensed when incurred. The Company has cash and cash equivalents classified in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The Company has no financial assets classified in this category.

CANASIA FINANCIAL INC.
Notes to the Financial Statements
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (Continued)

j) Financial instruments (Continued)

i) Financial assets (Continued)

Reclassification of financial assets

Reclassification is only permitted in rare circumstances where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

ii) Financial liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Company's own credit risk for financial liabilities, is considered when determining the fair value of financial assets or liabilities, including derivative liabilities. Financial liabilities primarily consist of accounts payable and accrued liabilities and loan payable.

iii) Impairment

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset, other than those classified as financial assets at fair value through profit or loss which are carried at fair value, or a group of financial assets is impaired. When an impairment has occurred, the cumulative loss is recognized in the statement of loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. 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 the statement of 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.

CANASIA FINANCIAL INC.
Notes to the Financial Statements
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. Significant Accounting Policies (Continued)

k) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after December 31, 2017. Many are not applicable or do not have a significant impact to the Company and have been excluded from below. The following has not yet been adopted and the Company does not expect any significant impact on its financial statements from the adoption of the new standard.

IFRS 9 Financial Instruments was issued in final form in July 2015 by the IASB and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Requirements relating to Hedge Accounting, representing a new hedge accounting model, have been added to IFRS 9. The new model represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

3. Accounts Payables and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Trade payables	\$ 58,887	\$ 19,113
Accrued liabilities	<u>34,250</u>	<u>17,500</u>
	<u>\$ 93,137</u>	<u>\$ 36,613</u>

4. Loans Payable

	<u>2017</u>	<u>2016</u>
Due to a director	\$ 10,000	\$ 10,000
Due to a company controlled by a director of the Company	<u>50,000</u>	<u>---</u>
	<u>\$ 60,000</u>	<u>\$ 10,000</u>

The loans payable are unsecured, bear no interest and have no terms of repayment.

CANASIA FINANCIAL INC.
Notes to the Financial Statements
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

5. Related Party Transactions

During the year, the Company has paid professional fees of \$44,908 (2016 – \$nil) to a Company controlled by a director of the Company.

The compensation paid to key management personnel, which is comprised of the Chief Executive Officer and the Chief Financial Officer, during the year is \$nil (2016 – \$nil).

6. Share Capital

Authorized:

Unlimited number of common shares
Unlimited number of preferred shares

Issued:

	Common Shares		Warrants		Preferred Shares		Total
	Number	Amount	Number	Amount	Number	Amount	
Balance, December 31, 2015	<u>98,168,052</u>	<u>\$ 1,351,029</u>	<u>7,500,000</u>	<u>\$ 244,324</u>	<u>15,000,000</u>	<u>\$ 488,773</u>	<u>\$ 2,084,126</u>
Balance, December 31, 2016	<u>98,168,052</u>	<u>\$ 1,351,029</u>	<u>7,500,000</u>	<u>\$ 244,324</u>	<u>15,000,000</u>	<u>\$ 488,773</u>	<u>\$ 2,084,126</u>
Balance, December 31, 2017	<u>98,168,052</u>	<u>\$ 1,351,029</u>	<u>7,500,000</u>	<u>\$ 244,324</u>	<u>15,000,000</u>	<u>\$ 488,773</u>	<u>\$ 2,084,126</u>

The holders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All common shares issued rank equally with regard to the Company's residual assets subject to the rights of the preferred shares.

The preferred shares are non-voting. Each preferred share is convertible into one common share of the Company. The preferred shares are comprised of 15,000,000 Series C Preferred Shares. The holders of Series C Preferred Shares have the right for a period of five years from September 9, 2013 to convert any or all Series C Preferred Shares into common shares of the Company on the basis of one Series C Preferred Share for one common share of the Company. If not converted within the five-year period, on September 9, 2018 the Series C Preferred Shares will be cancelled.

The 7,500,000 warrants are exercisable at \$0.20 per share to acquire one common share of the company until September 9, 2018 at which time the warrants expire.

Earnings per share amounts

Earnings per share has been calculated using the weighted average number of common shares of 98,168,052 (2016 – 98,168,052) outstanding during the year. Diluted earnings per share has been calculated using the weighted average number of common shares of 98,168,052 (2016 - 113,168,052).

CANASIA FINANCIAL INC.
Notes to the Financial Statements
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(Expressed in Canadian Dollars)

7. Stock Options

The Company has a stock option plan (the "Plan"), which provides employees, directors, officers and consultants of the Company with the opportunity to acquire common shares of the Company through the exercise of stock options. The maximum number of unissued common shares that may be subject to options granted and outstanding under the Plan at any time shall be 10% of the number of the issued and outstanding common shares at the time the options are granted. Stock options granted under the Plan are limited to a maximum term of five years and vest immediately.

A summary of the status of the Company's Plan is as follows:

	2017		2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	---	\$ ---	250,000	\$ 0.13
Expired	---	---	(250,000)	(0.13)
Outstanding, end of year	<u>---</u>	<u>\$ ---</u>	<u>---</u>	<u>\$ ---</u>
Exercisable, end of year	<u>---</u>	<u>\$ ---</u>	<u>---</u>	<u>\$ ---</u>

8. Taxation

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

	2017	2016
Deferred tax assets:		
Non-capital tax loss carry forward	\$ 734,110	\$ 702,619
Net capital loss carry forward	28,105	28,105
Tax basis of share issuance costs	262	2,535
Tax basis in excess of accounting basis	<u>4,014</u>	<u>4,316</u>
	766,491	737,575
Less valuation allowance	<u>(766,491)</u>	<u>(737,575)</u>
Net deferred income tax assets	<u>\$ ---</u>	<u>\$ ---</u>

CANASIA FINANCIAL INC.
Notes to the Financial Statements
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

8. **Taxation** (Continued)

The income tax provision reported differs from the amount computed by applying the combined federal and provincial rate to income before income taxes. The reasons for the differences and the related tax effects are as follows:

	<u>2017</u>	<u>2016</u>
Net income (loss) before income taxes	\$ (107,096)	\$ 145,535
Taxation at income tax rate	<u>27.00%</u>	<u>27.00%</u>
Expected tax expense (recovery)	(28,916)	39,294
Tax effect of non-deductible expenses	(302)	(325)
Tax effect of unused tax losses not recognized	31,491	---
Tax effect of tax losses recognized	---	(36,635)
Share issuance costs	<u>(2,273)</u>	<u>(2,334)</u>
	<u>\$ ---</u>	<u>\$ ---</u>

No deferred tax assets have been recognized in respect of the unused tax losses due to the unpredictability of future profit streams. The Company had the following estimated tax losses available to offset against future taxation, which expire as follows:

2028	\$ 152,942
2029	274,656
2030	113,876
2031	367,556
2032	370,017
2033	398,022
2034	212,876
2035	712,349
2037	<u>116,633</u>
	<u>\$ 2,718,927</u>

9. **Capital Management**

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern and seek for potential acquisition.

The Company's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure based on financing requirements as well as in response to economic conditions affecting the Company.

The Company's capital includes the following:

	<u>2017</u>	<u>2016</u>
Shareholders' equity	\$ (149,559)	\$ (42,463)
Loans payable	<u>60,000</u>	<u>10,000</u>
	<u>\$ (89,559)</u>	<u>\$ (32,463)</u>

CANASIA FINANCIAL INC.
Notes to the Financial Statements
December 31, 2017 and 2016
(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management

The Company is exposed to credit and liquidity risks in the normal course of the Company's operations. These risks are mitigated by the Company's financial management policies and practices described below.

a) Credit risk

The Company is exposed to credit risk associated with cash and cash equivalents. The risk is mitigated as the cash and cash equivalents are maintained with major financial institutions in Canada.

b) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liabilities when due. The Company has cash of \$3,578 (2016 - \$4,150) and working capital deficiency of \$149,559 as at December 31, 2017 (2016 - \$42,463).

The Company's contractual obligations consist of accounts payables and accrued liabilities and loans payable. The accounts payable and accrued liabilities is expected to be paid within one year and the loans payable have no terms of repayment.

c) Fair values

The fair values of the Company's cash and cash equivalents, accounts payable and accrued liabilities and loans payable approximate their carrying values due to their short-term nature.

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at December 31, 2017, the Company had only cash and cash equivalents, classified as "fair value through profit or loss", measured at fair value - Level 1. All other financial instruments are measured at amortized cost using the effective interest rate method.

CANASIA FINANCIAL INC.
Financial Statements
Interim Condensed Financial Statements
For the Period Ended June 30, 2018
(Expressed in Canadian Dollars)

CANASIA FINANCIAL INC.

(Unaudited)

Interim Condensed Statement of Financial Position

June 30, 2018

(Expressed in Canadian Dollars)

	June 30, 2018	December 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	<u>\$ 12,311</u>	<u>\$ 3,578</u>
LIABILITIES		
Current Liabilities		
Accounts payables and accrued liabilities (Note 3 and 5)	\$ 119,867	\$ 93,137
Loans payable (Note 4)	<u>160,000</u>	<u>60,000</u>
	<u>279,867</u>	<u>153,137</u>
EQUITY		
Share capital (Note 6)	2,084,126	2,084,126
Share premium	997,920	997,920
Contributed surplus	391,857	391,857
Deficit	<u>(3,741,459)</u>	<u>(3,623,462)</u>
	<u>(267,556)</u>	<u>(149,559)</u>
	<u>\$ 12,311</u>	<u>\$ 3,578</u>

Going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors on August 28, 2018:

"James Louie"
Signed _____
Director

"Dale Burstall"
Signed _____
Director

See accompanying notes to the interim condensed financial statements

CANASIA FINANCIAL INC.

(Unaudited)

Interim Condensed Statement of Loss and Comprehensive Loss

For the period ended June 30, 2018

(Expressed in Canadian Dollars)

	Three Months Ending June 30, 2018	Three Months Ending June 30, 2017	Six Months Ending June 30, 2018	Six Months Ending June 30, 2017
Expenses				
General and administrative	<u>\$ 67,141</u>	\$ 23,183	<u>\$ 117,997</u>	\$ 24,553
Net loss and comprehensive loss	<u>\$ (67,141)</u>	\$ (23,183)	<u>\$ (117,997)</u>	\$ (24,553)
Net loss per share				
- basic (Note 6)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
- diluted (Note 6)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

See accompanying notes to the interim condensed financial statements

CANASIA FINANCIAL INC.

(Unaudited)

Interim Condensed Statement of Changes in Equity

For the period ended June 30, 2018

(Expressed in Canadian Dollars)

	<u>Common Shares</u>	<u>Warrants</u>	<u>Preferred Shares</u>	<u>Total</u>	<u>Share Premium</u>	<u>Contributed Surplus</u>	<u>Deficit</u>	<u>Equity</u>
Balance, January 1, 2018	\$ 1,351,029	\$ 244,324	\$ 488,773	\$ 2,084,126	\$ 997,920	\$ 391,857	\$ (3,623,462)	\$ (149,559)
Net loss for the period	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(117,997)</u>	<u>(117,997)</u>
Balance, June 30, 2018	<u>\$ 1,351,029</u>	<u>\$ 244,324</u>	<u>\$ 488,773</u>	<u>\$ 2,084,126</u>	<u>\$ 997,920</u>	<u>\$ 391,857</u>	<u>\$ (3,741,459)</u>	<u>\$ (267,556)</u>
Balance, January 1, 2017	\$ 1,351,029	\$ 244,324	\$ 488,773	\$ 2,084,126	\$ 997,920	\$ 391,857	\$ (3,516,366)	\$ (42,463)
Net loss for the period	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(24,553)</u>	<u>(24,553)</u>
Balance, June 30, 2017	<u>\$ 1,351,029</u>	<u>\$ 244,324</u>	<u>\$ 488,773</u>	<u>\$ 2,084,126</u>	<u>\$ 997,920</u>	<u>\$ 391,857</u>	<u>\$ (3,540,919)</u>	<u>\$ (67,016)</u>

See accompanying notes to the interim condensed financial statements

CANASIA FINANCIAL INC.

(Unaudited)

Interim Condensed Statement of Cash Flows

For the period ended June 30, 2018

(Expressed in Canadian Dollars)

	June 30, 2018	June 30, 2017
Cash Provided by (Used in):		
Operating Activities		
Net loss	\$ (117,997)	\$ (24,553)
Changes in non-cash working capital:		
Accounts payables and accrued liabilities	<u>26,730</u>	<u>7,044</u>
	<u>(91,267)</u>	<u>(16,140)</u>
Financing Activity		
Advances from loan payable	<u>100,000</u>	<u>50,000</u>
Increase in cash and cash equivalents	8,733	32,491
Cash and cash equivalents, beginning of period	<u>3,578</u>	<u>4,150</u>
Cash and cash equivalents, end of period	<u>\$ 12,311</u>	<u>\$ 36,641</u>

See accompanying notes to the interim condensed financial statements

CANASIA FINANCIAL INC.

(Unaudited)

Notes to the Interim Condensed Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

1. Nature of Operations

CanAsia Financial Inc. (the "Company") was incorporated on June 26, 2008 under the *Business Corporations Act* (Alberta). The Company has no significant assets and is currently seeking new business opportunities. The Company's registered office is located at Suite 1600, 333-7 Avenue S.W., Calgary, Alberta, Canada.

Going Concern

These financial statements have been prepared in accordance with International Financial Reporting Standards that are applicable to a going concern which contemplates the realization of assets and settlement of liabilities in the normal course of operations. There are material uncertainties that may cast significant doubt on the validity of this assumption. The Company has been unable to generate a profit from operations up to June 30, 2018. For the period ended June 30, 2018, the Company incurred a net loss of \$117,997, and at June 30, 2018 had a working capital deficiency of \$267,556 and an accumulated deficit of \$3,741,459. The Company's ability to continue as a going concern is dependent on accessing additional funding.

These financial statements do not reflect adjustments in the carrying value of the assets and liabilities, the reported revenues and expenses and the balance sheet classifications that would be necessary if the going concern assumption were not appropriate.

2. Basis of Presentation

a) Statement of Compliance

These interim condensed financial statements have been prepared in accordance and compliance with International Accounting Standard 34, ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain financial information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. The disclosure herein is incremental to the disclosure included in the annual financial statements. The interim condensed financial statements should be read in conjunction with the annual audited financial statements for the year ended December 31, 2017.

The policies in these interim condensed financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of August 28, 2018; the date the Company's board of directors approved the interim condensed financial statements.

b) Significant Accounting Policies

The accounting policies applied by the Company in these interim condensed financial statements are the same as those applied by the Company in its audited financial statements for the year ended December 31, 2017, except for the adoption of the following accounting standards effective January 1, 2018:

IFRS 9 "Financial Instruments" ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an

CANASIA FINANCIAL INC.

(Unaudited)

Notes to the Interim Condensed Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

2. Basis of Presentation (Continued)

b) Significant Accounting Policies (continued)

entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The adoption of this standard did not have a change in measurement or disclosure on the Company's financial statements.

3. Accounts Payables and Accrued Liabilities

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Trade payables	\$ 103,117	\$ 58,887
Accrued liabilities	<u>16,750</u>	<u>34,250</u>
	<u>\$ 119,867</u>	<u>\$ 93,137</u>

4. Loans Payable

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Due to a director	\$ 110,000	\$ 10,000
Due to a company controlled by a director of the Company	<u>50,000</u>	<u>50,000</u>
	<u>\$ 160,000</u>	<u>\$ 60,000</u>

The loans payable are unsecured, bear no interest and have no terms of repayment.

5. Related Party Transactions

Accounts payable and accrued liabilities include an amount of \$54,383 payable to directors of the Company to reimburse for travel expenses for a board of directors meeting.

During the period, the Company has paid professional fees of \$17,067 (2017 – \$nil) to a Company controlled by a director of the Company.

The compensation paid to key management personnel, which is comprised of the Chief Executive Officer and the Chief Financial Officer, during the period is \$ nil (2017 – \$nil).

CANASIA FINANCIAL INC.

(Unaudited)

Notes to the Interim Condensed Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

6. Share Capital

Authorized:

Unlimited number of common shares

Unlimited number of preferred shares

Issued:

	Common Shares		Warrants		Preferred Shares		Total
	Number	Amount	Number	Amount	Number	Amount	
Balance, December 31, 2017	<u>98,168,052</u>	<u>\$ 1,351,029</u>	<u>7,500,000</u>	<u>\$ 244,324</u>	<u>15,000,000</u>	<u>\$ 488,773</u>	<u>\$ 2,084,126</u>
Balance, June 30, 2018	<u>98,168,052</u>	<u>\$ 1,351,029</u>	<u>7,500,000</u>	<u>\$ 244,324</u>	<u>15,000,000</u>	<u>\$ 488,773</u>	<u>\$ 2,084,126</u>

The holders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All common shares issued rank equally with regard to the Company's residual assets subject to the rights of the preferred shares.

The preferred shares are non-voting. Each preferred share is convertible into one common share of the Company. The preferred shares are comprised of 15,000,000 Series C Preferred Shares. The holders of Series C Preferred Shares have the right for a period of five years from September 9, 2013 to convert any or all Series C Preferred Shares into common shares of the Company on the basis of one Series C Preferred Share for one common share of the Company. If not converted within the five-year period, on September 9, 2018 the Series C Preferred Shares will be cancelled.

The 7,500,000 warrants are exercisable at \$0.20 per share to acquire one common share of the company until September 9, 2018 at which time the warrants expire.

Earnings per share amounts

Earnings per share has been calculated using the weighted average number of common shares of 98,168,052 (June 30, 2017 – 98,168,052) outstanding during the period. Diluted earnings per share has been calculated using the weighted average number of common shares of 98,168,052 (June 30, 2017 - 98,168,052).

7. Stock Options

The Company has a stock option plan (the "Plan"), which provides employees, directors, officers and consultants of the Company with the opportunity to acquire common shares of the Company through the exercise of stock options. The maximum number of unissued common shares that may be subject to options granted and outstanding under the Plan at any time shall be 10% of the number of the issued and outstanding common shares at the time the options are granted. Stock options granted under the Plan are limited to a maximum term of five years and vest immediately.

There were no stock options granted or outstanding during the year ended December 31, 2017 or the six months ended June 30, 2018.

CANASIA FINANCIAL INC.

(Unaudited)

Notes to the Interim Condensed Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

8. Capital Management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern and seek for potential acquisition.

The Company's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure based on financing requirements as well as in response to economic conditions affecting the Company.

The Company's capital includes the following:

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Shareholders' deficiency	\$ (267,556)	\$ (149,559)
Loan payable	<u>160,000</u>	<u>60,000</u>
	<u>\$ (107,556)</u>	<u>\$ (89,559)</u>

9. Financial Instruments and Risk Management

The Company is exposed to credit and liquidity risks in the normal course of the Company's operations. These risks are mitigated by the Company's financial management policies and practices described below.

a) Credit risk

The Company is exposed to credit risk associated with cash and cash equivalents. The risk is mitigated as the cash and cash equivalents are maintained with major financial institutions in Canada.

b) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liabilities when due. The Company has cash of \$12,311 (December 31, 2017 - \$3,578) and working capital deficiency of \$267,556 as at June 30, 2018 (December 31, 2017 - \$149,559).

The Company's contractual obligations consist of accounts payables and accrued liabilities and loans payable. The accounts payable and accrued liabilities is expected to be paid within one year and the loans payable have no terms of repayment.

CANASIA FINANCIAL INC.

(Unaudited)

Notes to the Interim Condensed Financial Statements

June 30, 2018

(Expressed in Canadian Dollars)

9. Financial Instruments and Risk Management (Continued)

c) Fair values

The fair values of the Company's cash and cash equivalents, accounts payable and accrued liabilities and loans payable approximate their carrying values due to their short-term nature.

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at June 30, 2018, the Company had only cash and cash equivalents, classified as "fair value through profit or loss", measured at fair value - Level 1. All other financial instruments are measured at amortized cost using the effective interest rate method.

**THIS IS SCHEDULE C ATTACHED TO AND MADE A PART OF
THE INFORMATION CIRCULAR IN CONNECTION WITH THE
ANNUAL GENERAL AND SPECIAL MEETING OF THE
SHAREHOLDERS OF CANASIA FINANCIAL INC. TO BE HELD
ON JANUARY 24, 2019, AND ANY ADJOURNMENT THEREOF**

MANAGEMENT DISCUSSION AND ANALYSIS OF CANASIA

(see attached)



CanAsia Financial Inc.

MANAGEMENT DISCUSSION & ANALYSIS FORM 51-102F1 For the Year Ended December 31, 2017

This Management Discussion and Analysis (“**MD&A**”) is dated April 30, 2018.

This MD&A of the financial condition of CanAsia Financial Inc. (“**CanAsia**” or the “**Company**”) and results of operations supplements but does not form part of the audited annual financial statements and accompanying notes of the Company for the year ended December 31, 2017 or the audited financial statements of the Company for the year ended December 31, 2016. Consequently, the following discussion and analysis of the results of operations and the financial condition of CanAsia should be read in conjunction with the audited financial statements for CanAsia for the year ended December 31, 2017. Additional information can be found on CanAsia on the SEDAR website (www.sedar.com).

FORWARD LOOKING STATEMENTS

This MD&A may contain forward-looking statements. Forward looking statements include, but are not limited to, words such as “believes” “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues”, “plans” or similar words thereof. These forward statements reflect the Company’s future financial position, future growth, business strategy, budgets, internal projects and objectives of management based on information currently available to the Company.

The Company believes that the expectations represented in such forward-looking statements are reasonable. However, the Company cannot assure that the plans, intentions or expectations upon which these forward looking statements are based will prove to be correct as they are subject to risks, uncertainties and assumptions.

Any such forward-looking statements are expressly qualified in their entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking statements. The forward-looking statements included in this MD&A are made as of the date of this MD&A. The Company undertakes no obligation to publicly update or revise forward-looking statements, other than as required by applicable law. You should not place undue reliance on forward-looking statements.

CORPORATE STRUCTURE:

CanAsia was incorporated on June 26, 2008 under the *Business Corporation Act* (Alberta). The Company’s head office is located at Suite 1600, 333 – 7 Avenue S.W., Calgary, Alberta, Canada.

BUSINESS FOCUS

The Company has no significant assets and is in the process of searching for a potential acquisition. Whether the Company will be successful in its search for an acquisition is uncertain at this time.

SUMMARY OF FINANCIAL RESULTS

All the financial information below is reported in Canadian Dollars (“CAD”). Figures are reported in accordance with International Financial Reporting Standards (“IFRS”).

ANNUAL	Year Ended December 31, 2017 Audited	Year Ended December 31, 2016 Audited	Year Ended December 31, 2015 Audited
Total Revenues	\$ -	\$ -	\$ -
Cost of Sales	-	-	-
Gross Profit	-	-	-
Total expenses	107,096	112,656	701,551
Other income	-	258,191	-
Loss from discontinued operations	-	-	-
Net income (loss)	(107,096)	145,535	(701,551)
Comprehensive income (loss)	(107,096)	145,535	(701,551)
Current Assets	3,578	4,150	608,722
Non-current Assets	-	-	-
Total Assets	3,578	4,150	608,722
Current Liabilities	153,137	46,613	796,720
Non-current Liabilities	-	-	-
Total Liabilities	153,137	46,613	796,720

QUARTERLY	3 Months Ended December 31, 2017 Unaudited	3 Months Ended September 30, 2017 Unaudited	3 Months Ended June 30, 2017 Unaudited	3 Months Ended March 31, 2017 Unaudited
Total Revenues	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit (loss)	-	-	-	-
Total expenses	61,214	21,329	23,183	1,370
Other income	-	-	-	-
Net income loss	(61,214)	(21,329)	(23,183)	(1,370)
Comprehensive income loss	(61,214)	(21,329)	(23,183)	(1,370)
Current Assets	3,578	5,305	36,641	46,060
Non-current Assets	-	-	-	-
Total Assets	3,578	5,305	36,641	46,060
Current Liabilities	153,137	93,650	103,657	89,893
Non-current Liabilities	-	-	-	-
Total Liabilities	153,137	93,650	103,657	89,893
Cash and Cash Equivalents	3,578	5,305	36,641	46,060
Working Capital	(149,559)	(88,345)	(67,016)	(43,833)
Equity	(149,559)	(88,345)	(67,016)	(43,833)
Net Income per share from continuing operation –				
Basic	0.00	0.00	0.00	0.00
Diluted	0.00	0.00	0.00	0.00

QUARTERLY	3 Months Ended December 31, 2016 Unaudited	3 Months Ended September 30, 2016 Unaudited	3 Months Ended June 30, 2016 Unaudited	3 Months Ended March 31, 2016 Unaudited
Total Revenues	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit (loss)	-	-	-	-
Total expenses	6,317	2,556	94,442	9,341
Other income	-	-	258,191	-
Net income (loss)	(6,317)	(2,556)	163,749	(9,341)
Comprehensive income (loss)	(6,317)	(2,556)	163,749	(9,341)
Current Assets	4,150	4,207	6,184	606,951
Non-current Assets	-	-	-	-
Total Assets	4,150	4,207	6,184	606,951
Current Liabilities	46,613	40,354	39,774	804,290
Non-current Liabilities	-	-	-	-
Total Liabilities	46,613	40,354	39,774	804,290
Cash and Cash Equivalents	4,150	4,207	6,184	6,951
Working Capital	(42,463)	(36,147)	(33,590)	(197,339)
Equity	(42,463)	(36,147)	(33,590)	(197,339)
Net Income per share from continuing operation –				
Basic	0.00	0.00	0.00	0.00
Diluted	0.00	0.00	0.00	0.00

RESULTS OF OPERATIONS

Annual Results

Cash has decreased from \$4,150 to \$3,578 mainly due to paying for expenses incurred in the current year to maintain the listing of the Company. The Company is currently seeking new investment opportunities.

Three-Month Period to December 31, 2017

In the fourth quarter of 2017, the Company incurred expenses relating to maintaining its public company listing.

Breakdown of Material Components of General and Administration Expenses

	Year Ended Dec. 31, 2016 Audited	3 Months Ended Mar. 31, 2017 Unaudited	3 Months Ended June 30, 2017 Unaudited	3 Months Ended Sept. 30, 2017 Unaudited	3 Months Ended Dec. 31, 2017 Unaudited	Year Ended Dec. 31, 2017 Audited
Financial expense	-	-	-	-	-	-
Service fee (paid to management)	-	-	-	-	-	-
Consulting fees (paid to management)	90,000	-	-	-	-	-
Filing fee	7,255	1,313	9,363	1,524	30,752	42,952
Transaction fee	-	-	-	-	-	-
Professional fee	12,500	-	13,763	18,628	29,267	61,658
Trust agent fee	1,921	-	-	-	1,138	1,138
Office	980	57	57	1,177	57	1,348
TOTAL	112,656	1,370	23,183	21,329	61,214	107,096

CAPITAL RESOURCES MANAGEMENT

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern and seek for a potential acquisition.

The Company's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure based on financing requirements as well as in response to economic conditions affecting the Company.

The Company's capital includes the following:

	2017	2016
Shareholders' equity	\$ (149,559)	\$ (42,463)
Loan payable	60,000	10,000
	<u>\$ (89,559)</u>	<u>\$ (32,463)</u>

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liabilities when due. The Company has cash of \$3,578 and working capital deficiency of \$149,559 as at December 31, 2017.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to credit and liquidity risks in the normal course of the Company's operations. These risks are mitigated by the Company's financial management policies and practices described below.

Credit Risk

The Company is exposed to credit risk associated with cash and cash equivalent. The risk is mitigated as the cash and cash equivalents are maintained with major financial institutions in Canada.

Liquidity Risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liabilities when due. The Company has cash of \$3,578 (2016 - \$4,150) and working capital deficiency of \$149,559 (2016 - \$42,463) as at December 31, 2017.

The Company's contractual obligations consist of accounts payables and accrued liabilities, and loan payable. The accounts payable and accrued liabilities are due within one year, and the loan payable has no terms of repayment.

ACCOUNTING POLICIES**Basis of Preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements are expressed in Canadian dollars unless otherwise stated.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars ("CAD"), which is the Company's presentation currency and is consistent with the functional currency of CanAsia Financial Inc.

Measurement Uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other resources. 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.

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Disclosure of Share Information

Shares outstanding:

98,168,052 commons shares outstanding at December 31, 2017 and as at the date hereof

Preferred Shares outstanding:

15,000,000 preferred shares outstanding at December 31, 2017 and as at the date hereof

Warrants outstanding:

7,500,000 warrants outstanding as at December 31, 2017 and as at the date hereof

Stock options outstanding:

Nil stock options to purchase common shares are outstanding as at December 31, 2017 and as at the date hereof

APPROVAL

The Board of Directors have reviewed and approved this document pursuant to its mandate and charter.



CanAsia Financial Inc.

MANAGEMENT DISCUSSION & ANALYSIS FORM 51-102F1 For the Quarter Ended June 30, 2018

This Management Discussion and Analysis (“**MD&A**”) is dated August 28, 2018.

This MD&A of the financial condition of CanAsia Financial Inc. (“**CanAsia**” or the “**Company**”) and results of operations supplements but does not form part of the audited annual financial statements and accompanying notes of the Company for the period ended June 30, 2018 or the audited financial statements of the Company for the year ended December 31, 2017. Consequently, the following discussion and analysis of the results of operations and the financial condition of CanAsia should be read in conjunction with the audited financial statements for CanAsia for the year ended December 31, 2017. Additional information can be found on CanAsia on the SEDAR website (www.sedar.com).

FORWARD LOOKING STATEMENTS

This MD&A may contain forward-looking statements. Forward looking statements include, but are not limited to, words such as “believes” “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues”, “plans” or similar words thereof. These forward statements reflect the Company’s future financial position, future growth, business strategy, budgets, internal projects and objectives of management based on information currently available to the Company.

The Company believes that the expectations represented in such forward-looking statements are reasonable. However, the Company cannot assure that the plans, intentions or expectations upon which these forward looking statements are based will prove to be correct as they are subject to risks, uncertainties and assumptions.

Any such forward-looking statements are expressly qualified in their entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking statements. The forward-looking statements included in this MD&A are made as of the date of this MD&A. The Company undertakes no obligation to publicly update or revise forward-looking statements, other than as required by applicable law. You should not place undue reliance on forward-looking statements.

CORPORATE STRUCTURE:

CanAsia was incorporated on June 26, 2008 under the *Business Corporation Act* (Alberta). The Company’s head office is located at Suite 1600, 333 – 7 Avenue S.W., Calgary, Alberta, Canada.

BUSINESS FOCUS

The Company has no significant assets and is in the process of searching for a potential acquisition. Whether the Company will be successful in its search for an acquisition is uncertain at this time.

SUMMARY OF FINANCIAL RESULTS

All the financial information below is reported in Canadian Dollars (“CAD”). Figures are reported in accordance with International Financial Reporting Standards (“IFRS”).

ANNUAL	Year Ended December 31, 2017 Audited	Year Ended December 31, 2016 Audited	Year Ended December 31, 2015 Audited
Total Revenues	\$ -	\$ -	\$ -
Cost of Sales	-	-	-
Gross Profit	-	-	-
Total expenses	107,096	112,656	701,551
Other income	-	258,191	-
Loss from discontinued operations	-	-	-
Net income (loss)	(107,096)	145,535	(701,551)
Comprehensive income (loss)	(107,096)	145,535	(701,551)
Current Assets	3,578	4,150	608,722
Non-current Assets	-	-	-
Total Assets	3,578	4,150	608,722
Current Liabilities	153,137	46,613	796,720
Non-current Liabilities	-	-	-
Total Liabilities	153,137	46,613	796,720

QUARTERLY	3 Months Ended June 30, 2018 Unaudited	3 Months Ended March 31, 2018 Unaudited	3 Months Ended December 31, 2017 Unaudited	3 Months Ended September 30, 2017 Unaudited
Total Revenues	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit (loss)	-	-	-	-
Total expenses	67,141	50,856	61,214	21,329
Other income	-	-	-	-
Net loss	(67,141)	(50,856)	(61,214)	(21,329)
Comprehensive loss	(67,141)	(50,856)	(61,214)	(21,329)
Current Assets	12,311	53,521	3,578	5,305
Non-current Assets	-	-	-	-
Total Assets	12,311	53,521	3,578	5,305
Current Liabilities	279,867	253,936	153,137	93,650
Non-current Liabilities	-	-	-	-
Total Liabilities	279,867	253,936	153,137	93,650
Cash and Cash Equivalents	12,311	53,521	3,578	5,305
Working Capital	(267,556)	(200,415)	(149,559)	(88,345)
Equity	(267,556)	(200,415)	(149,559)	(88,345)
Net Income per share from continuing operation –				
Basic	0.00	0.00	0.00	0.00
Diluted	0.00	0.00	0.00	0.00

QUARTERLY	3 Months Ended June 30, 2017 Unaudited	3 Months Ended March 31, 2017 Unaudited	3 Months Ended December 31, 2016 Unaudited	3 Months Ended September 30, 2016 Unaudited
Total Revenues	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit (loss)	-	-	-	-
Total expenses	23,183	1,370	6,317	2,556
Other income	-	-	-	-
Net income loss	(23,183)	(1,370)	(6,317)	(2,556)
Comprehensive loss	(23,183)	(1,370)	(6,317)	(2,556)
Current Assets	36,641	46,060	4,150	4,207
Non-current Assets	-	-	-	-
Total Assets	36,641	46,060	4,150	4,207
Current Liabilities	103,657	89,893	46,613	40,354
Non-current Liabilities	-	-	-	-
Total Liabilities	103,657	89,893	46,613	40,354
Cash and Cash Equivalents	36,641	46,060	4,150	4,207
Working Capital	(67,016)	(43,833)	(42,463)	(36,147)
Equity	(67,016)	(43,833)	(42,463)	(36,147)
Net Income per share from continuing operation –				
Basic	0.00	0.00	0.00	0.00
Diluted	0.00	0.00	0.00	0.00

RESULTS OF OPERATIONS

Three-Month Period to June 30, 2018

In the second quarter of 2018, the Company incurred expenses relating to maintaining its public company listing.

Breakdown of Material Components of General and Administration Expenses

	3 Months Ended June 30, 2018 Unaudited	3 Months Ended Mar. 31, 2018 Unaudited	3 Months Ended Dec. 31, 2017 Unaudited	3 Months Ended Sept. 30, 2017 Unaudited	3 Months Ended June 30, 2017 Unaudited	3 Months Ended March 31, 2017 Unaudited	3 Months Ended December 31, 2016 Unaudited	3 Months Ended September 30, 2016 Unaudited
Filing fee	16,184	3,247	30,752	1,524	9,363	-	1,260	-
Transaction fee	-	-	-	-	-	1,313	-	-
Professional fee	20,061	17,599	29,267	18,628	13,763	-	5,000	2,500
Trust agent fee	533	4,763	1,138	-	-	-	-	-
Office	30,363	25,247	57	1,177	57	57	57	56
TOTAL	67,141	50,856	61,214	21,329	23,183	1,370	6,317	2,556

CAPITAL RESOURCES MANAGEMENT

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern and seek for a potential acquisition.

The Company's capital structure is regularly reviewed and managed. Adjustments are made to the capital structure based on financing requirements as well as in response to economic conditions affecting the Company.

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liabilities when due. The Company has cash of \$12,311 and working capital deficiency of \$267,556 as at June 30, 2018.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to credit and liquidity risks in the normal course of the Company's operations. These risks are mitigated by the Company's financial management policies and practices described below.

Credit Risk

The Company is exposed to credit risk associated with cash and cash equivalent. The risk is mitigated as the cash and cash equivalents are maintained with major financial institutions in Canada.

Liquidity Risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liabilities when due. The Company has cash of \$12,311 and working capital deficiency of \$267,556 as at June 30, 2018.

The Company's contractual obligations consist of accounts payables and accrued liabilities, and loan payable. The accounts payable and accrued liabilities are due within one year, and the loan payable has no terms of repayment.

ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**").

The financial statements are expressed in Canadian dollars unless otherwise stated.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars ("**CAD**"), which is the Company's presentation currency and is consistent with the functional currency of CanAsia Financial Inc.

Measurement Uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other resources. 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.

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Disclosure of Share Information

Shares outstanding:

98,168,052 commons shares outstanding as at the date hereof

Preferred Shares outstanding:

15,000,000 preferred shares outstanding as at the date hereof

Warrants outstanding:

7,500,000 warrants outstanding as at the date hereof

Stock options outstanding:

Nil stock options to purchase common shares are outstanding as at the date hereof

APPROVAL

The Board of Directors have reviewed and approved this document pursuant to its mandate and charter.

**THIS IS SCHEDULE D ATTACHED TO AND MADE A PART OF
THE INFORMATION CIRCULAR IN CONNECTION WITH THE
ANNUAL GENERAL AND SPECIAL MEETING OF THE
SHAREHOLDERS OF CANASIA FINANCIAL INC. TO BE HELD
ON JANUARY 24, 2019, AND ANY ADJOURNMENT THEREOF**

FINANCIAL STATEMENTS OF TME

(see attached)



TECHNI-MODUL ENGINEERING GROUP

Consolidated financial statements December 31, 2017 and December 31, 2016

ZA DE PERACHE
63114 COUDES
FRANCE



Independent Auditor's Report on consolidated financial statements

TECHNI-MODUL ENGINEERING

Société anonyme
au capital de 1 480 552 €
Zone Artisanale de Pérache
63114 Coudes (France)

**For the years ended December 31st 2017
and December 31st 2016**

Grant Thornton

SA d'Expertise Comptable et
de Commissariat aux Comptes
au capital de 2 297 184 €
inscrite au tableau de l'Ordre de la région
Paris - Ile de France et membre de la
Compagnie régionale de Versailles
RCS Nanterre B 632 013 843
44, quai Charles de Gaulle
CS 60095
69463 Lyon cedex 06 (France)

**TECHNI-MODUL ENGINEERING –TME
INDEPENDENT AUDITOR’S REPORT**

For the years ended December 31st 2017 and December 31st 2016

To the shareholders of TME Company,

Opinion

We have audited the financial statements of TME (the Group), which comprise the consolidated statements of financial position as at December 31st 2017, as at December 31, 2016 and as at January 1st 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years ended December 31st 2017 and December 31, 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Company and its subsidiaries (the Group) as at December 31st 2017, as at December 31, 2016 and as at January 1st 2016, and their consolidated financial performance and their consolidated cash flows for the years ended December 31st 2017 and December 31, 2016 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in France, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements.
- We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Lyon, July 2nd 2018

The independent auditor,
Grant Thornton
French member firm of Grant Thornton International



Thierry Chautant
Partner

SUMMARY

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-I- FINANCIAL STATEMENTS**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

ASSETS	December 31, 2017	December 31, 2016	January 1, 2016
NON CURRENT ASSETS			
Goodwill	0	0	0
Intangible assets	1 828 147	2 121 352	1 514 437
Tangible assets	177 074	246 798	284 560
Other non current assets	247 310	244 653	239 628
Deferred tax assets	0	0	0
Total non current assets	2 252 531	2 612 803	2 038 625
CURRENT ASSETS			
Inventories	124 684	116 120	171 683
Accounts receivable	1 561 040	3 943 130	2 701 834
Other receivables and prepaid expenses	591 688	493 027	647 843
Cash and cash equivalents	139 628	201 694	601 916
Total current assets	2 417 040	4 753 971	4 123 276
Total assets	4 669 571	7 366 774	6 161 901

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	December 31, 2017	December 31, 2016	January 1, 2016
EQUITY			
Share capital	1 480 552	1 480 552	780 555
Share premium	0	0	0
Retained earnings	32 625	-610 683	478 777
Net income or loss of the period	-1 545 314	571 080	-1 202 137
Equity attributable to owners of the parent	-32 137	1 440 949	57 195
Non-controlling interests	-70 900	-63 788	-20 959
Total equity	-103 037	1 377 161	36 236
LIABILITIES			
Convertible bonds	1 685 255	1 138 799	0
Long term borrowings	1 248 140	808 884	1 332 097
Long term provisions	161 804	173 186	146 619
Investment subsidies	181 579	227 374	214 583
Total non Current Liabilities	3 276 778	2 348 243	1 693 299
Current debts	132 944	152 233	
Short term borrowing	43 672	972 710	681 361
Accounts payable and related payable	707 050	1 038 033	944 585
Other current liabilities	612 164	1 478 394	2 806 420
Total current Liabilities	1 495 830	3 641 370	4 432 366
Total liabilities	4 772 608	5 989 613	6 125 665
Total equity and liabilities	4 669 571	7 366 774	6 161 901

CONSOLIDATED STATEMENT OF INCOME

	2 017	2 016
Revenue	3 561 579	6 676 062
Purchased raw material and goods	- 1 017 245	- 863 084
Payroll expenses and social security contributions	- 1 997 352	- 2 303 663
Other purchases and external expenses	- 1 636 193	- 3 020 000
Taxes and related payments	- 84 066	- 109 861
Fixed assets amortization	- 461 871	- 223 883
Provision variations	323 613	539 946
Other expenses	- 89 732	- 46 092
Operating profit	- 1 401 267	649 425
Other operating incomes & expenses	- 3 605	25
Financial income	-	317
Finance costs	- 154 507	- 115 097
Income tax	- 1 584	- 3 856
Net income	- 1 560 963	530 814
Group net income	- 1 545 314	571 080
<i>Non controlling interests</i>	- 15 648	- 40 266

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OTHER COMPREHENSIVE INCOME	2017	2016
Profit for the year	- 1 560 963	530 814
Other Comprehensive Income :		
Actuarial gains (losses) on defined benefit plans	- 10 818	- 11 192
Other Comprehensive Income for the year, net of tax	- 10 818	- 11 192
of which to be recycled in income statement	-	-
of which not to be recycled in income statement	- 10 818	- 11 192
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	- 1 571 781	519 622
Attributable :		
• to owners of the parent	- 1 556 132	559 888
• to non-controlling interests	- 15 648	- 40 266

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

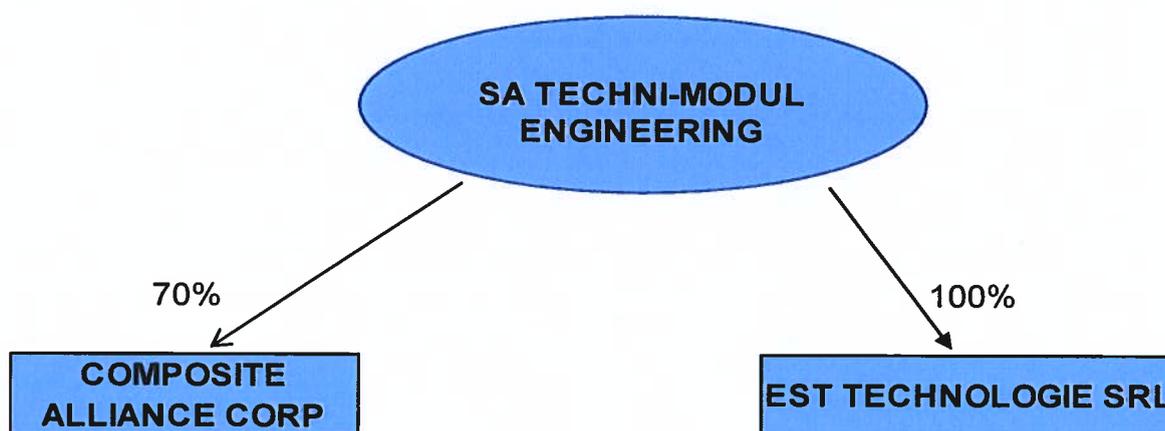
OWNER'S EQUITY	Share capital	Share premium	retained earnings	net income or loss	Total group	Non-controlling interests	Total equity
Balance at 1 January 2016	780 555		478 777	- 1 202 137	57 195	- 20 959	36 236
Issue of ordinary shares	699 997	-			699 997		699 997
Convertible bonds		-	130 987		130 987		130 987
Dividends	-	-			-		-
Allocation earnings	-	-	- 1 202 137	1 202 137	-		-
Total income of the year	-	-		571 080	571 080	- 40 266	530 814
Impact of change in accounting policy	-	-			-		-
Other variations	-	-	18 310		18 310	- 2 563	20 873
Balance at 31 December 2016	1 480 552	-	610 683	571 080	1 440 949	- 63 788	1 377 161
Issue of ordinary shares		-					
Convertible bonds		-	64 428		64 428		64 428
Dividends							
Allocation earnings			571 080	- 571 080			
Total income of the year				- 1 545 314	- 1 545 314	- 15 648	- 1 560 962
Impact of change in accounting policy							
Other variations			7 800		7 800	8 537	16 337
Balance at 31 December 2017	1 480 552	-	32 625	- 1 545 314	- 32 137	- 70 900	- 103 037

CONSOLIDATED STATEMENTS OF CASH FLOWS

OPERATING ACTIVITIES	2 017	2 016
Consolidated net income	- 1 560 963	530 814
Depreciation, amortization and provisions	178 031	- 314 469
Change in fair value	-	-
Gain or loss from the sale of the assets	41 246	10 868
Income from equity affiliates	-	-
change in working capital requirement	1 354 358	- 1 769 004
Changes in inventories	- 8 564	55 563
Changes in trade and other receivable	2 293 454	- 1 086 079
changes in trade and other payable	- 930 532	- 738 488
Net cash from operating activities	12 672	- 1 541 791
INVESTING ACTIVITIES		
Acquisition of intangible assets	- 107 865	- 775 145
Acquisition of tangible assets	- 38 291	-
Proceeds from sale of intangible and tangible assets	5 500	
Acquisition of financial assets	- 2 701	- 4 032
Proceeds from sale of financial assets		
Acquisition of subsidiary, net of cash acquired	-	21 813
Dividends from equity accounted investees		
Net cash used by investing activities	- 143 357	- 757 364
FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	699 997
Proceeds from issue of convertible bond (Equity part)	64 428	130 987
Dividendes paid	-	- 6 114
Proceeds from invest subsidies	- 37 395	12 791
Proceeds from new convertible bonds (Debt part)	546 456	1 138 799
Proceeds from new borrowings	483 214	40 000
Repayment of borrowings	- 83 355	- 18 786
Partners' current accounts variation	20 108	- 388 664
Net cash used by financing activities	993 456	1 609 010
Effect of exchange rate fluctuations on cash held	4 202	- 1 426
Net (increase) decrease in cash and cash equivalent	866 973	- 691 571
Cash and equivalent cash at 1 January 2017	- 771 016	- 79 445
Net decrease in cash and cash equivalent	866 973	- 691 571
Cash and equivalent cash at 31 December 2017	95 956	- 771 016

-II- NOTES OF THE CONSOLIDATED COMPAGNIES

-1- LIST OF CONSOLIDATED COMPANIES



The consolidating company

Name	Head office	Département	N° id
SA TECHNI-MODUL ENGINEERING	ZA DE PERACHE 63114 COUDES FRANCE	Puy de Dôme	42129003200034

Fully consolidated subsidiaries :

Nom	Siège	Share number	*shares held	%held	% interest
COMPOSITE ALLIANCE, Corp	1251 AV OF THE AMERICA 3F NEW YORK	2 000	1400	70.00	70.00
EST TECHNOLOGIE	5 RUE NICOLAE BALCESU BACAU ROUMANIE	300	300	100.00	100.00

Subsidiaries, over which TME exercises exclusive control, either directly or indirectly, are fully consolidated.

Companies that are not controlled by TME but over which the Group exercises significant influence, as well as joint arrangements (within the meaning of IFRS 11), are accounted for using the equity method.

The minority shareholders' portion is stated in the shareholders 'equity under « minority interest »

-2- MAIN CHANGES IN THE SCOPE OF THE CONSOLIDATION

At the acquisition date:

- identifiable assets, liabilities and contingent liabilities meeting IFRS criteria are recognized at fair value;
- non-current assets classified as held for sale are measured at fair value less costs to sell.

Goodwill is the difference between:

- consideration transferred, plus the value of any non-controlling interests; and the fair value of net identifiable assets acquired and liabilities assumed.

-3- METHOD OF TRANSLATING FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The Group's consolidated financial statements are presented in euros.

Translation of foreign subsidiaries' financial statements

The balance sheets of companies whose functional currency is not the euro are translated into euros at the exchange rates effective at the reporting date. Income statement and cash flow statement items are translated at the average exchange rate for the financial year. Foreign currency translation differences are recognized directly in shareholders' equity in the line item "other variations".

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity. Accordingly, they are reported in the entity's functional currency and translated at the exchange rate effective at the reporting date.

Transactions in foreign currencies

Transactions in foreign currencies are recognized at the exchange rates effective at the transaction dates. Assets and liabilities in foreign currencies are translated using the exchange rate effective at the reporting date.

The corresponding foreign currency translation gains and losses are recognized in the income statement, under:

- operating income for commercial transactions;
- financial income and expense for financial transactions.

-4- CLOSING DATE

The consolidated accounts are closed as of December 31, 2017.

The duration of the year ended 31 December 2017 is 12 months.

The duration of the 2016 financial year presented in comparison is also 12 months.

All consolidated companies close their fiscal year at December 31.

The administration board approved the consolidated financial statements ended December 31, 2017 on June 28, 2018.

III- NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -

I. NATURE OF OPERATIONS

TECHNI MODUL ENGINEERING is specialized in industrial turn-key solutions for the production of composite parts. TME provides custom products and services according to specifications and final applications. TME works closely with their clients to offer support and advice in defining the best practices and solutions for each project.

II. BASIS OF PREPARATION

TME is a company incorporated in France and subject to French laws and regulations governing commercial companies, including the provisions of the French Commercial Code.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that is endorsed for use in the European Union. They have been prepared under the assumption that the Group operates on a going concern basis for the following reasons:

- The forecasted sales of the TME Group are estimated at M€.8 for 2018, M€.6 of which are yet signed.
- The main shareholder of the company, Comtec, is supporting financially the company and has confirmed in a comfort letter that it will support TME for its financial needs in 2018 (increase of working capital, specific need, etc..)

The consolidated financial statements have been prepared in compliance with the international accounting standards (IFRS) as adopted by the European Union as of December 31, 2017.

The same accounting methods were used as for the consolidated financial statements for the year ended December 31, 2016 and December 31, 2015 (opening balance sheet).

New or revised Standards or Interpretations

The following standards and interpretations that were applicable during the period did not have a material impact on the consolidated financial statements as of December 31, 2017:

- amendments to IAS 7 – Statement of Cash Flows – Disclosure initiative;
- amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses.

The Group did not apply the following standards and interpretations for which mandatory application is subsequent to December 31, 2017:

- standards adopted by the European Union:
 - amendments to IFRS 4: Apply IFRS 9 Financial instruments with IFRS 4 Insurance contracts,
 - IFRS 16 – Leases
 - IFRS 15 – Clarifications,
 - IFRS 15 – Revenue from Contracts with Customers;
 - IFRS 9 – Financial instruments
- standards not yet adopted by the European Union:
 - IFRS 17 – Insurance Contracts,
 - annual Improvements to IFRSs 2014-2016 Cycle (December 2016),
 - amendments to IAS 40 – Transfers of Investment Property,

- IFRIC 23 – Uncertainty over Income Tax Treatments,
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration,
- amendments to IFRS 2 – Share-based payment – Classification and Measurement,
- amendments to IFRS 9 – Prepayment Features with Negative Compensation,
- amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures,
- annual Improvements to IFRSs 2015-2017 Cycle (December 2017),
- amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Group is currently assessing the potential effect on the Group's consolidated financial statements of the standards not yet applicable

III. FIRST-TIME ADOPTION OF IFRS

TME retrospectively applied to its opening balance sheet at January 1, 2016 the accounting principles effective at the reporting date following first-time adoption of IFRS as if these standards had always been applied, barring the accounting choices presented below:

IFRS 1 sets out specific measures for the retrospective treatment of assets and liabilities under IFRS. The main choices adopted by the Group for this purpose are:

- property, plant and equipment and intangible assets: TME has chosen to use historical cost as the basis for reporting property, plant and equipment and intangible assets rather than re-measuring to fair value at the transition date;
retirement obligations: actuarial gains and losses recognized as of January 1, 2016 have been recognized under provisions for retirement obligations, with a matching decrease in shareholders' equity. Actuarial gains and losses subsequent to January 1, 2016 are recognized prospectively;
- foreign currency translation adjustments relating to foreign entities: TME has recognized under "consolidated reserves" all the unrealized gains and losses arising from the translation of its foreign subsidiaries' financial statements at January 1, 2016. The adjustment had no impact on shareholders' equity at January 1, 2016. The translation adjustments will not subsequently be recognized in the income statement when the foreign entities in question are deconsolidated;

The company did not produce any figures regarding the transition from previous Gaap to IFRS owing to IFRS1, since no consolidated financial statements were produced before by the Group. As such, such transition would not be relevant.

IV. PRESENTATION OF FINANCIAL STATEMENTS

Consolidated balance sheet

IAS 1 "Presentation of Financial Statements" provides for the separate presentation of current and non-current items on the balance sheet. Assets and liabilities relating to the operating cycle and those that are due within less than twelve months are presented as current items. All other assets and liabilities are recognized as non-current items.

Deferred tax assets and liabilities are recognized as non-current items.

Non-controlling interests are recorded under shareholders' equity on the consolidated balance sheet.

Consolidated statement of comprehensive income

Revised IAS 1 introduced the notion of comprehensive income, and requires that:

- changes in shareholders' equity resulting from transactions with owners acting in their capacity as owners are presented separately from transactions with non-owners;
- all income and expenses recognized in the reporting period are presented either in a single statement of comprehensive income or in two separate statements, namely: 1/an income statement and 2/a statement of other comprehensive income;
- a subtotal is included indicating whether or not changes recognized in shareholders' equity could, upon finalization, have an impact on the income statement;
- total comprehensive income is presented in the financial statements.

The Group has opted to present comprehensive income in two financial statements: a consolidated income statement and a consolidated statement of comprehensive income.

Consolidated income statement

The Group presents its income statement by type of income.

V. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Euro ("EUR"), which is the Company's presentation currency and is consistent with the functional currency of Techni-Modul Engineering.

VI. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash on deposit with banks, cash on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments with initial maturities of three months or less.

VII. USE OF ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other resources. 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.

These assumptions mainly concern:

- Revenue recognition for contracts, which depends on the degree of progress of the project and the expected profit on completion. If necessary, provisions for losses on completion are recorded when it is probable that the total estimated costs of the contract will exceed the total expected revenues of the contract.
- the measurement of the recoverable amount of R&D assets.

- the measurement of deferred tax assets related to tax losses carried-forward.
- the accounting of convertible bonds.

VIII. IMPAIRMENT

When events or changes in the economic environment indicate a risk of impairment of nonfinancial assets, an impairment test is performed to determine whether the carrying amount of the asset or group of assets under consideration exceeds the recoverable amount. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in the statement of loss. The recoverable amount is the greater of its value in use and its fair value less costs to sell. A previously recognized impairment loss is reversed only if there has been a change in the estimates regarding the recoverable amount, however, any such reversal is limited to the carrying amount that would have been determined (net of depreciation) had no impairment losses been recognized for the asset in prior years.

IX. DEFERRED TAXES

The cumulative deficits of the Group amounted to 2 750 740 Euros.

IAS 12 states that deferred tax assets cannot be accounted for the carry-forward of unused tax losses to the extent it is likely that there will be future taxable profits on which the tax losses can be charged (IAS 12, § 34).

The standard adds that the existence of unused tax losses is a strong indication that taxable future benefits may not be available. Accordingly, when an entity has a history of recent losses, she records an asset of deferred tax in respect of these tax losses insofar as it has sufficient taxable temporary differences or other indications persuasive showing that it will have sufficient taxable profits to impute the tax loss (IAS 12, § 35).

No deferred tax assets were activated in the financial statements of TME as of December 31, 2016 and December 31, 2017 considering the losses incurred in 2015 and 2017, and the level of unused tax losses.

X. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Financial assets include cash and cash equivalents and deposits. Purchases and sales of financial assets are recognized on the settlement date, which is the date on which the asset is delivered to or by the Company. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of initial recognition based on the purpose for which the financial assets were acquired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets either held for trading or designated as such on recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy.

Financial assets classified as fair value through profit or loss are initially recognized and subsequently carried, at fair value, with changes recognized in the statement of loss.

Transaction costs are expensed when incurred. The Company has cash and cash equivalents classified in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Assets in this category include deposits.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

ii) Financial liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Company's own credit risk for financial liabilities, is considered when determining the fair value of financial assets or liabilities, including derivative liabilities.

Financial liabilities primarily consist of Convertible bond loans, loans granted by credit institutions and cash credit.

IAS 32 sets out the Hybrid character of the convertible bond loan (1 765 005 EUR) by distinguishing its inherent debt for 1 569 590 EUR and equity elements for 195 415 EUR.

CONVERTIBLE BOND	2017	2016
Equity element	195 415	130 987
Inherent debt	1 569 590	1 134 013
Convertible bond loans	1 765 005	1 265 000

For evaluating the debt part of the convertible bonds, the company used a 8% interest rate which represent the interest rate estimated for the company to obtain a similar debt with the same characteristics.

The equity part was calculated by difference between the issue prices of the convertibles bonds and the debt part.

The two bonds have the following characteristics:

1. Bond loan TRANCHE A : 265 000 €

The bonds were issued on December 9, 2016: 11 165 bonds at 23,74 € each. The interest rate on the bonds is 3% per year. The bonds shall be redeemed in full in December 2019 at their face value plus all accrued and capitalized interest. The holders of Convertible bonds may opt to convert all or any of their Convertible bonds into new shares:

- If the pre-tax income of the audited annual accounts in French Gaap is less than EUR 600,000, conversion shall be made with a ratio of one share of EUR 18,16 nominal value for one Convertible Bond or EUR 23,74. The option may be exercised in connection with the pre-tax income for financial years ending on December 31, 2017, December 31, 2018 and December 31, 2019.
- Provided that the audited annual accounts of the issuer (TME) for the previous year show a pre-tax income of at least EUR 600,000, the holders of Convertibles bonds shall have to convert all their Convertibles Bonds into new shares of TME. In such case, conversion shall be made with a ratio of "NS" shares of EURO 18,16 for one Convertibles Bond of EUR 23,74, NS shall be determined in accordance with the following formula:: $NS = 600\,000 / \text{Pre-tax income}$.

2. Bond loan TRANCHE B : 1 500 005 €

31 915 bonds were issued at 47€ each, the interest rate on the bonds is 3% per year.

The total amount was obtained in three tranches:

- K€.1 000 in December 2016
- K€.100 in January 2017
- K€.400 in March 2017

If and only if the issuer has failed to repay the full amount of the Convertible Bonds on the maturity date, the holders of the Convertible Bonds on the Maturity date (December 2019) may opt at any time after the maturity date to convert all or any of their Convertible Bonds into new shares of the issuer. Conversion shall be made with a ratio of one share of EUR 18,16 for one convertible bond of EUR 47.

XI. NOTES TO THE BALANCE SHEET

i) Intangible assets

INTANGIBLE ASSETS	2016	variation in scope	Reclas- sifications	Increases	Reductions	2017
Development projects	2 530 268			751 139	-	3 281 407
Development projects in progress	667 758	-		107 865	775 623	-
Concessions, patents and similar rights	233 259	-		-	-	233 259
Gross amount	3 431 285	-	-	859 004	775 623	3 514 666
Development projects	1 097 337			361 738	-	1 459 075
Development projects in progress	-			-	-	-
Concessions, patents and similar rights	212 597	-		14 846	-	227 443
Depreciations	1 309 934	-	-	376 584	-	1 686 518
Net intangible assets	2 121 351	-	-	482 420	775 623	1 828 148

Research and development costs

Research costs are expensed in the statement of income when incurred.

Development costs for new projects are capitalized if, and only if:

- the project is clearly identified and the related costs are separately identified and reliably monitored;
- the project's technical feasibility has been demonstrated and the Group has the intention and financial resources to complete the project and to use or sell the resulting products;
- the Group has allocated the necessary technical, financial and other resources to complete the development;
- it is probable that the future economic benefits attributable to the project will flow to the Group.

Development costs that do not meet these criteria are expensed in the financial year in which they are incurred.

Capitalized development projects are amortized over the lifespan of the underlying technology, which is estimated to five years, from the date of the commercial launch.

Following the review of projects performed by the management of the Group, no impairment indicator was found on the projects activated as of December 31, 2016 and December 31, 2017.

The two main projects developed by the Group (86% of development costs activated as of December 31, 2017) are the following :

- R023 : TME has developed a robotized cell able to create a preform made out of dry fiber materials without operator intervention during the entire cycle. The following functions were developed:
 - The unroll of the material and cutting of the different plies
 - The lay-up of the plies on the compaction mold
 - The control of the fiber orientation by intelligent automation
 - The compaction
 - The positioning of the sub-preforms on the injection mold
- R025: TME developed a range of standard and custom-designed thermoforming solutions for the fabrication of thermoplastic composites. Complete workstations can be provided including the material transport system, pre-heating ovens, forming presses, tooling and fixtures. The principal advantages of the technology are:
 - Customized solutions
 - Simplicity of use and maintenance
 - Reliable and repeatable performance
 - Accurate material positioning
 - Rapid cycle automated process
 - Heating temperature uniformity
 - Human Machine Interface
 - Completely safe to operate (isolated press)
 - Supervision station: material and mold data base, data acquisition, process monitoring & production traceability

ii) **Tangible assets**

TANGIBLE ASSETS	2016	variation in scope	Reclas- sification	Increases	Reductions	2017
Land	-			-	-	-
Constructions	-			-	-	-
Technical facilities, equipment and industrial tools	214 237		- 1 045	11 426	-	224 618
Other tangible fixed	507 602		- 351	26 865	111 750	422 366
Plants and equipment in progress	-			-	-	-
Gross amount	721 839	-	- 1 396	38 291	111 750	646 984
Land	-			-	-	-
Constructions	-			-	-	-
Technical facilities, equipment and industrial tools	145 736	-	-	19 580	-	165 316
Other tangible fixed	329 305	-	- 929	65 706	89 488	304 594
Plants and equipment in progress	-			-	-	-
Depreciations	475 041	-	- 929	85 286	89 488	469 910
Net tangible assets	246 798	-	- 467	46 995	22 262	177 074

Property, plant and equipment is primarily comprised of land, buildings and production equipment and is carried at cost, less accumulated depreciation and any accumulated impairment losses, in accordance with the recommended treatment in IAS 16 – Property, plant and equipment.

Each component of an item of property, plant and equipment with a useful life that differs from that of the item as a whole is depreciated separately on a straight-line basis.

The main useful lives are as follows:

- technical facilities, equipment and industrial tools: 3 to 10 years
- other tangible assets: depending on the nature of the asset

Useful lives of items of property, plant and equipment are reviewed periodically and may be adjusted prospectively if appropriate.

Items of property, plant and equipment are tested for impairment whenever there is an indication they may have been impaired.

Leases

The assets used under leases are recognized in the balance sheet, off set by a financial debt, where the leases transfer substantially all the risks and rewards of ownership to the Group.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. The related payments are recognized as an expense on a straight-line basis over the lease term.

Rental expense breaks down	2017	2016
Minimum rentals	207 204	201 344
Sub-lease rentals	-	-
Operating lease commitments break down as follows at December 31, 2017 :	2017	2016
	Minimum payments	minimum payments
Less than one year	111 456	207 204
Between one and five years	246 695	358 151
Five years and more	-	-
TOTAL COMMITMENTS	358 151	358 151
Discounting effect	-	-
Discounted minimum payments	358 151	358 151

iii) Impairment of assets

In accordance with IAS 36 – Impairment of Assets – the Group assesses the recoverable amount of its long-lived assets as follows:

- for all property, plant and equipment subject to depreciation and intangible assets subject to amortization, the Group carries out a review at each balance sheet date to assess whether there is any indication that they may be impaired. Indications of impairment are identified on the basis of external or internal information. If such an indication exists, the Group tests the asset for impairment by comparing its carrying amount to the higher of fair value minus costs to sell and value in use:
 - No impairment indicator was found for fixed assets
 - For R&D projects activated, a review was performed to assess that no impairment was necessary as of December 31, 2017.
- non-amortizable intangible assets and goodwill are tested for impairment at least annually and whenever there is an indication that the asset may be impaired: not applicable for the Group.

iv) Financial assets

FINANCIAL ASSETS	2016	variation in scope	Reclas-sifications	Diminutions	2017
Investments in associates	-	-	-	-	-
other investments (1)	8 999	-	1	-	9 000
Receivables on shareholders (2)	190 248	-	2 700	-	192 948
other non current financial assets	381	-	-	-	381
Loans	-	-	-	-	-
Deposit and guarantees	45 025	-	44	-	44 981
Gross amount	244 653	-	2 657	-	247 310
Dépréciation	-	-	-	-	-
Net financial assets	244 653	-	2 657	-	247 310

(1) Company 2MATCEH TME owns 4% of this company.

(2) SPV FINANCES, this company is 73%-owned by Serge LUQUAIN Chief executive of Techni-Modul Engineering.

v) **Current assets**

	2017	less 1 year	more 1 year
Inventories and work in progress	124 684	124 684	
Accounts receivable	1 561 040	1 561 040	-
Other receivable and prepaid expenses	591 688	591 688	
Cash in bank	139 628	139 628	
total	2 417 040	2 417 040	-

Inventories

Inventories are measured at the lower of acquisition cost and net realizable value.

Accounts receivables and other receivables

Accounts receivables and other receivables are recognized at nominal value.

Receivables that are due within less than one year and/or less than an operating cycle are reported under "Current assets". An allowance for impairment is recognized when their value at the reporting date, based on collection probability, falls below their carrying amount.

Cash in bank

Cash and cash equivalents presented in the balance sheet consist of cash, bank accounts, term deposits of three months or less and marketable securities traded on organized markets.

vi) **Deferred taxes**

Deferred taxes, related to temporary differences between the tax basis and accounting basis of consolidated assets and liabilities, are recorded using the balance sheet liability method. Deferred tax assets are recognized when it is probable that they will be recovered at a reasonably determinable date. Future tax benefits arising from the utilization of tax loss carry forwards (including amounts available for carry forward without time limit) are recognized only when they can reasonably be expected to be realized.

Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities related to the same unit and which are expected to reverse in the same period of time are netted off.

	2017
Techni-modul engineering	2 508 000
Composite alliance corp	242 740
Cumulative deferred tax non-activated	2 750 740

vii) Share Capital

Authorized: Unlimited number of common shares
Unlimited number of preferred shares

Issued:	Common Shares	
	Number	Amount
Balance, December 31, 2016	81 523	1 480 552 €
Share capital increase	0	0 €
Balance, December 31, 2017	81 523	1 480 552 €

The holders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All common shares issued rank equally with regard to the Company's residual assets subject to the rights of the preferred shares.

viii) Long term provision

LONG TERM PROVISION	2016	Increase	Decrease	reversal without use	2017
Litigation provision	14 826	-	11 184	14 826	11 184
provision for retirement indemnities	158 361	-	-	7 741	150 620
Provision for risks and charges	173 187	-	11 184	22 567	161 804

A provision is recorded when the Group has an obligation to a third party prior to the balance sheet date, and where the loss or liability is likely and can be reliably measured. If the loss or liability is not likely and cannot be reliably estimated, but remains possible, the Group discloses it as a contingent liability. Provisions are calculated on a case-by-case or statistical basis and discounted when due in over a year.

Defined contribution plans

Payments made under defined contribution plans are recorded in the income statement, in the year of payment, and are in full settlement of the Group's liability. As the Group is not committed beyond these contributions, no provision related to these plans has been booked.

In most countries, the Group participates in mandatory general plans, which are accounted for as defined contribution plans.

Defined benefit plans

Defined benefit plans are measured using the projected unit credit method.

Expenses recognized in the statement of income are split between operating income (for service costs rendered during the period) and net financial income/(loss) (for financial costs and expected return on plan assets).

The amount recognized in the balance sheet corresponds to the present value of the obligation, and net of plan assets.

Changes resulting from periodic adjustments to actuarial assumptions regarding general financial and business conditions or demographics (i.e., changes in the discount rate, annual salary increases, return on plan assets, years of service, etc.) as well as experience adjustments are immediately recognized in the balance sheet as a separate component of equity in "Other reserves" and in comprehensive income as

“Other Comprehensive Income” /loss.

The amount of commitment to retirement is calculated using individual projections based on a start to retire at the age of 62, considering the average rate of rotation of personnel and expectancy compared to the tables of mortality. It concerns only the French company Techni-Modul Engineering.

PROVISION FOR RETIREMENT INDEMNITIES	2015	2016	2017
Discount rate	2,50%	2,00%	1,50%
% executive salary encrease	1,00%	1,00%	1,00%
% employees salary encrease	1,50%	1,50%	1,50%
Turn over	average	average	average
rate of social security expenses	45,00%	45,00%	45,00%
mortality table	TG05	TG05	TG05
Convention collective	metallurgy	metallurgy	metallurgy
Provision at the beginning of the year	112 276	137 520	158 361
Net costs recognized in the statement of income	5 244	9 649	- 18 559
Benefits paid	-	-	-
Actuarial items recognized in equity	20 000	11 192	10 818
Provision at the end of the year	137 520	158 361	150 620

ix) Net cash position

CASH	2017	2016
Short term investment	-	-
Bank cash	139 628	201 694
Overdraft and other short-term bank borrowings	- 43 672	- 972 710
Cash net	95 956	- 771 016

x) Maturities of liabilities

	2017	less 1 year	between 1 and 5 years	more 5 years
Convertible bond loans	1 685 255	-	1 685 255	-
Non current debts /loaons granted by credit institution	1 381 084	132 944	1 248 140	-
Long term provisions	161 804	11 184	-	150 620
Investment subsidies	181 579	45 792	135 787	-
Cash crédit	43 672	43 672	-	-
Accounts payable and related payable	707 050	707 050	-	-
other current liabilities	612 164	612 164	-	-
TOTAL LIABILITIES	4 772 608	1 552 806	3 069 182	150 620

Including a loan of COMTEC for more than one year for €950,000.

i) **Equipment subsidies and Credit Tax Research (CIR)**

EQUIPMENT SUBSIDIES	2016	Activation	Amortization	2017
Other equipment subsidies	42 000	-	8 400	33 600
cir 2014	50 078	-	10 016	40 062
cii 2014	7 075	-	1 490	5 585
cir 2015	104 988	-	20 998	83 990
cir 2015	9 567	-	2 014	7 553
cir 2016	13 666	-	2 877	10 789
cir 2017	-	-	-	-
Total	227 374	-	45 795	181 579

CIR and CII (research tax credit) is obtained by TME each year financing part of its R&D expenses. As part of these R&D expenses are activated in intangible assets, the CIR obtained is recognized in profit at the same rate as development costs activated (5 years).

XII. REVENUE RECOGNITION

The Group's revenues primarily include transactional sales and revenues from contracts.

Transactional sales

Revenue from sales is recognized when the product is shipped and risks and benefits are transferred.

Long-term contracts

Income from long-term contracts is recognized using the percentage of completion method, based on the percentage of costs incurred in relation to total estimated costs of the entire contract.

Losses at completion for a given contract are provided for in full as soon as they become probable. The cost of work-in-process includes direct and indirect costs relating to the contracts.

Two projects launched in 2015 presented a loss at completion. Since then, K€.762 were reserved as of December 31, 2015 on those two projects and were reversed in 2016 for K€.509 and in 2017 for K€.253. These reversals were presented on the line provision variations in the consolidated statement of income. The losses at completion are presented in other current liabilities.

XIII. SALARIED WORKFORCE

EMPLOYEES	Number 2017	Number 2016
TECHNI-MODUL ENG	37	40
COMPOSIT ALLIANCE CORP	1	1
EST TECHNOLOGIE	9	12
Total	47	53
Personnel expenses :	1 997 352 €	2 303 663 €
Including the Chief executive for	157 670€	156 110€

XIV. FINANCIAL RESULT

FINANCIAL RESULT	2017	2016
Finance cost		
Loan interests	34 250	82 833
Bond interests	110 879	4 786
bank interest	9 019	29 075
Exchange loss	4 112	47
Cash discount granted	367	353
TOTAL FINANCE COST	158 627	117 094
Income cost		
Exchange gain	-	- 592
Other income cost	- 515	- 1 430
TOTAL INCOME COST	- 515	- 2 022
Net finance costs	158 112	115 072

XV. INCOME TAX EXPENSE

	2017
Résultat before income taxes	- 1 560 963
<i>Income taxes rates</i>	<i>34,43%</i>
Income taxes theoretical	537 440
CICE	14 167
CIR	40 358
Fiscal losses incurred in 2017 not activated	- 576 568
Other impacts	- 16 981
Income taxes booked	- 1 584

As stated before, no DTA are booked on tax losses carried forward.

XVI. SHARE-BASED PAYMENTS

Not applicable for the Group.

XVII. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

Decembre 31, 2017					
	Carrying Amount	Fair value	Level 1	Level 2	Level 3
ASSETS					
Financial assets	247 310	247 310	238 310	-	9 000
Marketable securities	-	-	-	-	-
Derivative instruments	-	-	-	-	-
LIABILITIES					
Convertible bonds	- 1 685 255	- 1 685 255	-	-	- 1 685 255

Decembre 31, 2016					
	Carrying Amount	Fair value	Level 1	Level 2	Level 3
ASSETS					
Financial assets	244 653	244 653	244 653	-	9 000
Marketable securities	-	-	-	-	-
Derivative instruments	-	-	-	-	-
LIABILITIES					
Convertible bonds	- 1 138 799	- 1 138 799	-	-	- 1 138 799

All assets and liabilities

XVIII. RELATED PARTY TRANSACTIONS

	p&l or balance sheet	2017	2016
With SPV FINANCES owned by Serge LUQUAIN Chief executive			
Financial assets	Balance sheet	192 947	189 931
With ZSL-IMMO owned by Serge LUQUAIN Chief executive			
External expenses (Real property lease)	p&l	77 000	77 000
With COMTEC shareholders			
Convertible Bond with interest	Balance sheet	- 1 819 452	- 1 267 316
Long term borrowings with interest	Balance sheet	- 1 059 810	- 576 595
Finance cost	p&l	144 498	86 071

XIX. NOTES OF BALANCE SHEET COMMITMENTS

Bank	Guarantee	Montant
Banque Nuger	Holdback	37 572
Banque Nuger	bank guarantee BPI France	50% of financial commitment line

XX. AUDITOR FEES

AUDITOR FEES	2017	2016
TECHNI-MODUL ENG	7 965	8 928
COMPOSIT ALLIANCE CORP	-	-
EST TECHNOLOGIE	-	-
Total	7 965	8 928

XXI. STATEMENT OF CASH FLOWS

The consolidated statement of cash flows has been prepared using the indirect method, which consists of reconciling net profit to net cash provided by operations. The opening and closing cash positions include cash and cash equivalents, comprised of marketable securities, net of bank overdrafts and facilities.

XXII. SEGMENT INFORMATION

The Group has only one business.

XXIII. SUBSEQUENT EVENTS

No significant events likely to affect the present accounts have occurred since December 31, 2017
The disposal of the Romanian subsidiary was launched in 2018 and is ongoing. The selling price should be close to the net value of the subsidiary in the consolidated financial statements.

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TECHNI-MODUL ENGINEERING GROUP

Interim consolidated financial statements

30 June 2018

(expressed in Euro)

**ZA DE PERACHE
63114 COUDES
FRANCE**

Independent Auditor's Report on Review of Interim Consolidated Financial Statements

TECHNI-MODUL ENGINEERING

Société anonyme
Zone Artisanale de Pérache
63114 Coudes (France)

For the period ended June 30th 2018

Grant Thornton

SA d'Expertise Comptable et
de Commissariat aux Comptes
au capital de 2 297 184 €
inscrite au tableau de l'Ordre de la région
Paris Ile France et membre
de la Compagnie régionale de Versailles
RCS Nanterre B 632 013 843
44 quai Charles de Gaulle- CS 60095
69463 Lyon cedex 06 (France)

**TECHNI-MODUL ENGINEERING
INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

6 months ended 30 June 2018

To the shareholders of Techni-Modul Engineering,

Introduction

We have reviewed the Interim Consolidated Financial Statements of Techni-Modul Engineering Group (the Group) as of 30 June 2018, which are comprised of the consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the Group as at 30 June 2018, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Without qualifying the conclusion expressed above, we draw attention to the note 'Changes in accounting policies' to the interim consolidated financial statements regarding the implementation of the new standards IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' as of 1 January 2018.

Lyon, 31 October 2018

The Independent Auditor,

Grant Thornton

French member firm of Grant Thornton International



Thierry Chautant
Partner

SUMMARY

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-I- FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	30 June 2018	31 December 2017
NON CURRENT ASSETS		
Goodwill	0	0
Intangible assets	1 583 804	1 828 147
Tangible assets	183 936	177 074
Other non current assets	244 486	247 310
Deferred tax assets	0	0
Total non current assets	2 012 226	2 252 531
CURRENT ASSETS		
Inventories	70 497	47 684
Accounts receivable	1 267 993	1 561 040
Other receivables and prepaid expenses	718 215	591 688
Cash cash equivalents	231 354	139 628
Total current assets	2 288 059	2 340 040
Total assets	4 300 285	4 592 571

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	30 June 2018	31 December 2017
EQUITY		
Share capital	1 480 552	1 480 552
Share premium	0	0
Retained earnings	-1 593 486	-44 375
Net income or loss of the period	-590 183	-1 545 314
Equity attributable to owners of the parent	-703 117	-109 137
<i>Non-controlling interests</i>	<i>-93 432</i>	<i>-70 900</i>
Total equity	-796 549	-180 037
LIABILITIES		
Convertible bonds	1 743 909	1 685 255
Long term borrowings	1 251 686	1 248 140
Long term provisions	191 804	161 804
Investment subsidies	158 683	181 579
Total non Current Liabilities	3 346 082	3 276 778
Current debts	130 635	132 944
Short term borrowing	41 538	43 672
Accounts payable and related payable	878 507	707 050
Other current liabilities	700 072	612 164
Total current Liabilities	1 750 752	1 495 830
Total liabilities	5 096 834	4 772 608
Total equity and liabilities	4 300 285	4 592 571

CONSOLIDATED STATEMENT OF INCOME

	6 month to 30 June 2018	6 month to 30 June 2017
Revenue	2 123 831	1 935 843
Purchased raw material and goods	- 512 345	- 469 605
Payroll expenses and social security contributions	- 823 510	- 1 069 972
Other purchases and external expenses	- 1 054 806	- 1 078 880
Taxes and related payments	- 27 187	- 42 129
Fixed assets amortization	- 278 373	- 196 681
Provision variations	80 464	291 436
Other expenses	- 28 776	- 22 281
Operating profit	- 520 702	- 652 269
Other operating incomes & expenses	510	-
Financial income	-	-
Finance costs	- 89 598	- 69 565
Income tax	- 186	- 206
	-	-
Net income	- 609 976	- 722 044
Group net income	- 590 183	- 705 889
Non controlling interests	- 19 793	- 16 154

	30 June 2018	30 June 2017
OTHER COMPREHENSIVE INCOME		
Profit for the year	- 609 976	- 722 044
Other Comprehensive Income :		
Actuarial gains (losses) on defined benefit plans	-	- 5 409
Other Comprehensive Income for the year, net of tax	-	- 5 409
of which to be recycled in income statement	-	-
of which not to be recycled in income statement	-	- 5 409
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	- 609 976	- 727 453
Attributable :		
▪ to owners of the parent	- 590 183	- 711 299
▪ to no-controlling interests	- 19 793	- 16 154

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

OWNER'S EQUITY For the six months ended 30 June 2017	Share capital	Share premium	retained earnings	Net income or loss	Total group	Non-controlling interests	Total equity
Balance at 31 December 2016	1 480 552	-	610 683	571 080	1 440 949	- 63 788	1 377 161
Issue of ordinary shares	-	-	-	-	-	-	-
Convertible bonds	-	-	64 428	-	64 428	-	64 428
Dividends	-	-	-	-	-	-	-
Allocation earnings	-	-	571 080	- 571 080	-	-	-
Total income of the year	-	-	-	- 705 889	- 705 889	- 16 154	- 722 043
Impact of change in accounting policy	-	-	-	-	-	-	-
Other variations	-	-	7 382	-	7 382	5 545	12 927
Balance at 30 June 2017	1 480 552	-	32 207	- 705 889	806 870	- 74 397	732 473

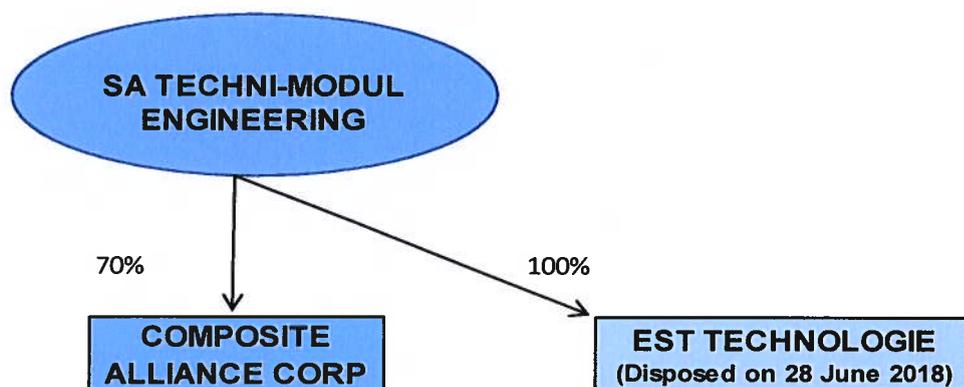
OWNER'S EQUITY For the six months ended 30 June 2018	Share capital	Share premium	retained earnings	Net income or loss	Total group	Non-controlling interests	Total equity
Balance at 31 December 2017	1 480 552	-	32 625	- 1 545 314	- 32 137	- 70 900	- 103 037
Impact of change in accounting policy IFRS 15	-	-	77 000	-	77 000	-	77 000
Balance at 31 December 2017 after IFRS 15	1 480 552	-	44 375	- 1 545 314	- 109 137	- 70 900	- 180 037
Issue of ordinary shares	-	-	-	-	-	-	-
Convertible bonds	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Allocation earnings	-	-	- 1 545 314	1 545 314	-	-	-
Total income of the year	-	-	-	- 590 183	- 590 183	- 19 793	- 609 976
Impact of change in accounting policy	-	-	-	-	-	-	-
Other variations	-	-	3 797	-	3 797	- 2 739	6 536
Restated balance at 30 June 2018	1 480 552	-	- 1 593 486	- 590 183	- 703 117	- 93 432	- 796 549

CONSOLIDATED STATEMENTS OF CASH FLOWS

OPERATING ACTIVITIES	6 month to 30 June 2018	6 month to 30 June 2017
Consolidated net income	- 609 976	- 722 044
Depreciation, amortization and provisions	285 477	- 100 164
Change in fair value	-	-
Gain or loss from the sale of the assets	7 881	- 7 600
Income from equity affiliates	-	-
change in working capital requirement	407 091	1 248 471
Changes in inventories	- 22 813	2 342
Changes in trade and other receivable	170 533	1 615 376
changes in trade and other payable	259 371	- 369 247
Net cash from operating activities	90 473	418 663
INVESTING ACTIVITIES		
Acquisition of intangible assets	-	- 97 080
Acquisition of tangible assets	- 51 585	- 27 121
Proceeds from sale of intangible and tangible assets	19 759	-
Acquisition of financial assets	- 16 341	- 1 495
Proceeds from sale of financial assets	-	-
Acquisition of subsidiary, net of cash acquired	10 723	-
Dividends from equity accounted investees	-	-
Net cash used by investing activities	- 37 444	- 125 696
FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	-
Proceeds from issue of convertible bond (Equity part)	-	64 428
Dividendes paid	-	-
Proceeds from invest subsidies	-	-
Proceeds from new convertible bonds	58 653	484 895
Proceeds from new borrowings	26 928	-
Repayment of borrowings	- 44 309	- 28 477
Partners' current accounts variation	18 621	13 732
Net cash used by financing activities	59 893	534 578
Effect of exchange rate fluctuations on cash held	- 19 062	-
Net (increase) decrease in cash and cash equivalent	93 860	827 545
Cash and equivalents, beginning of period	95 956	- 771 016
Net decrease in cash and cash equivalent	93 860	827 545
Cash and equivalents, end of period	189 816	56 529

-II- NOTES OF THE CONSOLIDATED COMPAGNIES

-1- LIST OF CONSOLIDATED COMPANIES



The consolidating company

Name	Head office	Département	N° id
SA TECHNI-MODUL ENGINEERING	ZA DE PERACHE 63114 COUDES FRANCE	Puy de Dôme	42129003200034

Fully consolidated subsidiaries :

Nom	Siège	Share number	*shares held	% held	% interest
COMPOSITE ALLIANCE, Corp	1251 AV OF THE AMERICA 3F NEW YORK	2 000	1400	70.00	70.00

Subsidiaries, over which SA Techni-Modul-Engineering (TME) exercises exclusive control, either directly or indirectly, are fully consolidated.

Companies that are not controlled by TME but over which the Group exercises significant influence, as well as joint arrangements (within the meaning of IFRS 11), are accounted for using the equity method.

The minority shareholders' portion is stated in the shareholders' equity under « minority interest »

-2- MAIN CHANGES IN THE SCOPE OF THE CONSOLIDATION

At the acquisition date:

- identifiable assets, liabilities and contingent liabilities meeting IFRS criteria are recognized at fair value;
- non-current assets classified as held for sale are measured at fair value less costs to sell.

Goodwill is the difference between:

- consideration transferred, plus the value of any non-controlling interests; and
- the fair value of net identifiable assets acquired and liabilities assumed.

EST TECHNOLOGIE has been disposed on 28 June 2018 for 31 000 €. The company net equity amounting to 41 141 € as of December 31, 2017, this has resulted in a loss of 10 141 € posted in the other expenses caption.

-3- METHOD OF TRANSLATING FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The Group's consolidated financial statements are presented in euros.

Translation of foreign subsidiaries' financial statements

The balance sheets of companies whose functional currency is not the euro are translated into euros at the exchange rates effective at the reporting date. Income statement and cash flow statement items are translated at the average exchange rate for the financial year. Foreign currency translation differences are recognized directly in shareholders' equity in the line item "other variations".

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity. Accordingly, they are reported in the entity's functional currency and translated at the exchange rate effective at the reporting date.

Transactions in foreign currencies

Transactions in foreign currencies are recognized at the exchange rates effective at the transaction dates. Assets and liabilities in foreign currencies are translated using the exchange rate effective at the reporting date.

The corresponding foreign currency translation gains and losses are recognized in the income statement, under:

- operating income for commercial transactions;
- financial income and expense for financial transactions.

-4- CLOSING DATE

The consolidated accounts are closed as of 30 June 2018. The duration of the period-ended 30 June 2018 is 6 months.

For the consolidated statement of income, the duration of the comparative 2017 financial period presented is also 6 months.

All consolidated companies close their financial year at 31 December.

These financial statements are the unaudited condensed interim consolidated financial statements (hereafter 'the Interim Financial Statements') of TME, a company registered in France, and its subsidiaries (hereafter 'the Group') for the six months ended 30 June 2018 (hereafter 'the interim period'). These Interim Financial Statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2017 (hereafter 'the Annual Financial Statements'), as they provide an update of previously reported information. They were approved for issue by the Board of Directors on 6 September 2018.

III- NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -

I. NATURE OF OPERATIONS

Techni-Modul-Engineering (TME) is specialized in industrial turn-key solutions for the production of composite parts. TME provides custom products and services according to specifications and final applications. TME works closely with their clients to offer support and advice in defining the best practices and solutions for each project.

II. BASIS OF PREPARATION

TME is a company incorporated in France and subject to French laws and regulations governing commercial companies, including the provisions of the French Commercial Code.

Statement of compliance

The Interim Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group since the Annual Financial Statements.

They have been prepared under the assumption that the Group operates on a going concern basis for the following reasons:

- The forecasted sales of the TME Group are estimated at M€.7,2 for 2018, M€.6,4 of which are yet signed.
- The main shareholder of the company, Malchemy Corporation (replacing Comtec, please refer to subsequent events), is supporting financially the company and has confirmed in a comfort letter that it will support TME for its financial needs for the twelve coming months (increase of working capital, specific need, etc..)

Seasonality

The Group operates in industries where significant seasonal or cyclical variations in total sales are experienced during the financial year.

Comparative accounts S1 2017

The 30 June 2017 interim financial statements (Profit and Loss statement) have been prepared in 2018 for the purpose of the 30 June 2018 interim financial statements, this being the first time the company is preparing interim financial statements.

Significant accounting policies

The accounting policies applied in these Interim Financial Statements are the same as those applied in the Annual Financial Statements. Changes in accounting policies will also be reflected in the Group's Consolidated Financial Statements for the year ending 31 December 2018.

Changes in accounting policies

In 2018, the Group implemented the following new standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2018:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'

The Group has also implemented various other minor amendments to existing standards and interpretations, which have no material impact on the Group's overall results and financial position.

Concerning IFRS 15 and IFRS9, the nature and the effects of the changes most relevant to the Group's financial statements are given below.

IFRS 9 'Financial Instruments'

Effective 1 January 2018 the Group has implemented IFRS 9 'Financial Instruments'. The new standard replaces IAS 39 'Financial Instruments: Recognition and Measurement'. The standard deals with the classification, recognition and measurement (including impairment) of financial instruments and also introduces a new hedge accounting model. The new standard results in an increased volume of disclosure information in the Annual Financial Statements.

The application of IFRS9 had no material impact on TME consolidated financial statements.

IFRS 15 'Revenue from Contracts with Customers'

Effective 1 January 2018 the Group has implemented IFRS 15 'Revenue from Contracts with Customers'. The new standard replaces IAS 18 'Revenue' and IAS 11 'Construction Contracts'. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized, and also contains new requirements related to presentation. The core principle in the framework is that revenue should be recognized dependent on the transfer of promised goods or services to the customer for an amount that reflects the consideration which should be received in exchange for those goods or services.

The objective of the standard is to provide a five-step approach to revenue recognition that includes identifying contracts with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations, and recognizing revenue when or as performance obligations are satisfied.

Specifically, concerning the timing of revenue recognition, revenue associated with each performance obligation identified within a contract is recognized when the obligation is satisfied, i.e. when the control of the promised goods or services is transferred to the customer. To demonstrate that the transfer of goods is progressive and recognize revenue over time, the following cumulative criteria are required:

- The goods sold have no alternative use, and
- The Group has an irrevocable right to payment (corresponding to costs incurred, plus a reasonable profit margin) for the work performed to date, in the event of termination for reasons other than TME's failure to perform as promised.

TME has performed an analysis of the main contracts signed and concluded that for its contracts activity:

- The machines sold have not alternative use since they are designed specifically for each client.
- The Group has an irrevocable right to payment.

TME identified one source of difference between previous rules and IFRS 15 concerning the capitalization of cost incurred for tenders. These costs cannot be activated under IFRS 15. The Group applied the partial retrospective method and the impacts are the following:

- Net equity and net inventories were decreased by K€.77 on the opening balance sheet as of 31 December 2017.
- If IAS18 was still applied in 2018, net profit for 2018 would have been decreased by K€.31.

Future new and revised standards

The Group is currently assessing the potential impacts of the various new and revised standards and interpretations that will be mandatory from 1 January 2019, notably IFRS 16 'Leases'.

The Group is currently assessing the potential effect on the Group's consolidated financial statements of the standards not yet applicable.

III. FIRST-TIME ADOPTION OF IFRS

TME retrospectively applied to its opening balance sheet at 1 January 2016 the accounting principles effective at the reporting date following first-time adoption of IFRS as if these standards had always been applied, barring the accounting choices presented below:

IFRS 1 sets out specific measures for the retrospective treatment of assets and liabilities under IFRS. The main choices adopted by the Group for this purpose are:

- property, plant and equipment and intangible assets: TME has chosen to use historical cost as the basis for reporting property, plant and equipment and intangible assets rather than re-measuring to fair value at the transition date;
Retirement obligations: actuarial gains and losses recognized as of 1 January 2016 have been recognized under provisions for retirement obligations, with a matching decrease in shareholders' equity. Actuarial gains and losses subsequent to 1 January 2016 are recognized prospectively;
- Foreign currency translation adjustments relating to foreign entities: TME has recognized under "consolidated reserves" all the unrealized gains and losses arising from the translation of its foreign subsidiaries' financial statements at 1 January 2016. The adjustment had no impact on shareholders' equity at 1 January 2016. The translation adjustments will not subsequently be recognized in the income statement when the foreign entities in question are deconsolidated;

The company did not produce any figures regarding the transition from previous Gaap to IFRS owing to IFRS1, since no consolidated financial statements were produced before by the Group. As such, such transition would not be relevant.

IV. PRESENTATION OF FINANCIAL STATEMENTS

Consolidated balance sheet

IAS 1 "Presentation of Financial Statements" provides for the separate presentation of current and non-current items on the balance sheet. Assets and liabilities relating to the operating cycle and those that are due within less than twelve months are presented as current items. All other assets and liabilities are recognized as non-current items.

Deferred tax assets and liabilities are recognized as non-current items.

Non-controlling interests are recorded under shareholders' equity on the consolidated balance sheet.

Consolidated statement of comprehensive income

Revised IAS 1 introduced the notion of comprehensive income, and requires that:

- changes in shareholders' equity resulting from transactions with owners acting in their capacity as owners are presented separately from transactions with non-owners;
- all income and expenses recognized in the reporting period are presented either in a single statement of comprehensive income or in two separate statements, namely: 1/an income statement and 2/a statement of other comprehensive income;
- a subtotal is included indicating whether or not changes recognized in shareholders' equity could, upon finalization, have an impact on the income statement;
- total comprehensive income is presented in the financial statements.

The Group has opted to present comprehensive income in two financial statements: a consolidated income statement and a consolidated statement of comprehensive income.

Consolidated income statement

The Group presents its income statement by type of income.

V. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Euro ("EUR"), which is the Company's presentation currency and is consistent with the functional currency of Techni-Modul Engineering.

VI. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash on deposit with banks, cash on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments with initial maturities of three months or less.

VII. USE OF ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other resources. 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.

These assumptions mainly concern:

- Revenue recognition for contracts, which depends on the degree of progress of the project and the expected profit on completion. If necessary, provisions for losses on completion are recorded when it is probable that the total estimated costs of the contract will exceed the total expected revenues of the contract.
- the measurement of the recoverable amount of R&D assets.
- the measurement of deferred tax assets related to tax losses carried-forward.
- the accounting of convertible bonds.

VIII. IMPAIRMENT

When events or changes in the economic environment indicate a risk of impairment of nonfinancial assets, an impairment test is performed to determine whether the carrying amount of the asset or group of assets under consideration exceeds the recoverable amount. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in the statement of loss. The recoverable amount is the greater of its value in use and its fair value less costs to sell. A previously recognized impairment loss is reversed only if there has been a change in the estimates regarding the recoverable amount, however, any such reversal is limited to the carrying amount that would have been determined (net of depreciation) had no impairment losses been recognized for the asset in prior years.

IX. DEFERRED TAXES

The cumulative deficits of the Group amounted to 3 457 716 Euros.

IAS 12 states that deferred tax assets cannot be accounted for the carry-forward of unused tax losses to the extent it is likely that there will be future taxable profits on which the tax losses can be charged (IAS 12, § 34).

The standard adds that the existence of unused tax losses is a strong indication that taxable future benefits may not be available. Accordingly, when an entity has a history of recent losses, she records an asset of deferred tax in respect of these tax losses insofar as it has sufficient taxable temporary differences or other indications persuasive showing that it will have sufficient taxable profits to impute the tax loss (IAS 12, § 35).

No deferred tax assets were activated in the financial statements of TME as of 31 December 2017 and 30 June 2018, considering the losses incurred in 2017 and 2018, and the level of unused tax losses.

X. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Financial assets include cash and cash equivalents and deposits. Purchases and sales of financial assets are recognized on the settlement date, which is the date on which the asset is delivered to or by the Company. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of initial recognition based on the purpose for which the financial assets were acquired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets either held for trading or designated as such on recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy.

Financial assets classified as fair value through profit or loss are initially recognized and subsequently carried, at fair value, with changes recognized in the statement of loss.

Transaction costs are expensed when incurred. The Company has cash and cash equivalents classified in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Assets in this category include deposits.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

ii) Financial liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged and fair value for liabilities that are hedged. Non-performance risk, including the Company's own credit risk for financial liabilities, is considered when determining the fair value of financial assets or liabilities, including derivative liabilities.

Financial liabilities primarily consist of Convertible bond loans, loans granted by credit institutions and cash credit. IAS 32 sets out the Hybrid character of the convertible bond loan (1 765 005 EUR) by distinguishing its inherent debt for 1 569 590 EUR and equity elements for 195 415 EUR.

CONVERTIBLE BOND	30 June 2018	31 December 2017
Equity element	195 415	195 415
Inherent debt	1 569 590	1 569 590
Convertible bond loans	1 765 005	1 765 005

For evaluating the debt part of the convertible bonds, the company used a 8% interest rate which represent the interest rate estimated for the company to obtain a similar debt with the same characteristics.

The equity part was calculated by difference between the issue prices of the convertibles bonds and the debt part.

The two bonds have the following characteristics:

1. Bond loan TRANCHE A : 265 000 €

The bonds were issued on 9 December 2016: 11 165 bonds at 23,74 € each. The interest rate on the bonds is 3% per year. The bonds shall be redeemed in full in December 2019 at their face value plus all accrued and capitalized interest. The holders of Convertible bonds may opt to convert all or any of their Convertible bonds into new shares:

- If the pre-tax income of the audited annual accounts in French Gaap is less than EUR 600,000, conversion shall be made with a ratio of one share of EUR 18,16 nominal value for one Convertible Bond or EUR 23,74. The option may be exercised in connection with the pre-tax income for financial years ending on 31 December 2017, 31 December 2018 and 31 December 2019.
- Provided that the audited annual accounts of the issuer (TME) for the previous year show a pre-tax income of at least EUR 600,000, the holders of Convertibles bonds shall have to convert all their Convertibles Bonds into new shares of TME. In such case, conversion shall be made with a ratio of "NS" shares of EURO 18,16 for one Convertibles Bond of EUR 23,74, NS shall be determined in accordance with the following formula:: $NS = 600\,000 / \text{Pre-tax income}$.

2. Bond loan TRANCHE B : 1 500 005 €

31 915 bonds were issued at 47€ each, the interest rate on the bonds is 3% per year.

The total amount was obtained in three tranches:

- K€.1 000 in December 2016
- K€.100 in January 2017

- K€400 in March 2017

If and only if the issuer has failed to repay the full amount of the Convertible Bonds on the maturity date, the holders of the Convertible Bonds on the Maturity date (December 2019) may opt at any time after the maturity date to convert all or any of their Convertible Bonds into new shares of the issuer. Conversion shall be made with a ratio of one share of EUR 18,16 for one convertible bond of EUR 47.

XI. NOTES TO THE BALANCE SHEET

i) Intangible assets

INTANGIBLE ASSETS	31 December 2017	variation in scope	Reclas- sifications	Increases	Reductions	30 June 2018
Development projects	3 281 407			-	-	3 281 407
Development projects in progress	-	-		-	-	-
Concessions, patents and similar rights	233 259	- 233		-	-	233 026
Gross amount	3 514 666	- 233	-	-	-	3 514 433
Research and development expenses	1 459 075			241 212	-	1 700 287
Research and dev expenses in progress	-			-	-	-
Concessions, patents and similar rights	227 443	- 233		3 132	-	230 342
Depreciations	1 686 518	- 233	-	244 344	-	1 930 629
Net intangible assets	1 828 148	-	-	- 244 344	-	1 583 804

Research and development costs

Research costs are expensed in the statement of income when incurred.

Development costs for new projects are capitalized if, and only if:

- the project is clearly identified, and the related costs are separately identified and reliably monitored;
- the project's technical feasibility has been demonstrated and the Group has the intention and financial resources to complete the project and to use or sell the resulting products;
- the Group has allocated the necessary technical, financial and other resources to complete the development;
- it is probable that the future economic benefits attributable to the project will flow to the Group.

Development costs that do not meet these criteria are expensed in the financial year in which they are incurred.

Capitalized development projects are amortized over the lifespan of the underlying technology, which is estimated to five years, from the date of the commercial launch.

Following the review of projects performed by the management of the Group, no impairment indicator was found on the projects activated as of 31 December 2017 and 30 June 2018.

The two main projects developed by the Group (86% of development costs activated as of 31 December 2017) are the following:

- R023 : TME has developed a robotized cell able to create a preform made out of dry fiber materials without operator intervention during the entire cycle. The following functions were developed:
 - The unroll of the material and cutting of the different plies
 - The lay-up of the plies on the compaction mold

- The control of the fiber orientation by intelligent automation
 - The compaction
 - The positioning of the sub-preforms on the injection mold
- R025: TME developed a range of standard and custom-designed thermoforming solutions for the fabrication of thermoplastic composites. Complete workstations can be provided including the material transport system, pre-heating ovens, forming presses, tooling and fixtures. The principal advantages of the technology are:
 - Customized solutions
 - Simplicity of use and maintenance
 - Reliable and repeatable performance
 - Accurate material positioning
 - Rapid cycle automated process
 - Heating temperature uniformity
 - Human Machine Interface
 - Completely safe to operate (isolated press)
 - Supervision station: material and mold data base, data acquisition, process monitoring & production traceability

ii) Tangible assets

TANGIBLE ASSETS	31 December 2017	variation in scope	Reclas- sification	Increases	Reductions	30 June 2018
Land	-			-	-	-
Constructions	-			-	-	-
Technical facilities, equipment and industrial tools	224 618	- 33 342		21 127	750	211 653
Other tangible fixed	422 366	- 13 331		29 709	-	438 744
Plants and equipment in progress	-			749	-	749
Gross amount	646 984	- 46 673	-	51 585	750	651 146
Land	-			-	-	-
Constructions	-			-	-	-
Technical facilities, equipment and industrial tools	165 316	- 33 296		7 535	-	139 555
Other tangible fixed	304 594	- 456		23 517	-	327 655
Plants and equipment in progress	-			-	-	-
Depreciations	469 910	- 33 752	-	31 052	-	467 210
Net tangible assets	177 074	- 12 921	-	20 533	750	183 936

Property, plant and equipment is primarily comprised of land, buildings and production equipment and is carried at cost, less accumulated depreciation and any accumulated impairment losses, in accordance with the recommended treatment in IAS 16 – Property, plant and equipment.

Each component of an item of property, plant and equipment with a useful life that differs from that of the item as a whole is depreciated separately on a straight-line basis.

The main useful lives are as follows:

- technical facilities, equipment and industrial tools: 3 to 10 years
- other tangible assets: depending on the nature of the asset

Useful lives of items of property, plant and equipment are reviewed periodically and may be adjusted prospectively if appropriate.

Items of property, plant and equipment are tested for impairment whenever there is an indication they may have been impaired.

Leases

The assets used under leases are recognized in the balance sheet, offset by a financial debt, where the leases transfer substantially all the risks and rewards of ownership to the Group.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. The related payments are recognized as an expense on a straight-line basis over the lease term.

Rental expense breaks down	30 June 2018	31 December 2017
Minimum rentals	67 887	207 204
Sub-lease rentals	-	-
Operating lease commitments break down as follows at June 30, 2018 :	Minimum payments	Minimum payments
Less than one year	118 910	111 456
Between one and five years	320 308	246 695
Five years and more	-	-
TOTAL COMMITMENTS	439 218	358 151
Discounting effect	-	-
Discounted minimum payments	439 218	358 151

iii) Impairment of assets

In accordance with IAS 36 – Impairment of Assets – the Group assesses the recoverable amount of its long-lived assets as follows:

- For all property, plant and equipment subject to depreciation and intangible assets subject to amortization, the Group carries out a review at each balance sheet date to assess whether there is any indication that they may be impaired. Indications of impairment are identified on the basis of external or internal information. If such an indication exists, the Group tests the asset for impairment by comparing its carrying amount to the higher of fair value minus costs to sell and value in use:
 - No impairment indicator was found for fixed assets
 - For R&D projects activated, a review was performed to assess that no impairment was necessary as of June 30, 2018.
- Non-amortizable intangible assets and goodwill are tested for impairment at least annually and whenever there is an indication that the asset may be impaired: not applicable for the Group.

iv) Financial assets

FINANCIAL ASSETS	31 December 2017	variation in scope	increase	Diminutions	30 June 2018
Investments in associates	-		-	-	-
other investments (1)	9 000		-	-	9 000
Receivables on shareholders (2)	192 948	- 1 172	-	-	191 776
other non current financial assets	381		-	-	381
Loans	-		-	-	-
Deposit and guarantees	44 981	-	16 341	17 993	43 329
Gross amount	247 310	- 1 172	16 341	17 993	244 486
Dépréciation	-	-	-	-	-
Net financial assets	247 310	- 1 172	16 341	17 993	244 486

(1) Company 2MATCEH TME owns 4% of this company.

(2) SPV FINANCES, this company is 73%-owned by Serge LUQUAIN Chief executive of Techni-Modul Engineering.

v) Current assets

	30 June 2018	less 1 year	more 1 year
Inventories and in progress	70 497	70 497	-
Accounts receivable	1 267 993	1 267 993	-
Other receivable and prepaid expenses	718 215	718 215	-
Cash in bank	231 354	231 354	-
total	2 288 059	2 288 059	-

Inventories

Inventories are measured at the lower of acquisition cost and net realizable value.

Accounts receivables and other receivables

Accounts receivables and other receivables are recognized at nominal value.

Receivables that are due within less than one year and/or less than an operating cycle are reported under "Current assets". An allowance for impairment is recognized when their value at the reporting date, based on collection probability, falls below their carrying amount.

Cash in bank

Cash and cash equivalents presented in the balance sheet consist of cash, bank accounts, term deposits of three months or less and marketable securities traded on organized markets.

vi) Deferred taxes

Deferred taxes, related to temporary differences between the tax basis and accounting basis of consolidated assets and liabilities, are recorded using the balance sheet liability method. Deferred tax assets are recognized when it is probable that they will be recovered at a reasonably determinable date.

Future tax benefits arising from the utilization of tax loss carry forwards (including amounts available for carry forward without time limit) are recognized only when they can reasonably be expected to be realized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities related to the same unit and which are expected to reverse in the same period of time are netted off.

	30 June 2018	30 June 2017
Techni-modul engineering	3 148 976	1 671 866
Composite alliance corp	308 740	248 169
total cumulative deferred tax	3 457 716	1 920 035

vii) Share Capital

Authorized: Unlimited number of common shares
Unlimited number of preferred shares

Issued:	Common Shares	
	Number	Amount
Balance 31 December 2017	81 523	1 480 552 €
Share capital increase	0	0 €
Balance 30 June 2018	81 523	1 480 552 €

The holders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All common shares issued rank equally with regard to the Company's residual assets subject to the rights of the preferred shares.

viii) Long term provision

LONG TERM PROVISION	31 December 2017	Increase	Decrease	reversal without use	30 June 2018
Litigation provision	11 184	-	-	-	11 184
provision for losses to completion	-	30 000	-	-	30 000
provision for retirement indemnities	150 620	-	-	-	150 620
Provision for risks and charges	161 804	30 000	-	-	191 804

A provision is recorded when the Group has an obligation to a third party prior to the balance sheet date, and where the loss or liability is likely and can be reliably measured. If the loss or liability is not likely and cannot be reliably estimated, but remains possible, the Group discloses it as a contingent liability. Provisions are calculated on a case-by-case or statistical basis and discounted when due in over a year.

Defined contribution plans

Payments made under defined contribution plans are recorded in the income statement, in the year of payment, and are in full settlement of the Group's liability. As the Group is not committed beyond these contributions, no provision related to these plans has been booked.

In most countries, the Group participates in mandatory general plans, which are accounted for as defined contribution plans.

Defined benefit plans

Defined benefit plans are measured using the projected unit credit method.

Expenses recognized in the statement of income are split between operating income (for service costs rendered during the period) and net financial income/(loss) (for financial costs and expected return on plan assets).

The amount recognized in the balance sheet corresponds to the present value of the obligation, and net of plan assets.

Changes resulting from periodic adjustments to actuarial assumptions regarding general financial and business conditions or demographics (i.e., changes in the discount rate, annual salary increases, return on plan assets, years of service, etc.) as well as experience adjustments are immediately recognized in the balance sheet as a separate component of equity in "Other reserves" and in comprehensive income as "Other Comprehensive Income" /loss.

The amount of commitment to retirement is calculated using individual projections based on a start to retire at the age of 62, considering the average rate of rotation of personnel and expectancy compared to the tables of mortality. It concerns only the French company Techni-Modul Engineering.

PROVISION FOR RETIREMENT INDEMNITIES	June 30, 2018	31 December 2017
Discount rate	1,40%	1,50%
% executive salary increase	1,00%	1,00%
% employees salary increase	1,50%	1,50%
Turn over	average	average
rate of social security expenses	45,00%	45,00%
mortality table	TG05	TG05
Convention collective	metallurgy	metallurgy
Provision at the beginning of the year	150 620	158 361
Net costs recognized in the statement of income	-	- 10 818
Benefits paid	-	-
Actuarial items recognized in equity	-	3 077
Provision at the end of the year	150 620	150 620

ix) **Net cash position**

CASH	30 June 2018	31 December 2017
Short term investment	-	-
Bank cash	231 354	139 628
Overdraft and other short-term bank borrowings	- 41 538	- 43 672
Cash net	189 816	95 956

x) Maturities of liabilities

	30 June 2018	less 1 year	between 1 and 5 years	more 5 years
Convertible bond loans	1 743 909	-	1 743 909	
Non current debts /loans granted by credit institution (1)	1 382 321	130 635	1 251 686	-
Long term provisions	191 804	-		191 804
Investment subsidies	158 683	45 792	112 891	
Cash crédit	41 538	41 538		
Accounts payable and related payable	878 507	878 507		
other current liabilities	700 072	700 072		
TOTAL	5 096 834	1 796 544	3 108 486	191 804

(1) Including a loan of COMTEC for more than one year for €950,000.

xi) Equipment subsidies and Credit Tax Research (CIR)

EQUIPMENT SUBSIDIES	31 December 2017	Activation	Amortization	30 June 2018
Other equipment subsidies	33 600		4 200	29 400
cir 2014	40 062	-	5 008	35 054
cii 2014	5 585	-	745	4 840
cir 2015	83 990	-	10 499	73 491
cir 2015	7 553	-	1 007	6 546
cir 2016	10 789	-	1 437	9 352
Total	181 579	-	22 896	158 683

CIR and CII (research tax credit) is obtained by TME each year financing part of its R&D expenses. As part of these R&D expenses are activated in intangible assets, the CIR obtained is recognized in profit at the same rate as development costs activated (5 years).

XII. REVENUE RECOGNITION

The Group's revenues primarily include transactional sales and revenues from contracts.

Transactional sales

Revenue from sales is recognized when the product is shipped and risks and benefits are transferred.

Long-term contracts

Income from long-term contracts is recognized using the percentage of completion method, based on the percentage of costs incurred in relation to total estimated costs of the entire contract.

Losses at completion for a given contract are provided for in full as soon as they become probable. The cost of work-in-process includes direct and indirect costs relating to the contracts.

XIII. SALARIED WORKFORCE

EMPLOYEES	Number	
	Half year 2018	Full year 2017
TECHNI-MODUL ENG	31	37
COMPOSIT ALLIANCE CORP	1	1
EST TECHNOLOGIE		9
Total	32	47
Personnel expenses :	- 823 510 €	1 997 352 €
Including the Chief executive for	78 835 €	157 670 €

XIV. FINANCIAL RESULT

FINANCIAL RESULT	30 June 2018	30 June 2017
Financial costs		
Loan interests	27 170	14 975
Bond interests	58 653	49 318
bank interest	3 775	5 272
Exchange loss	0	0
Cash discount granted	0	0
TOTAL FINANCIAL COSTS	89 598	69 565
Financial incomes		
Exchange gain	0	0
Other income	0	0
TOTAL INCOME COST	0	0
Net financial costs	89 598	69 565

XV. SHARE-BASED PAYMENTS

Not applicable for the Group.

XVI. INCOME TAX EXPENSE

INCOME TAX	6 month to 30 June 2018	6 month to 30 June 2017
Résult before income tax	- 609 976	- 722 044
Income taxes rate	33%	33%
Income taxes theoretical	203 305	240 657
CICE	7 273	11 133
CIR	16 665	19 535
Fiscal losses incurred not actived	- 223 864	- 267 992
Entries income tax untaxed	-	-
Other impacts	- 3 565	- 3 540
Income taxes booked	- 186	- 206

XVII. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

	Carrying Amount	Fair value	30 June 2018		
			Level 1	Level 2	Level 3
ASSETS					
Financial assets	244 486	244 486	235 486	-	9 000
Marketable securities	-	-	-	-	-
Derivative instruments	-	-	-	-	-
LIABILITIES					
Convertible bonds	1 743 909	1 743 909	-	-	1 743 909

	Carrying Amount	Fair value	31 December 2017		
			Level 1	Level 2	Level 3
ASSETS					
Financial assets	247 310	247 310	238 310	-	9 000
Marketable securities	-	-	-	-	-
Derivative instruments	-	-	-	-	-
LIABILITIES					
Convertible bonds	- 1 685 255	- 1 685 255	-	-	- 1 685 255
All assets and liabilities					

XVIII. RELATED PARTY TRANSACTIONS

	p&l or balance sheet	6 month to 30 June 2018
With SPV FINANCES owned by Serge LUQUAIN Chief executive		
Financial assets	Balance sheet	192 947
With 2SL-IMMO owned by Serge LUQUAIN Chief executive		
External expenses (Real property lease)	p&l	38 500
With COMTEC shareholders		
Convertible Bond with interest	Balance sheet	- 1 845 927
Long term borrowings with interest	Balance sheet	- 1 086 739
Finance cost	p&l	85 823
Contracts directly signed by a related party :		
	turn over	189 000
	margin generated	24 000
Contracts gained thanks to a related party		
	turn over	1 050 000
	margin generated	345 000
	commissions paid	105 000

XIX. NOTES OF BALANCE SHEET COMMITMENTS

Bank	Guarantee	Montant
Banque Nuger	Holdback	37 572
Banque Nuger	bank guarantee BPI France	50% of financial commitment line

XX. AUDITOR FEES

AUDITOR FEES	6 month to 30 June 2018	Year to 31 December 2017
TECHNI-MODUL ENG	4 000	7 965
COMPOSIT ALLIANCE CORP	-	-
EST TECHNOLOGIE	-	-
CONSOLIDATED FINANCIAL STATMENTS	110 000	-
Total	114 000	7 965

XXI. STATEMENT OF CASH FLOWS

The consolidated statement of cash flows has been prepared using the indirect method, which consists of reconciling net profit to net cash provided by operations. The opening and closing cash positions include cash and cash equivalents, comprised of marketable securities, net of bank overdrafts and facilities.

XXII. SEGMENT INFORMATION

The Group has only one business.

XXIII. SUBSEQUENT EVENTS

- A tax inspection started in October on the years 2015, 2016 and 2017. At this stage, no conclusions are available from the tax inspector since the inspection has just started.
- On August 30, 2018, TME capital was increase by 11 165 shares following the conversion of the Bond loan Tranche A. The 11 165 bonds were converted in 11 165 shares as the pre-tax income was less than EUR 600,000.
- On October 2018, Comtec the main shareholder of TME sold most of its participation to Malchemy Corporation Limited, which is also owned by Mr Zhang, which remains the main final shareholder of TME. TME is now owned (without taking the potential impact of the dilutive impact of the remaining convertible bonds) by :
 - Malchemy Corporation : 48% of the capital
 - SPV : 43% of the capital. The main shareholder of SPV is Serge Luquain, the CEO of TME.Malchemy Corporation confirmed in a comfort letter that it will support TME for its financial needs for the twelve coming months.

**THIS IS SCHEDULE E ATTACHED TO AND MADE A PART OF
THE INFORMATION CIRCULAR IN CONNECTION WITH THE
ANNUAL GENERAL AND SPECIAL MEETING OF THE
SHAREHOLDERS OF CANASIA FINANCIAL INC. TO BE HELD
ON JANUARY 24, 2019, AND ANY ADJOURNMENT THEREOF**

MANAGEMENT DISCUSSION AND ANALYSIS OF TME

(see attached)



TECHNI MODUL ENGINEERING S.A.

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended on the 31st December 2017

CEO's Message

THE PLANNED & PREPARED TRANSFORMATION IS
TAKING PLACE...

To Our Shareholders

Television, radio, magazine, web, and the media tell us about the industry of the future 2.0 or 4.0. In contrast, the world of aeronautics, in the field of composite parts that comprise up to 50% of a manufactured aircraft, has retained until now a significant part of manual manufacturing and this, in particular, for the lay-up of fabrics on tools by specialized workers (more than 80%).

Techni-Modul Engineering S.A., with over 30 years' experience in the implementation of composite materials, has developed technologies and processes combining fabric control (cutting, positioning, gripping & placement, forming, etc.), as well as process control (resin injection, Net Shape molding, etc.). By integrating our systems into their manufacturing processes, our customers reduce production costs through by improving both the quality and production times for the products they make.

For Techni-Modul Engineering S.A., the future is already in place, with innovative solutions, to offer all the required functions from the management of raw materials to the finished part.

For many years, aeronautics remains a growth sector, for which the next challenges will be automation and robotization in order to reach ever-increasing rates.

**You believe in the world of tomorrow, thank you for your
trust**

MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED ON THE 31ST DECEMBER 2017

This Management's Discussion and Analysis ("**MD&A**") is dated 09/24/2018.

This MD&A of the financial position of Techni Modul Engineering S.A. ("**TME**" or the "**Company**") and results of operations provides information which supplements the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2017. Consequently, the following discussion and analysis of the results of operations and the financial condition of TME should be read in conjunction with the audited consolidated financial statements and accompanying notes for the same period. TME's audited consolidated financial statements and accompanying notes for the year ended December 31, 2017 are available under the TME's public profile on www.sedar.com.

NOTICE TO READER: NON-IFRS MEASURES

The accompanying audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") in Euro (€). Certain supplementary information and measures not recognized under IFRS are also provided in this MD&A where management believes they assist the reader in understanding TME's results. These measures are calculated by TME on a consistent basis unless otherwise specifically explained. These measures are further explained as follows:

Margin after Major Purchasing – TME is in the business providing clients with turn-key solutions. TME designs and then assembles machines to meet clients' specific needs and specifications. TME sources the main components instead of manufacturing them itself. Major Purchasing includes those costs incurred by TME through the purchase of raw materials, goods/consumables and expenses for sub-contractors. Margin after Major Purchasing is a useful metric to indicate the added value TME actually contributed.

Order Book - means the contracts TME secured but have not yet delivered. The time needed for delivering projects is usually no less than 6 months. Therefore, the order book is an important metric to evaluate the future performance.

INTRODUCTION: BACKGROUND OF THE BUSINESS

TME was created in 2008 from the amalgamation of two companies, Ordimoule S.A. and Techni-Modul S.A., and became a benchmark among the world leaders in the field of

industrial turn-key solutions for the design and realization of advanced composite production equipment.

Our principal business is the design and realization of advanced composite production equipment. Today, TME designs and manufactures unique and bespoke composite solutions and has realized over 4000 projects. TME's capabilities extend to product design, tool design, metal and composite parts fabrication assembly and repair. The strength of the Company is rooted in its principles: be innovative, be efficient, be cost-effective, optimize, respect quality norms and deliver on time. A clear vision and simple values bred a culture of trusted relationships and pure performance.

In the last five (5) years, we have developed processes that save time, costs and make reliable the automatic placement of composite plies that was previously done manually. These developments were acclaimed by the 2016 CMAX Award and the 2016 JEC Asia Award.

OVERVIEW AND HIGHLIGHTS

Key highlights of the Company's activities for the year ended December 31, 2017 include:

- TME and Israel Aerospace Industries finalized mass production of composite helicopter cockpit seats through implementation of TME's resin transfer molding tool development and preforming automations; and
- On December 15, 2017, TME announced a contract award from CHANGHE for the design and production of composite equipment in the manufacturing of helicopter propeller blades. The contract is the biggest in the Company's history and is expected to result in total revenue of €3,680,000. The contract commenced end 2017 and will be carried out until the term expires December 2018. Supply of the equipment is predicted to reinforce TME's leading position in molds and machineries for blades.

2018 PERFORMANCE GUIDELINES

At the beginning of the fiscal year, TME signed approximately €6,000,000 of orders to be delivered in 2018. Our goal is to deliver total turnover of €7,200,000 in 2018.

To build on the Company's foundation and drive performance improvements, TME continues to invest in its product development, focusing on its hiring initiatives to meet continued growth expectations.

To drive the creation of long-term sustainable shareholder value and commercialization of shorter cycle products, the Company has:

- Developed the SMART CONTROL software. Introduced in July 2016, SMART CONTROL software allows the analysis of photos to detect the conformity of the orientations of fibers, the presence of foreign objects, the calibration of the

systems (robots, machines of cutting of fabrics, machines of compaction, etc.), and the recognition of the plies (dimensions, borders, homothety, etc.); and

- Implements continued feasibility analysis and process simulations.

As we only started marketing SMART CONTROL products in 2018, the expected turnover generated from such products is expected to be relatively low in 2018 (less than €100,000), but we expect its relevant turnover to reach 5% of our total turnover in 2019 (€500,000) and 10% of our total turnover in each of the following years.

SELECTED ANNUAL INFORMATION

Amount in Euros (€)	IFRS Year ended the 31 st Dec, 2017	%	IFRS Year ended the 31 st Dec, 2016	%	IFRS Year ended the 31 st Dec, 2015	%
REVENUE	3,561,579		6,676,072		6,385,387	
OPERATING PROFIT	-1,401,267	39.3%	649,425	9.7%	-1,158,120	18.1%
NET INCOME	-1,560,963	43.8%	530,814	8.0%	-1,222,385	19.1%
TOTAL ASSETS	4,669,571		7,366,774		6,161,901	
TOTAL NON-CURRENT LIABILITY	3,276,778		2,348,243		1,693,299	
Margin after major purchasing	2,544,334	71.4%	5,812,978	87.1%	4,911,266	76.91%
Order book	5,138,975		1,779,535		5,315,172	

2016 and 2017 figures have been audited by an independent audit firm, not 2015.

SUMMARY OF THE YEAR END RESULT

Despite challenges faced in 2017, including economic conditions caused by the global slowdown in investment and procurement of advanced aeronautic related machine and equipment, TME has nevertheless strengthened its commercial activities and presence, and finished at the end of the year with an Order Book amounting to an aggregate of €5,190,000, a 291% increase from that of the prior year, an aggregate amount of €1,784,000.

In the year beginning of 2017, TME had total equity of €1,377,161. However, due to the losses incurred in 2017, the Company's total equity is reduced to -€103,037 at the end of the year.

DISCUSSION OF OPERATIONS

REVENUE

Revenues for the year ended December 31, 2017 were €3,561,579 compared to €6,676,072 for the year ended December 31, 2016, and €6,385,387 for the year ended December 31, 2015, a decrease of 53.35% from 2016 and 55.78% from 2015. The decrease in revenues in 2017 was primarily attributable to a relatively low Order Book at the beginning of 2017 and the sluggish growth of global aerospace and defense throughout the year.

The Company's annual revenues are significantly impacted by the timing of contractual Order Book and the lead-time of each project. The majority (over 50%) payments of a project are made upon delivery of goods which typically exceeds six months after an order is secured. TME's business is also seasonal as composite orders usually come in in the third and fourth quarters.

According to Deloitte & Touche's 2018 Global aerospace and defense industry outlook, 2017 was a year of sluggish growth for the global aerospace and defense industry as the world experienced a decline in global gross domestic product (GDP) growth, unstable commodity prices, and decreased demand for passenger travel. The industry grew by 2.1% in 2017 and is expected to grow by 4.1% in 2018.

Management though sees these negative factors as fluctuations, not downward trends, and anticipates new market penetration and stabilized growth to establish a more solid base for TME's revenues in 2018.

PAYROLL & SOCIAL WELFARE CONTRIBUTION

Coping with the challenging market conditions, TME incurred a 14% year-to-year reduction in payroll and social welfare contributions in 2017. The Company's workforce was reduced by 11%, with totaling 47 employees at the end of 2017, compared to 53 employees at the end of 2016.

OTHER PURCHASES & EXTERNAL EXPENSES

Other Purchases & External Expenses for the year ended December 31, 2017 were reduced by €1,400,000, totaling €1,636,193 in 2017 versus €3,020,000 in 2016. TME lowered amounts of sub-contracts and agent commissions to offset the negative fluctuation in aerospace and defense industry outlook. TME also had much lower research & development ("R&D") expenses from levels previously allocated in 2016 as most of the R&D activities for new generation products were completed in 2016.

In the year ended December 31, 2017, TME's continued long-term operating obligations remained stable, including expenses incurred for commercial space, vehicles, hardware, software maintenance and insurance. Currently TME pays an annual rental of €77,000 to its landlord 2SL-Immo. The rental agreement has a term of nine years (from January 16, 2013 to January 16, 2022). In the case when TME intends to terminate the rental agreement, TME has to give the landlord a 3-year prior notice.

OPERATING PROFIT

Operating profits fell to -€1,401,267 in 2017 from €649,425 in 2016. The main cause of this reduction was lack of turnover and thus failing to meet the breakeven point.

The success of TME depends on its respective senior management team and other key employees, including its ability to retain and attract skilled management and employees. The loss of key personnel would have a material adverse effect on the business, its financial conditions, operations and future prospects of the Company. Therefore, despite the downturn in 2017, Management has discussed and decided not to reduce the current size of the organization dramatically so that the Company is able to retain qualified and sufficient personnel needed for long-term growth.

It is calculated that, with the current organizational structure and capacity, TME's breakeven point of at €6,600,000 in revenue (assuming a 47.9% purchase and cost allocation for raw material, good consumable, sub-contracting and commissions).

FINANCIAL COST

Finance Costs were €115,097 in 2016 and €154,507 in 2017, a 34% increase y.o.y. Such increase was primarily resulted from additional interest bearing debts in 2017: As of December 31, 2017, the Company had convertible bonds with an ending balance of €1,685,255 (comparing to €1,138,799 as of December 31, 2016, a 48% increase) and long-term borrowings of €1,248,140 in 2017 (comparing to €808,884 as of December 31, 2016, a 54% increase).

SOME HIGHLIGHTS (1/2)

LIQUIDITY & CAPITAL RESOURCES

As of December 31 2017, the Company's net working capital position (defined as "current assets minus current liabilities) of €921,210 and net cash position of €95,956 (defined as "cash and cash equivalent minus short term borrowing"), comparing to €1,112,601 and -€771,016 in 2016, respectively.

In more details, the Company's accounts receivables totalled €1,561,040 in 2017, a decrease of 60% from 2016, while its account payables totalled €707,050, a decrease of 32% from 2016, both mainly due to lower turnover in 2017. Inventories at the end of 2017 didn't change much, totalling €124,684, a slight increase of 7.4% from 2016.

Cash Flows in Operating Activities

In 2017, net cash provided by operating activities was €12,672, compared to -€1,541,791 the year prior. The increase was mainly due to change in working capital requirement, among which, change in trade and other receivables accounted the majority (€2,293,454 in 2017 vs -€1,086,079 in 2016).

Cash Flows in Investing Activities

Net cash used in investing activities was negative €143,357 in 2017 compared to negative €757,364 in 2016, which was primarily due to decrease in "acquisition of intangible assets" (i.e. capitalized R&D expenses) from -€775,145 in 2016 to -€107,865 in 2017.

Cash Flows in Financing Activities

In 2017, the Company received net financing of €993,456, comparing to €1,609,010 in 2016. If not considering the proceeds from issue of share capital in 2016 (€699,997, which was increased through converting certain loans from one certain shareholder to equity), the Company received similar net financing from borrowings in both years. Specifically, in 2017, TME issued new convertible bonds of €610,884 (€546,456 debt part + €64,428 equity part) and borrowed new loans of €483,214, versus €1,269,786 (€1,138,799 debt part + €130,987 equity part) and €40,000 in 2016, respectively.

While its cash position remains relatively strict, TME believes it is able to manage the existing operations with the current amount of working capital. However, if the Company faces rapid expansion in business scales in the future, Management believes the Company may require further financing.

Financing Activities

TME's Management always closely monitors its cash position in the immediate following 6 months on a rolling basis while continuing its strategic approach for securing business growth.

In sum, TME has raised €3,103,881 in total through different financing activities in 2016 & 2017, and also receiver a comfort letter from its major shareholders for sponsoring additional capital, in the form of loan and/or equity financing, for the coming 12 months starting in May of 2018. The committed support from TME's major shareholder provides TME with a unique opportunity to grow the Company's business by enhancing its ability to participate in large assembly programs and further predicted operations.

	FINANCING CASH INFLOWS			
	ISSUE OF SHARE CAPITAL	ISSUE OF CONVERTIBLE BONDS⁽¹⁾	NEW BORROWINGS	TOTAL
2017		610,884	483,214	1,094,098
2016	699,997	1,269,786	40,000	2,009,783
TOTAL	699,997	1,880,670	523,214	3,103,881

(1) All the Convertible Bonds were subscribed by one of the major shareholders, Comtec (Singapore) PTE, Ltd.

OFF-BALANCE SHEET ARRANGEMENT

The Company's off-balance sheet arrangements consist of various financing arrangements entered into in the normal course of business. The Company's financing arrangements consist primarily of:

- Bank guarantees (advanced payment refund) for French customers, for a maximum amount of €800,000;
- Bank guarantees (advanced payment refund) for foreign customers, for a maximum amount of €400,000;
- Factoring (invoice transfer) for French customers, for a maximum amount of €750,000;

- Pre-financing on orders in progress, case-by-case, for a global amount of €850,000;
- Bank overdraft for a maximum amount of €130,000.

TRANSACTIONS BETWEEN RELATED PARTIES

COMTEC

In 2016 and 2017, the majority of the financing obtained by the Company was from one shareholder, COMTEC (Singapore) PTE, Ltd (“COMTEC”). Please refer to the table below for details of the financing amount and associated interests.

The Company also has an agreement with COMTEC pursuant to which COMTEC has agreed to provide TME with a comfort letter in sponsorship of working capital and financing ongoing research and development plans for 12 months commencing in May of 2018.

Financing Activities with COMTEC		2017	2016
Convertible bond with interest	Balance sheet	-1 819 452	-1 267 316
Long term borrowings with interest	Balance sheet	-1 059 810	-576 595
Finance cost	P&L	144 498	86 071

2SL-Immo

2SL-Immo, a company 51% owned by Serge Luquain and 49% by Sandrine Luquain, his daughter, is rented to TME for an annual cost of €77,000.

The contract between 2SL-Immo and TME is a real estate lease with a term of nine years. After the first three years, TME could terminate the agreement with a 3-year prior notice, otherwise, TME has to pay 2SL-Immo a compensation equals to 3-year rental. At the end of the 9-year term, the lease may be renewed for an additional period of 9 years at the request of the lessee.

SOME HIGHLIGHTS (2/2)

PROPOSED TRANSACTIONS

At the beginning of 2018, TME is considering to sell its wholly owned subsidiary, EST Technologies SRL (“EST”) (this transaction was later consummated in June 2018).

EST was incorporated in 2009 in Bacau, Romania. EST's core business is providing contracting services relating to assembly of mechanical parts, welding and machining. TME acquired all of the issued and equity securities of EST in 2016 for nominal consideration from a non-arm's length party.

CHANGES IN ACCOUNTING POLICIES

Due to the contemplated transaction with CanAsia Financial Inc., the Company started to compile its IFRS financial statements in 2016 and 2017.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into 3 levels of a fair value hierarchy. The 3 levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

December 31, 2017

	CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS					
Financial assets	247 310	247 310	238 310		9 000
Marketable securities	-	-	-	-	-
Derivative instruments	-	-	-	-	-
LIABILITIES					
Convertible bonds	-1 685 255	-1 685 255			-1 685 255

December 31, 2016

	CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS					
Financial assets	244 653	244 653	244 653		9 000
Marketable securities	-	-	-	-	-
Derivative instruments	-	-	-	-	-
LIABILITIES					
Convertible bonds	-1 138 799	-1 138 799			-1 138 799

OUTSTANDING SHARES

As of December 31, 2017, TME has 81,523 common shares outstanding in total. The number of outstanding shares has not changed from the beginning until the end of 2017.

OTHER MD&A REQUIREMENTS

BUSINESS RISKS FACTORS

Each of the following factors could have a material adverse effect on the Company's financial condition and results of operations.

- **Market Environment Uncertainties**
Considering the current uncertainties, including but not limited to the possible Trade War, the result of Brexit negotiation, as well as the potential conflicts in different geopolitical hot zones, which might adversely affect the stock market and business environment in general. TME's potential clients may delay their procurement decisions and directly affect the Company's revenues and profits in the coming years.
- **Financing**
The Company may need external financing for satisfying the working capital needs from time to time, as well as for repayment of the loan according to the schedule. It will be a major risk if the Company can't get sufficient financial support on a timely basis.
- **Key personnel**
The Company heavily relies on few engineering gurus in the subject area. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.
- **Liquidity Risk**
The Company's objective in managing liquidity risk is to maintain sufficient, readily available cash reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents and through the availability of funding from committed credit facilities. Access to credit facilities is dependent on the Company's compliance with its debt covenants. As at the year-end 2017, the Company increased cash and cash equivalents in a total net amount of €866 973, from negative €771,106 as at January 1, 2017 to €95,956 as at year ended December 31, 2017.
- **Intellectual Property**
If the Company's know-how is copied, by either competitor(s) or client(s), this could have an immediate material adverse impact on the Company's business and profitability.

- **Skilled Labors**
In case the Company intends to increase its capacity, no matter for the immediate short term or long-term needs, it may be difficult to have sufficient supply in the vicinity of Clermont-Ferrand. This may affect TME in obtaining the needed flexibility, as well as the capability in pursuing growth, which will cause the negative results on profitability.
- **Global Supply Chain**
TME relies on its suppliers, located in different countries, to provide the major components. If anyone of these suppliers cannot deliver their products timely or in an acceptable quality standard, the Company will then suffer late delivery or quality complaints, which may further cause penalty or even legal proceedings against the Company.
- **Competition**
The industry is competitive with several direct competitors having significant financial resources than the Company and operating experience. Furthermore, the market is undergoing a period of rapid innovation with many of the participants striving to improve the technology and the flexibility of the products. These factors combine to make the competitive environment a substantial risk.
- **Exchange Rate**
The Company is exposed to foreign exchange risk as a result of transactions in currencies other than its functional currency of the Euro and through its investments in its foreign-based assets. When the company is exposed to foreign exchange risk, it sets up currency hedging contracts with its banks, in order to preserve the rate sold.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

The MD&A contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company’s strategies and objectives, both generally and in respect of its existing business and planned business operations;
- the Company’s plans to grow sales and expand its distribution network;
- the Company’s future cash requirements;
- general business and economic conditions;

- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and,
- the timing, pricing, completion, regulatory approval of proposed financings if applicable.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's ability to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein as "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this report. Such statements are based on a number of assumptions, which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technology companies specifically;
- the Company's ability to roll out its business plan which includes new product launches and associated planning in production, sales, distribution and marketing;
- the Company's ability to secure and retain employees and contractors to carry out its business plans;

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations.

CONTACT INFORMATION

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TECHNIMODUL ENGINEERING S.A.

MANAGEMENT DISCUSSION & ANALYSIS

For the three and six month period ended June 30, 2018

MANAGEMENT DISCUSSION & ANALYSIS FOR THREE AND SIX MONTH PERIOD ENDED JUNE 30, 2018

This Management's Discussion and Analysis ("**MD&A**") is dated November 29, 2018.

This MD&A of the financial position of Techni Modul Engineering S.A. ("**TME**" or "**the Company**") and results of operations provides information which supplements the Company's consolidated financial statements for the three and six month period ended June 30, 2018 ("**1H-2018**"). Consequently, the following discussion and analysis of the results of operations and the financial condition of TME should be read in conjunction with the 1H-2018 consolidated financial statements, accompanying notes thereto, and the Company's Annual MD&A for the year ended December 31, 2017.

INTRODUCTION

In 2016, TME implemented into its products and services line "TME 2.0", being automation processes commercially registered under the names "Smart Pick & Place", "Smart Injection" and "Smart Control". TME 2.0 consists of TME's system of automation and robotization, the implementation of which allows TME's customers to optimize manufacturing processes and decrease production times significantly. Smart Control is TME's multifunction control tool developed to assist manual lay-up or robotic pick and place preform processing and quality management. As of the date of this MD&A, TME's product 2.0 products represent more than 50% of TME's total projects. TME presented the first model of its Smart Control software at the JEC show in Paris in March 2018.

1H-2018 MAJOR MILESTONES ACHIEVED & PROJECTS SIGNED

During 1H-2018, TME commenced several significant projects that management believes are key milestones in the Company achieving success in its business plan, including:

- The Company has been requested by the Spanish arm of a large aerospace and defence corporation to provide design and manufacturing for various tools. This offer, worth approximately €2,000,000, provides TME the opportunity to further implement itself as a strategic supplier of the international entity. The Company has signed the contract with this Spanish customer on October 15, 2018.
- On July 30, 2018, TME entered into a contract with a Luxembourg research and innovation institution for the creation of a thermoplastic cell (a TME 2.0 product). The consideration payable to TME under this contract is €546,700, with delivery and payment expected in June 2019.

SELECTED FINANCIAL INFORMATION

Amount in Euros (€)	Period ended the 30 th		Period ended the 30 th	
	June, 2018 ⁽¹⁾	%	June, 2017 ⁽¹⁾	%
REVENUE	2,123,831		1,935,843	
Purchased raw material and goods	(512,345)		(469,605)	
Payroll expenses and social security contributions	(823,510)		(1,069,972)	
Other purchases and external expenses	(1,054,806)		(1,078,880)	
Taxes and related payments	(27,187)		(42,129)	
Fixed assets amortization	(278,373)		(196,681)	
Provision Variations	80,464		291,436	
Other expenses	(28,776)		(22,281)	
OPERATING PROFIT	(520,702)	(24.5%)	(652,269)	(33.4%)
NET INCOME	(609,976)	(28.7%)	(722,044)	(37.0%)
TOTAL ASSETS	4,300,285		4,592,571	
Margin after major purchasing⁽²⁾	1,611,486	75.9%	1,484,238	76.0%
Orders Book⁽³⁾	6,441,309		987,822	

(1) Margin after Major Purchasing is derived from subtracting Purchased Raw Material & Goods from Revenue.

(2) Order Book is defined as the total value of orders that have not yet been included in revenue but which have a contract or purchase order specifying the scope, value and timing of an order. Order Book is compiled by the Management.

SUMMARY OF THE 1H-2018 RESULTS

For the period ending 1H-2018, the Company's operating revenue totaled €1,123,821, incurring an operating loss of (€20,702), compared to revenue of €1,953,843 and an operating loss of (€652,269) in 2017, respectively. TME's Net Income loss over 1H-2018 amounted to (€609,976) as compared to (€722,044) in the same period ended 2017.

NON IFRS MEASURES

The accompanying 1H-2018 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in Euro (€). Certain supplementary information and measures not recognized under IFRS are also provided in this MD&A where management believes they assist the reader in understanding TME's results. These measures are calculated by TME on a consistent basis unless otherwise specifically explained. These measures are further explained as follows:

Margin after Major Purchasing – TME is in the business providing clients with turn-key solutions. TME designs and then assembles the machine to meet clients' customary needs and specifications. TME sources the main components instead of manufacturing them itself. The Major Purchasing mainly include Raw Materials and Goods/Consumables. Margin after Major Purchasing is a useful metric to indicate the added value TME actually contributes.

Order Book - means the contracts TME secured but have not yet delivered. The time needed for delivering projects is usually no less than 6 months. Therefore, the order book is an important metric to evaluate the future performance.

DISCUSSION OF OPERATIONS

REVENUE

Revenue showed a slight increase of €187,988 (roughly 9.71%) for the first half of 2018 relative to the same period in 2017. The increase in revenue was primarily attributable to the factors noted below.

TME's revenue is recognized according to "percentage to completion" in accordance with IFRS 15. TME's Order Book as of December 31, 2017 was €5,138,975, roughly 189% higher than that of €1,779,535 as of December 31, 2016. The higher Order Book at the beginning of the period of 1H-18 resulted in higher revenue recognition than 1H-17. However, due to the normal seasonal nature of the business, TME expects to deliver most of its projects and realize majority of the revenue from the Order Book during the second half of 2018 ("2H-2018").

Management expects that the majority of TME's revenue in 2H-2018 will result from two major contracts, being an expected €3,680,000 from a machinery order for the manufacturing of a helicopter blade and €10,000 from a wrapping machine. TME expects to deliver total revenue equal to €6,600,000 in 2018 according to its presently confirmed orders, and the full year target revenue exceeding €7,000,000 if additional small projects and sale of parts are included.

PAYROLL & SOCIAL WELFARE CONTRIBUTION

Payroll expenses and social security contributions amounted to €23,510 in 1H-2018, which was 23% lower than that in the same period of 2017, being €1,069,972. The decrease was largely the result of personnel reductions.

TME is continuously in the process of recruiting project engineers, assemblers and electricians. In the first and second quarters of 2018, TME hired seven new employees in various roles. As a result of the additional of new employees, payroll expenses and social security contributions are expected to increase in the second half of 2018, to reach approximately €1,030,000, a 24% increase from the period ended 1H-2018.

OTHER PURCHASES & EXTERNAL EXPENSES

For the period ended 1H-2018, other external purchases and expenses totaled €1,054,806, a 2.2% decrease comparing to €1,078,880 for the period ended June 30, 2017. This slight decrease is mainly resulted from decreases in rent (€23,535), energy expenditure (€21,861) and subcontracting (€72,401), even though during 1H-2018 TME incurred extra-ordinary expenses (mostly auditor fees) associated with the contemplated transaction with CANASIA (€117,500).

OPERATING PROFIT

In the period ended June 30, 2018, TME posted negative operating profit of (€20,702) as compared to (€52,269) at the same period of 2017. The loss was primarily due to the fact that majority of the contracts were entered into late in 2017. Which such projects were not delivered, and revenue therefrom not recognized, before June 30, 2018.

FINANCING COSTS

Financing costs were €9,598 for the first half of 2018, a 28.8% increase from €9,565 in the first half of 2017. The increase is mainly due to the recognition on a full semester of interest accrued over the period for convertible bonds subscribed in 2016 and 2017, as well as for the cash loan granted by one shareholder in 2016 and 2017.

HIGHLIGHTS (1/2)

LIQUIDITY & CAPITAL RESOURCES

At 1H-2018, the Company generated net cash from operating activities of €0,473, being an increase from €12,672 as of December 31, 2017. TME also caused a change in working capital requirement of €407,091 compared to €1,354,358 as of December 31, 2017. The improved net cash from operating activities over this period was mainly due to lower loss from operations, while the lower working capital requirement to the collection of trade and other receivables, and the increase of trade payables.

At 1H-2018, the Company made less investment in acquiring tangible and intangible assets than in the year prior. Together with the proceeds from sale of tangible and intangible assets, the net cash used by investing activities was negative (€7,444), less than that of negative (€43,357) as of December 31, 2017.

The Company has not issued additional debt in 2018. The increase in debt is mainly due to accrued interests on convertible bonds and borrowings.

TME's cash and cash equivalent for the period ending 1H-2018 totaled €189,816, being an increase of €3,860 from December 31, 2017.

OFF-BALANCE SHEET ARRANGEMENT

As of the date of this MD&A, the Company received or lost the following supports from banks and financial institutions:

- The Company has an aggregate credit line of €800,000 from two banks for advanced payment refunds for French customers, the same as the same period in 2017. TME uses this credit line when TME needs to produce any form of guarantee for contracts

with French customers. However, since October 10, 2018, following our complaint to the credit mediation board, the lines of financing have been reinstated for the same amounts as before. This financial line is necessary when TME must produce letters of guarantee of restitution of deposit, or of good execution of contract, or retention of guarantee for French customers. As of June 30, 2018, we had not used the line.

- Bank guarantees (advanced payment refund) for foreign customers, for a maximum amount of €400,000, resulting in no change when compared with the same period in 2017. TME uses this credit line when TME needs to produce any form of guarantee for contracts with foreign customers. This financial line is necessary when TME must produce letters of guarantee of restitution of deposit, or of good execution of contract, or retention of guarantee for foreign customers. As of June 30, 2018, we had not used the guarantee.
- Factoring (invoice transfer) for French customers, for a maximum amount of €50,000. In 2017, the limit was €750,000. TME uses this credit line when TME wishes to finance its working capital by factoring the account receivables from French customers. This financial line is necessary when TME wishes to benefit from cash before the maturity of invoices issued to our French customers. As of June 30, 2018, we had not used the line.
- Pre-financing on orders in progress, case-by-case, for a global amount of €50,000, resulting in no change when compared with the same period in 2017. TME uses this credit line when TME wishes to finance its working capital by factoring the account receivables from foreign customers. This financial line is necessary when TME wishes to benefit from cash before delivery to our foreign customers. As of June 30, 2018, we had not used the line.

TRANSACTIONS BETWEEN RELATED PARTIES

The Company paid certain agents to assist TME in identifying new customers, promoting sales and distributing the Company's products and services. During 1H-2018, TME paid agent fees amounting to €105,185 (up from €93,109) to Sino Composite Co. Ltd. ("Sino Composite"), a company controlled by one of the major shareholders of the Company, in connection with certain Chinese contracts facilitated by the shareholder and entered into by TME.

On December 20, 2013 and October 24, 2017 Comtec advanced Five Hundred Thousand (€500,000) Euros and Four Hundred Fifty Thousand (€450,000) Euros to the Company, respectively. The loans accrued interest on the outstanding principal balance of the loan as of the date the funds were advanced at an annual rate of 5.72%, payable monthly and were to be repaid on or before December 31, 2017 and December 31, 2018, respectively. On December 20, 2017, Comtec extended the term of the December 20, 2013 loan to December 31, 2019. As of October 9, 2018, Comtec assigned both loans Malchemy Corporation Limited. As of October 15, 2018, Malchemy Corporation Limited further extended the term of these loans to December 31, 2020.

On December 8, 2016, Comtec subscribed for 31,915 convertible bonds at an issue price of €1,500,005. In accordance with the term of the subscription, each convertible bond has a face value of €47.00, bears interest at a fixed rate of 3% per annum and is repayable on the first business day after December 8, 2019 at face value. In the event TME fails to repay the full amount of the bonds on or before December 8, 2019, Comtec may convert the bonds into new shares of TME at a conversion ratio of one (1) share with a nominal value of EUR 18.16 for each bond. On October 9, 2018, Comtec assigned the convertible bond agreement to Malchemy Corporation Limited. As of October 15, 2018, the Company and Malchemy Corporation Limited further entered into an addendum where the term of the convertible bond is extended to December 31, 2020.

As of the date of this MD&A, the Company has no change concerning financing activities between related parties. During 1H-2018, the accrued interest owed to Comtec total €27,170 for loans (an increase from €14 975 during the same period in 2017) and €58,653 for the convertible bonds (an increase from €49 318 during the same period in 2017).

HIGHLIGHTS (2/2)

PROPOSED TRANSACTIONS

During this semester, the Company sold its 100% owned EST Technologies SRL, located in Bacau, Romania, for total consideration of €31,000 in an arm's length transaction. The sale was officialized by the Romanian Chamber of Commerce on June 26, 2018, and the payment of the sale price was made to TME on August 8, 2018.

CHANGES IN ACCOUNTING POLICIES

The compilation of the annual and interim financial statements and related MD&A are conducted in accordance with IFRS by our accounting firm.

On January 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers which clarifies the principles for recognizing revenue and cash flows arising from contracts with customers.

TME identified one source of difference between previous rules and IFRS 15 concerning the capitalization of cost associated with bidding of projects. While these costs, under IFRS 15, could no longer be capitalized, the Company thus applied the partial retrospective measures and the impacts are the following:

- Net equity and net inventories were decreased by €77,000 on the opening balance sheet as of December 31, 2017.
- If IAS18 was still applied in 2018, net profit for 2018 would have been decreased by €31,000.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into 3 levels of a fair value hierarchy. The 3 levels are defined based on the observability of significant inputs to the measurement, as follows:

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

The following table evidences the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

June 30, 2018

Euros (€)	CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS					
Financial assets	244,486	244,486	235,486		9,000
Marketable securities	-	-	-	-	-
Derivative instruments	-	-	-	-	-
LIABILITIES					
Convertible bonds	1,743,909	1,743,909			1,743,909

December 31, 2017

Euros (€)	CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS					
Financial assets	247,310	247,310	238,310		9,000
Marketable securities	-	-	-	-	-
Derivative instruments	-	-	-	-	-
LIABILITIES					
Convertible bonds	1,685,255	1,685,255			1,685,255

OUTSTANDING SHARES

TME has 81,523 commons shares outstanding as at the date hereof.

BUSINESS RISKS FACTORS

The 2017 MD&A in the annual report detailed risks to the Company's business and the strategies that were planned for 2018 and beyond. There have been no material changes to those risks and strategies during the first six months of 2018.

OTHER MD&A REQUIREMENTS

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain forward-looking statements. Forward looking statements include, but are not limited to, words such as “believes” “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues”, “plans” or similar words thereof. These forward statements reflect the Company’s future financial position, management’s expectations with respect to the entering into of contracts in the future, future growth, business strategy, budgets, internal projects and objectives of management based on information currently available to the Company.

The Company believes that the expectations represented in such forward-looking statements are reasonable. However, the Company cannot assure that the plans, intentions or expectations upon which these forward-looking statements are based will prove to be correct as they are subject to risks, uncertainties and assumptions.

Any such forward-looking statements are expressly qualified in their entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking statements. The forward-looking statements included in this MD&A are made as of the date of this MD&A. The Company undertakes no obligation to publicly update or revise forward-looking statements, other than as required by applicable law. You should not place undue reliance on forward-looking statements.

CONTACT INFORMATION

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**THIS IS SCHEDULE F ATTACHED TO AND MADE A PART OF
THE INFORMATION CIRCULAR IN CONNECTION WITH THE
ANNUAL GENERAL AND SPECIAL MEETING OF THE
SHAREHOLDERS OF CANASIA FINANCIAL INC. TO BE HELD
ON JANUARY 24, 2019, AND ANY ADJOURNMENT THEREOF**

PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

(see attached)

CanAsia Financial Inc.
(Unaudited)
Pro Forma Consolidated Financial Statements

CANASIA FINANCIAL INC.**(Unaudited)**

Pro Forma Consolidated Balance Sheet

June 30, 2018

	CanAsia CAD	TME Euros	TME CAD		ProForma Adjustments CAD	Consolidated ProForma CAD
CURRENT ASSETS						
Cash and cash equivalents	12,311	231,354	355,603	(2a)	500,000	867,914
Accounts receivable	-	1,267,993	1,948,969		-	1,948,969
Other receivables and prepaid expenses	-	718,215	1,103,932		-	1,103,932
Inventories	-	70,497	108,357		-	108,357
	<u>12,311</u>	<u>2,288,059</u>	<u>3,516,861</u>		<u>500,000</u>	<u>4,029,172</u>
						-
Intangible assets	-	1,583,804	2,434,386		-	2,434,386
Property, plant and equipment	-	183,936	282,719		-	282,719
Other assets	-	244,486	375,787		-	375,787
TOTAL ASSETS	<u>12,311</u>	<u>4,300,285</u>	<u>6,609,753</u>		<u>500,000</u>	<u>7,122,064</u>
						-
CURRENT LIABILITIES						
Accounts payable and related payables	119,867	878,507	1,350,309		-	1,470,176
Current debts	160,000	130,635	200,793	(2a)	(160,000)	200,793
Short term borrowing	-	41,538	63,846		-	63,846
Other current liabilities	-	700,072	1,076,046		-	1,076,046
	<u>279,867</u>	<u>1,750,752</u>	<u>2,690,993</u>		<u>(160,000)</u>	<u>2,810,860</u>
						-
Convertible debentures	-	1,743,909	2,680,475	(2a)	602,000	3,282,475
Long term borrowings	-	1,251,686	1,923,904		-	1,923,904
Long term provisions	-	191,804	294,812		-	294,812
Investment subsidies	-	158,683	243,904		-	243,904
TOTAL LIABILITIES	<u>279,867</u>	<u>5,096,834</u>	<u>7,834,089</u>		<u>442,000</u>	<u>8,555,956</u>
						-
EQUITY						
Share capital	2,084,126	1,480,552	2,275,682	(2b)	(2,084,126)	4,730,040
				(2e)	2,454,358	
Convertible debentures	-	-	-	(2a)	58,000	58,000
Share premium	997,920	-	-	(2b)	(997,920)	-
Contributed surplus	391,857	-	-	(2b)	(391,857)	-
Accumulated other comprehensive income	-	-	5,876		-	5,876
Retained earnings	(3,741,459)	(2,183,669)	(3,362,284)	(2b)	3,741,459	(6,084,198)
	<u>(267,556)</u>	<u>(703,117)</u>	<u>(1,080,726)</u>	(2e)	<u>(2,721,914)</u>	<u>(1,290,282)</u>
						-
Non-controlling interest	-	(93,432)	(143,610)		-	(143,610)
	<u>(267,556)</u>	<u>(796,549)</u>	<u>(1,224,336)</u>		<u>58,000</u>	<u>(1,433,891)</u>
TOTAL LIABILITIES AND EQUITY	<u>12,311</u>	<u>4,300,285</u>	<u>6,609,753</u>		<u>500,000</u>	<u>7,122,064</u>

CANASIA FINANCIAL INC.**(Unaudited)**

Pro Forma Consolidated Statement of Operations and Comprehensive Loss

Six months ended June 30, 2018

	CanAsia CAD	TME Euros	TME CAD	ProForma Adjustments CAD	Consolidated ProForma CAD
Revenue	-	2,123,831	3,285,577	-	3,285,577
Purchased raw material and goods		512,345	792,600	-	792,600
Payroll expense and social security contributions		823,510	1,273,974	-	1,273,974
Other purchases and external expenses	117,997	1,054,806	1,631,790	-	1,749,787
Taxes and related payments		27,187	42,058	-	42,058
Amortization		278,373	430,644	-	430,644
Provisions		(80,464)	(124,478)	-	(124,478)
Other expenses		28,776	44,517	-	44,517
	<u>117,997</u>	<u>2,644,533</u>	<u>4,091,106</u>	<u>-</u>	<u>4,209,103</u>
Loss before other income and expenses	(117,997)	(520,702)	(805,529)	-	(923,526)
Listing Expense	-	-	-	(2e) (2,721,914)	(2,721,914)
Other income	-	510	789	-	789
Finance costs	-	(89,598)	(138,609)	-	(138,609)
Loss before income taxes	<u>(117,997)</u>	<u>(609,790)</u>	<u>(943,348)</u>	<u>(2,721,914)</u>	<u>(3,783,259)</u>
Income taxes	-	186	288	-	288
Net loss and comprehensive loss	<u>(117,997)</u>	<u>(609,976)</u>	<u>(943,636)</u>	<u>(2,721,914)</u>	<u>(3,783,547)</u>

CANASIA FINANCIAL INC.**(Unaudited)**

Pro Forma Consolidated Statement of Operations and Comprehensive Loss

Year ended December 31, 2017

	CanAsia CAD	TME Euros	TME CAD	ProForma Adjustments CAD	Consolidated ProForma CAD
Revenue	-	3,561,579	5,216,645	-	5,216,645
Purchased raw material and goods		1,017,245	1,489,959	-	1,489,959
Payroll expense and social security contributions		1,997,352	2,925,521	-	2,925,521
Other purchases and external expenses	107,096	1,636,193	2,396,532	-	2,503,628
Taxes and related payments		84,066	123,131	-	123,131
Amortization		461,871	676,502	-	676,502
Provisions		(323,613)	(473,996)	-	(473,996)
Other expenses		89,732	131,430	-	131,430
	<u>107,096</u>	<u>4,962,846</u>	<u>7,269,081</u>	<u>-</u>	<u>7,376,177</u>
Loss before other income and expenses	(107,096)	(1,401,267)	(2,052,436)	-	(2,159,532)
Listing Expense	-	-	-	(2e) (2,721,914)	(2,721,914)
Other expense	-	(3,605)	(5,280)	-	(5,280)
Finance costs	-	(154,507)	(226,306)	-	(226,306)
Loss before income taxes	<u>(107,096)</u>	<u>(1,559,379)</u>	<u>(2,284,022)</u>	<u>(2,721,914)</u>	<u>(5,113,032)</u>
Income taxes	-	1,584	2,320	-	2,320
Net loss and comprehensive loss	<u>(107,096)</u>	<u>(1,560,963)</u>	<u>(2,286,343)</u>	<u>(2,721,914)</u>	<u>(5,115,353)</u>

CANASIA FINANCIAL INC.

(Unaudited)

Notes to the Pro Forma Consolidated Financial Statements

1. Basis of Presentation

The accompanying unaudited pro forma consolidated financial statements of CanAsia Financial Inc. ("CanAsia") have been prepared by management in accordance with International Financial Reporting Standards, derived from the financial statements of CanAsia Financial Inc. and Techni-Modul Engineering Group ("TME"), using the same accounting policies as described in their respective annual financial statements together with other information available to CanAsia. The unaudited pro forma consolidated financial statements have been prepared for inclusion in an Information Circular. The pro forma consolidated financial statements have been prepared to reflect the acquisition of all the outstanding common shares of Techni-Modul Engineering Group. The transaction is subject to acceptance by shareholders and certain securities regulatory approvals. In the opinion of management, the pro forma consolidated financial statements include all adjustments necessary for fair presentation of the transaction as described in Note 2.

The acquisition has been accounted for as a reverse takeover of CanAsia by TME as the transaction will result in the issuance of common shares such that control of the combined companies will pass to the shareholders of TME. Accordingly, the pro forma consolidated financial statements are presented as a continuation of the financial statements of the legal subsidiary, TME.

The unaudited pro forma consolidated financial statements of the Company have been compiled from and include:

- a) CanAsia Financial Inc. unaudited interim financial statements as at June 30, 2018 and for the period January 1, 2018 to June 30, 2018.
- b) Techni-Modul Engineering Group unaudited interim financial statements as at June 30, 2018 and for the period January 1, 2018 to June 30, 2018.
- c) CanAsia Financial Inc. audited financial statements for the year ended December 31, 2017.
- d) Techni-Modul Engineering Group audited financial statements for the year ended December 31, 2017.
- c) Additional information set out in Note 2.

The unaudited pro forma consolidated financial statements have been prepared for illustrative purposes only and may not be indicative of the combined entities' financial position and results of operations that would have occurred if the acquisition had been in effect at the date indicated as set out in Note 2.

The unaudited pro forma consolidated balance sheet gives effect to the acquisition as if it had occurred as at June 30, 2018. The unaudited pro forma consolidated statement of operations and comprehensive loss for the period ended June 30, 2018 and the year ended December 31, 2017 give effect to the acquisition as if it occurred on the first day of the period presented.

CANASIA FINANCIAL INC.

(Unaudited)

Notes to the Pro Forma Consolidated Financial Statements

2. Pro Forma Transactions

The pro forma consolidated financial statements were prepared based on the following:

- a) Prior to the closing of the transaction, CanAsia completed a non-brokered private placement of debentures in the principal amount of \$660,000 constituting \$500,000 of new funds and the conversion into debentures of \$160,000 of previous advances. The fair value of the convertible debenture is based on the present value of future interest and principal payments due under the terms of the debenture using a discount rate for similar debt instruments without the conversion feature. The fair value of the liability component was determined to be \$602,000 resulting in a residual value of \$58,000 being allocated to the equity component of the convertible debenture.
- b) The Company's share capital of \$2,084,126; share premium of \$997,920; contributed surplus of \$391,857 and deficit of \$3,741,459 is eliminated to reflect the reverse acquisition and the continuation of TME.
- c) 15,000,000 preferred shares were converted to 15,000,000 common shares of the Company pre consolidation.
- d) The results of operations of TME was translated into Canadian dollars using average exchange rates during the period ended June 30, 2018 and year ended December 31, 2017. The balance sheet accounts of TME were translated into Canadian dollars using exchange rates at the period ended June 30, 2018. The average exchange rate applicable during the periods presented for the unaudited pro forma consolidated statement of operations are \$1.5470 and \$1.4647 for the period ended June 30, 2018 and the year ended December 31, 2017 respectively. The period end exchange rate for the unaudited pro forma consolidated balance sheet is \$1.53705.
- e) As consideration for all of the outstanding common shares of TME, CanAsia will issue 87,600,000 common shares and 19,200,000 preferred shares. The shareholders of TME will receive equal to 81.69% of the common shares of CanAsia. The cost of the reverse acquisition is based on the fair value of the consideration given. The consideration for the acquisition is \$2,454,358, calculated as 20,775 common shares at \$118.14 per share, and is determined as the fair value of the number of shares that TME would have had to issue to the shareholders of CanAsia to give the shareholders of CanAsia the same percentage equity interest in the combined entity that results from the reverse acquisition. The value assigned to the common and preferred shares issued in the reverse acquisition was determined based on the proportionate number of shares issued. The total purchase price is allocated as follows:

Fair value of consideration	\$ 2,454,358
Less identifiable net assets of CanAsia:	
Total assets of CanAsia	\$ 12,311
Total liabilities of CanAsia	<u>(279,867)</u>
Net assets of CanAsia	<u>(267,556)</u>
Listing Expense	<u>\$ 2,721,914</u>

- f) CanAsia Financial Inc. will consolidate on a 5 for 1 basis immediately prior to the closing of the transaction.

CANASIA FINANCIAL INC.
(Unaudited)
Notes to the Pro Forma Consolidated Financial Statements

3. Pro Forma Share Capital

Pro forma share capital as at June 30, 2018 in the unaudited pro forma consolidated balance sheet is comprised of the following:

Authorized:

Unlimited common shares without nominal or par value

	<u>Common Shares</u>		<u>Warrants</u>		<u>Preferred Shares</u>		<u>Total</u>
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	
CanAsia	98,168,052	\$ 1,351,029	7,500,000	\$ 244,324	15,000,000	\$ 488,773	\$ 2,084,126
Reverse acquisition (Note 2b)	---	(1,351,029)	---	(244,324)	---	(488,773)	(2,084,126)
Conversion of preferred shares (Note 2c)	15,000,000	---	---	---	(15,000,000)	---	---
Share consolidation (Note 2f)	(90,534,442)	---	(6,000,000)	---	---	---	---
TME share capital (Note 2b)	---	2,275,682	---	---	---	---	2,275,682
Shares issued (Note 2e)	<u>87,600,000</u>	<u>2,013,125</u>	<u>---</u>	<u>---</u>	<u>19,200,000</u>	<u>441,233</u>	<u>2,454,358</u>
	<u>110,233,610</u>	<u>\$ 4,288,807</u>	<u>1,500,000</u>	<u>\$ ---</u>	<u>19,200,000</u>	<u>\$ 441,233</u>	<u>\$ 4,730,040</u>

THIS IS SCHEDULE G ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF CANASIA FINANCIAL INC. TO BE HELD ON JANUARY 24, 2019, AND ANY ADJOURNMENT THEREOF

STOCK OPTION PLAN

(see attached)

CANASIA FINANCIAL INC.
Stock Option Plan

1. **Purpose of Plan**

The purpose of the CanAsia Financial Inc. (the "Corporation") Stock Option Plan (the "Plan") is to assist the Corporation in attracting, retaining and motivating directors, officers, employees and consultants of the Corporation and its subsidiaries and to closely align the personal interests of such directors, officers, employees and consultants with those of the shareholders of the Corporation by providing them with the opportunity, through options, to acquire Class "A" common shares ("Common Shares") in the capital of the Corporation.

2. **Administration**

The Plan shall be administered by the Board of Directors of the Corporation which shall have full and final authority and discretion, subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan, subject to the rules and policies of any exchange or quotation system upon which the Corporation's Common Shares are listed or quoted including the TSXV. The Board of Directors may delegate any or all of its authority and discretion with respect to the administration of the Plan to a Compensation Committee (as defined in National Policy 58-201) of directors. When used hereinafter, Board of Directors shall be deemed to include the Compensation Committee acting on behalf of the Board of Directors.

3. **Number of Shares Under Plan**

The maximum number of unissued Common Shares that may be subject to options granted and outstanding ("Optioned Shares") under the Plan at any time shall be 10% of the number of the issued and outstanding Common Shares as at the closing of the initial public offering of the Corporation ("Outstanding Common Shares"), provided that:

- (a) in no event shall options be granted to an individual to purchase in excess of five percent of the then outstanding Common Shares of the Corporation in any 12 month period;
- (b) in no event shall (i) the number of Common Shares reserved for issuance under stock options granted to Insiders (as defined in TSXV Policy 1.1); or (ii) options be granted to Insiders (as defined in TSXV Policy 4.4), in either case, that permit the purchase of in excess of ten percent of the then outstanding shares in any 12 month period;
- (c) no more than two percent of the issued Common Shares of the Corporation may be granted to any one Consultant (as defined in TSX-V Policy 4.4) in any 12 month period;
- (d) no more than an aggregate of two percent of the issued Common Shares of the Corporation may be granted to an Employee (as defined in TSXV Policy 4.4) conducting Investor Relations Activities (as defined in TSXV Policy 4.4), in any 12 month period; and
- (e) if option rights granted to an individual under the Plan in respect of certain Optioned Shares expire or terminate for any reason without having been exercised, such Optioned Shares may be made available for other options to be granted under the Plan.

4. **Eligibility**

Options may be granted under the Plan to such directors, officers and technical consultants to the Corporation or its subsidiaries as the Board of Directors may from time to time designate as participants (the "Participants") under the Plan. Subject to the provisions of the Plan, the total number of Optioned Shares to be made available under the Plan and to each Participant, the time or times and price or prices at which options shall be granted, the time or times at which such options are exercisable and any conditions or restrictions on the exercise of options shall be in the full and final discretion of the Board of Directors.

5. **Terms and Conditions**

All options under the Plan shall be granted upon and subject to the terms and conditions hereinafter set forth.

(a) **Exercise Price**

The exercise price to each Participant for each Optioned Share shall be as determined by the Board of Directors provided that:

- (i) the exercise price shall not be less than the greater of the initial public offering share price and the Discounted Market Price (as defined in TSXV Policy 1.1) of the Common Shares and
- (ii) disinterested Shareholder approval will be obtained for any reduction in the exercise price if the participant is an Insider (as defined in TSXV Policy 1.1) of the Corporation at the time of the proposed amendment.

(b) **Option Agreement**

All options granted under the Plan shall be evidenced by means of an agreement (the "Option Agreement") between the Corporation and each Participant in a form as may be approved by the Board of Directors, such approval to be conclusively evidenced by the execution of the Option Agreement by any director of the Corporation other than the Participant. The Corporation shall represent in each Option Agreement that the Participant is a bona fide director, officer, employee or consultant of the Corporation or its subsidiaries.

(c) **Length of Grant**

All options granted under the Plan shall expire not later than the fifth anniversary of the date such options were granted and may be exercised by the Participant as to such varying percentages, on a cumulative basis, during the terms thereof as the Board of Directors shall determine.

(d) **Non-Assignability of Options**

An option granted under the Plan shall not be transferable or assignable (whether absolutely or by way of mortgage, pledge or other charge) by a Participant other than to a Participant's Registered Retirement Savings Plan or wholly-owned corporation or by will or other testamentary instrument or the laws of succession and may be exercisable during the lifetime of the Participant only by such Participant.

(e) **Right to Postpone Exercise**

Each Participant, upon becoming entitled to exercise an option in respect of any Optioned Shares in accordance with the Option Agreement, shall thereafter be entitled to exercise the option to purchase such Optioned Shares at any time prior to the expiration or other termination of the Option Agreement or the option rights granted thereunder in accordance with such agreement.

(f) **Exercise and Payment**

Any option granted under the Plan may be exercised by a Participant or the legal representative of a Participant giving notice to the Corporation specifying the number of Common Shares in respect of which such option is being exercised, accompanied by payment (by cash or certified cheque payable to the Corporation) of the entire exercise price (determined in accordance with the Option Agreement) for the number of Common Shares specified in the notice. In the event that:

- (i) such Participant exercises a portion or the entirety of his options prior to the completion of the Corporation's Qualifying Transaction, the Common Shares to be granted to that Participant pursuant to his options will be deposited in escrow and will remain in escrow until the Qualifying Transaction has been completed and the Final Exchange Bulletin has been issued;
- (ii) such Participant exercises a portion or the entirety of his options following the completion of the Qualifying Transaction and issuance of the Final Exchange Bulletin, the Corporation shall promptly deliver to such Participant or the legal representative of such Participant, as the case may be, a share certificate in the name of such Participant or the legal representative of such Participant, as the case may be, representing the number of Common Shares specified in the notice.

(g) Rights of Participants

The Participants shall have no rights whatsoever as shareholders in respect of any of the Optioned Shares (including, without limitation, any right to receive dividends or other distributions therefrom, voting rights, warrants or rights under any rights offering) other than in respect of Optioned Shares for which Participants have exercised their option to purchase and which have been issued by the Corporation.

(h) Third Party Offer

If at any time when an option granted under the Plan remains unexercised with respect to any Optioned Shares, an offer to purchase all of the Common Shares of the Corporation is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of the Participants as soon as practicable and the Corporation may, at its option, require the acceleration of the time for the exercise of the option rights granted under the Plan and of the time for the fulfilment of any conditions or restrictions on such exercise.

(i) Alterations in Shares

In the event of a share dividend, share split, issuance of Common Shares or instruments convertible into Common Shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of Common Shares, recapitalization, amalgamation, merger, consolidation, corporate continuance, reorganization, liquidation or the like of or by the Corporation, the Board of Directors may make such adjustment, if any, of the number of Optioned Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to Participants under the Plan. In any such event, the maximum number of Common Shares available under the Plan may be appropriately adjusted by the Board of Directors. If because of a proposed merger, amalgamation or other corporate continuance or reorganization, the exchange or replacement of Common Shares in the Corporation for those in another corporation is imminent, the Board of Directors may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Participants and of the time for the fulfilment of any conditions or restrictions on such exercise. All determinations of the Board of Directors under this paragraph (i) shall be full and final.

(j) Change of Control

In the event of the sale by the Corporation of all or substantially all of the property and assets of the Corporation as an entirety prior to the expiry time of Options, such Options may be exercised, as to all or any of the Common Shares in respect of which such Options have not previously been exercised (including in respect of the right to purchase Common Shares not otherwise vested at such time), by a Participant at any time up to and including, but not after, thirty (30) days

following the date of the completion of such sale or prior to the expiry time of such Options, whichever is earlier.

In the event the Corporation's common shareholders receive a "take-over bid" as defined in the Securities Act (Alberta), as amended, or any successor legislation thereto, pursuant to which the offeror as a result of such take-over bid, if successful, would beneficially own in excess of 30% of the outstanding Common Shares of the Corporation, Options may be exercised, as to all or any of the Common Shares in respect of which such Options have not previously been exercised (including in respect of Common Shares not otherwise vested at such time), by a Participant at any time prior to the thirtieth (30th) day following the date of the take-over bid offer.

(k) Termination

If a Participant is dismissed as an officer or employee of, or consultant to, the Corporation or one of its subsidiaries for cause, all unexercised option rights of that Participant under the Plan shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan.

(l) Retirement or Resignation

If a Participant ceases to be a director, officer, Management Company Employee, or consultant to the Corporation or of one of its subsidiaries as a result of:

- (i) retirement at the normal retirement age prescribed by the Corporation pension plan, if any; or
- (ii) resignation;

such Participant shall have the right for a period of 30 days (or until the normal expiry date of the option rights of such Participant if earlier) from the date of ceasing to be a director, officer, employee or consultant to exercise the option under the Plan with respect to all Optioned Shares of such Participant to the extent they were exercisable on the date of ceasing to be a director, officer, employee or consultant. Upon the expiration of such 30 day period all unexercised option rights of that Participant shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan.

(m) Disabled Participant

If a Participant ceases to be an officer or employee of, or consultant to, the Corporation or of one of its subsidiaries as a result of disability or illness preventing the Participant from performing the duties routinely performed by such Participant, such Participant shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such Participant if earlier) from the date of ceasing to be an officer or employee to exercise the option under the Plan with respect to all Optioned Shares of such Participant to the extent they were exercisable on the date of ceasing to be an officer or employee. Upon the expiration of such 90 day period all unexercised option rights of that Participant shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan.

(n) Deceased Participant

In the event of the death of any Participant, the legal representatives of the deceased Participant shall have the right for a period of 180 days (or until the normal expiry date of the option rights of such Participant if earlier) from the date of death of the deceased Participant to exercise the deceased Participant's option with respect to all of the Optioned Shares of the deceased Participant to the extent they were exercisable on the date of death. Upon the expiration of such period all unexercised option rights of the deceased Participant shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to the deceased Participant under the Plan.

(o) Investor Relations Participant

In the event that an employee who is engaged in Investor Relations Activities ceases to be employed by the Corporation or its subsidiaries such employee shall have the right for a period of 30 days (or until the normal expiry date of the option rights of such Participant if earlier) from the date of ceasing to be an employee to exercise the option under the Plan with respect to all Optioned Shares of such Participant to the extent they were exercisable on the date of ceasing to be an employee. Upon the expiration of such 30 day period all unexercised option rights of that Participant shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan.

(p) Representation to TSXV

For any options granted to Employees, Consultants or Management Company Employees, the Corporation represents and warrants that such optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

6. Amendment and Discontinuance of Plan

The Board of Directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time, provided that no such action may in any manner adversely affect the rights under any options earlier granted to a Participant under the Plan without the consent of that Participant.

7. No Further Rights

Nothing contained in the Plan nor in any option granted hereunder shall give any Participant or any other person any interest or title in or to any Common Shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any option, nor shall it confer upon the Participants any right to continue as an officer or employee of the Corporation or of its subsidiaries.

8. Compliance with Laws

The obligations of the Corporation to sell Common Shares and deliver share certificates under the Plan are subject to such compliance by the Corporation and the Participants as the Corporation deems necessary or advisable with all applicable corporate and Common Shares laws, rules and regulations.

THIS IS SCHEDULE H ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF CANASIA FINANCIAL INC. TO BE HELD ON JANUARY 24, 2019, AND ANY ADJOURNMENT THEREOF

AUDIT COMMITTEE CHARTER

(see attached)

CANASIA FINANCIAL INC.
Audit Committee Charter

MANDATE

The Audit Committee (the "Audit Committee") is a committee of the board of directors (the "Board") of CanAsia Financial Inc. (the "Corporation"), to which the Board has delegated its responsibility for the oversight of the nature and scope of the annual audit, the oversight of management's reporting on internal accounting standards and practices, the review of financial information, accounting systems and procedures, financial reporting and financial statements, and has charged the Audit Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The Audit Committee of the Corporation shall:

1. assist the Board in its oversight role with respect to:
 - a. the quality and integrity of financial information;
 - b. the external auditor's performance, qualifications and independence;
 - c. the performance of the Corporation's internal audit function, if applicable;
 - d. the Corporation's compliance with legal and regulatory requirements; and
2. prepare such reports of the Audit Committee required to be included in the Annual Information Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP OF THE AUDIT COMMITTEE

1. The Audit Committee shall consist of three or more Directors appointed by the Board. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.
2. Each member of the Audit Committee shall be financially literate within the meaning of applicable securities laws and as such qualification is interpreted by the Board in its business judgment. Each of the members of the Audit Committee shall also satisfy the applicable independence and financial literacy requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed, and applicable securities regulatory authorities.
3. The members of the Audit Committee must also possess the following collective skills or attributes: (1) relevant experience in supervising audit engagements for public companies in Canada and China; and (2) Canadian financial reporting expertise.
4. Each Audit Committee member must receive a general orientation on the local customs in China and business risks inherent in operating in the local environment in China.
5. The Board shall designate one member of the Audit Committee as the Committee Chair.
6. Any members of the Audit Committee may be removed or replaced at any time by the Board of Directors and will cease to be a member of the Audit Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Audit Committee by appointment from among its members. If and whenever a vacancy exists on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following the appointment as a member of the Audit Committee, each member will hold such office until the Audit Committee is reconstituted.

MEETINGS, STRUCTURE AND OPERATIONS

1. Audit Committee members may participate in a meeting of the Audit Committee (a "Meeting") by electronic means, telephone or other communication facilities as permit all persons participating in the Meeting to hear each other, and a member participating in such a Meeting by such means is deemed to be present at the Meeting.
2. At all Meetings of the Audit Committee, every question shall be decided by a majority of votes cast.
3. The affirmative vote of a majority of the members of the Audit Committee participating in any Meeting of the Audit Committee is necessary for the adoption of any resolution.
4. The Committee Chair will preside at all Meetings of the Audit Committee, unless the Committee Chair is not present in which case the members of the Audit Committee that are present will designate from among such members a Committee Chair for purposes of the Meeting.
5. The Audit Committee shall meet as often as it determines, but not less frequently than quarterly/or by resolution. Minutes of the Audit Committee will be taken at each Meeting. If the Chief Financial Officer (the "CFO") is not a member of the Audit Committee, the CFO will attend Meetings of the Audit Committee, unless otherwise excused from all or part of any such Meeting by the Committee Chair.
6. The Audit Committee shall report to the Board on its activities after each of its Meetings at which time minutes of the prior Audit Committee Meeting shall be tabled for the Board.
7. The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.
8. The Audit Committee is expected to establish and maintain free and open communication with management and the external auditor. The Audit Committee shall hold separate Meetings with each of management and the external auditor at least once per year, and at such other times as such parties consider appropriate.
9. At least one member of the Audit Committee, other than the CFO, if the CFO is also a member of the Audit Committee, shall visit one of the Corporation's primary operational sites at least once per year.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board, the external auditor and the internal auditor (if any) all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with Canadian IFRS accounting principles and applicable laws. The Board in its oversight role is responsible for ensuring that management fulfills its responsibilities. The external auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian IFRS accounting principles.

SPECIFIC DUTIES

Oversight of the External Auditor

1. Make recommendations to the Board for the appointment and replacement of the external auditor.
2. Responsibility for the compensation and oversight of the work of the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditor shall report directly to the Audit Committee.

3. Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the external auditor.
4. Evaluate the qualifications, performance and independence of the external auditor, including (i) reviewing and evaluating the lead partner on the external auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
5. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (at least every 5 years).

Financial Reporting

1. Review and discuss with management and the external auditor:
 - a. prior to the annual audit the scope, planning and staffing of the annual audit,
 - b. the annual audited financial statements,
 - c. the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
 - d. approval of any reports for inclusion in the Corporation's annual report, as required by applicable legislation,
 - e. the Corporation's quarterly financial statements, including the results of any external auditor's review of the quarterly financial statements and any matters required to be communicated by the external auditor under applicable review standards,
 - f. significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
 - g. any significant changes in the Corporation's selection or application of accounting principles,
 - h. any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - i. other material written communications between the external auditor and management, such as any management letter or schedule of unadjusted differences.
2. Discuss with the external auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.
3. The Audit Committee will review all significant accounting and financial reporting issues, especially complex, unusual and related party transactions.
4. Review the financial statements, prospectuses, management's discussion and analysis, annual information form and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information and will periodically assess the accuracy of those procedures.

Internal Control

1. Review and consider controls the Corporation has in place for annual and financial interim reporting, and controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation in order to determine if such controls are adequate.
2. Evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation.
3. Ensure that the external auditors discuss with the Audit Committee any event or matter which suggest the possibility of fraud, illegal acts or deficiencies in internal controls.

Other Responsibilities

1. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
2. Ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis.
3. Review the policies and procedures in effect for considering officers' expenses and perquisites.
4. Perform other oversight functions as requested by the Board.
5. Review and update this Charter and receive approval of any changes to this Charter from the Board.

FUNDING FOR THE EXTERNAL AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

1. The Audit Committee shall have the appropriate authority and resources in order to discharge its responsibilities.
2. The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditor for the purpose of issuing an audit report.
3. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

1. Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.
2. Any proposed audit and permitted non-audit services to be provided by the external auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this Charter. The CFO shall act as the primary contact to receive and assess any proposed engagements from the external auditor.
3. Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.
4. In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit

and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled Meeting.

LIMITATION ON AUDIT COMMITTEE MEMBERS' DUTIES

1. Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.

**THIS IS SCHEDULE I ATTACHED TO AND MADE A PART OF
THE INFORMATION CIRCULAR IN CONNECTION WITH THE
ANNUAL GENERAL AND SPECIAL MEETING OF THE
SHAREHOLDERS OF CANASIA FINANCIAL INC. TO BE HELD
ON JANUARY 24, 2019, AND ANY ADJOURNMENT THEREOF**

NOTICE OF CHANGE OF AUDITOR

(see attached)

CANASIA FINANCIAL INC.

**NOTICE OF CHANGE OF AUDITOR
(National Instrument 51-102)**

TO: Alberta Securities Commission
600, 250 - 5 Street SW
Calgary, Alberta T2P 0R4

British Columbia Securities Commission
710 W. Georgia Street
PO Box 10142, Pacific Center
Vancouver, British Columbia V7Y 1L2

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

Ontario Securities Commission
20 Queen Street West, 20th Floor
Toronto Ontario M5H 3S8

Collins Barrow Edmonton LLP
10104 - 103 Avenue, Suite 2500
Edmonton, Alberta T5J 0H8

RSM Alberta LLP
10104 - 103 Avenue, Suite 2500
Edmonton, Alberta T5J 0H8

CanAsia Financial Inc. (the "**Corporation**") hereby gives notice pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") as follows:

1. Collins Barrow Edmonton LLP ("**Collins Barrow**") has informed the Board of Directors of the Corporation that it will not stand for re-appointment as auditor of the Corporation at the annual meeting of shareholders of the Corporation scheduled for January 24, 2019 (the "**Shareholders Meeting**").
2. On November 29, 2018 the Board of Directors of the Corporation approved that RSM Alberta LLP stand for appointment as auditor of the Corporation at the Shareholders Meeting.
3. Collins Barrow expressed no modified opinion in the auditor's reports on the financial statements of the Corporation for the relevant period as defined in subparagraph 4.11(1) of NI 51-102.
4. In the opinion of the Corporation, as at the date hereof, there have been no "reportable events" as defined in subparagraph 4.11(1) of NI 51-102.

Dated at Calgary, Alberta this 29th day of November, 2018.

CANASIA FINANCIAL INC.

Per: (signed) "Dale Burstall"
Dale Burstall
Corporate Secretary and Director

cc: TSX Venture Exchange Inc.



Collins Barrow Edmonton LLP

Bell Tower, Suite 2500
10104 – 103 Avenue NW
Edmonton, Alberta, T5J 0H8
Canada
T: 780.428.1522
F: 780.425.8189

www.collinsbarrow.com

November 29, 2018

Alberta Securities Commission
600, 250 – 5 Street SW
Calgary, Alberta T2P 0R4

British Columbia Securities Commission
710 W. Georgia Street
PO Box 10142, Pacific Center
Vancouver, British Columbia V7Y 1L2

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

Ontario Securities Commission
20 Queen Street West, 20th Floor
Toronto, Ontario M5H 2S8

Dear Sirs/Mesdames:

**Re: CanAsia Financial Inc.
Change of Auditors
Notice Pursuant to Part 4.11 of National Instrument 51-102**

As required by National Instrument 51-102, we have reviewed the information contained in the Notice of Change of Auditor (the “Notice”) for CanAsia Financial Inc. dated November 29, 2018 and, based upon our firm’s knowledge of the circumstances, we do not disagree with the information contained in such Notice.

Yours very truly,

A handwritten signature in black ink that reads "Collins Barrow Edmonton LLP".

Collins Barrow Edmonton LLP



November 29, 2018

Alberta Securities Commission
600, 250 – 5 Street SW
Calgary, Alberta T2P 0R4

British Columbia Securities Commission
710 W. Georgia Street
PO Box 10142, Pacific Center
Vancouver, British Columbia V7Y 1L2

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

Ontario Securities Commission
20 Queen Street West, 20th Floor
Toronto, Ontario M5H 2S8

Dear Sirs/Mesdames:

Re: Notice of Change of Auditors for CanAsia Financial Inc. (the “Company”)

In accordance with National Instrument 51-102, we have read the Company’s Notice of Change of Auditor dated November 29, 2018 and are in agreement with the statements contained in such Notice.

Yours very truly,

RSM Alberta LLP

RSM Alberta LLP

RSM Alberta LLP

2500 Bell Tower
10104 103 Avenue NW
Edmonton, AB T5J 0H8

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