

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

CanAsia Financial Inc. ("**CanAsia**" or the "**Company**")
c/o 1600, 333 - 7th Avenue SW
Calgary, AB T2P 2Z1

2. Date of Material Change(s):

November 29, 2018.

3. News Release:

A news release was disseminated on December 20, 2018 through the facilities of Globe Newswire.

4. Summary of Material Change(s):

CanAsia announced that it has entered into a share exchange agreement with Techni Modul Engineering S.A. ("**TME**") made effective November 29, 2018. The Company has given notice that an annual general and special meeting of the holders of common shares of CanAsia (the "**Common Shares**") will be held at 10:00 a.m. Calgary time on Thursday, January 24, 2019. The information circular of CanAsia dated November 29, 2018 and related proxy materials have been mailed to the holders of Common Shares and are also available under the Company's profile on SEDAR at www.sedar.com. The information circular should be reviewed for additional information on CanAsia, TME and the Proposed Acquisition (as defined below).

5. Full Description of Material Change:

5.1 Full Description of Material Change

CanAsia announces that further to its press release of September 27, 2018, the Company has entered into a share exchange agreement with TME and the shareholders of TME (the "**Share Exchange Agreement**") made effective November 29, 2018. The Company has given notice that an annual general and special meeting of the holders of Common Shares will be held at 10:00 a.m. Calgary time on Thursday, January 24, 2019. The information circular of CanAsia dated November 29, 2018 (the "**Information Circular**") and related proxy materials have been mailed to the holders of Common Shares and are also available under the Company's profile on SEDAR at www.sedar.com. The Information Circular should be reviewed for additional information on CanAsia, TME and the Proposed Acquisition (as defined below).

THE TRANSACTION

Pursuant to the Share Exchange Agreement, the Company will acquire all of the outstanding shares of TME by issuing to the shareholders of TME a total of 87,600,000 Common Shares at a deemed value of \$0.125 per Common Share for an aggregate consideration of CDN\$10,950,000 and 19,200,000 non-voting series D preferred shares of

CanAsia ("**Preferred Shares**") (the "**Proposed Acquisition**"). Except where noted, the Common Share numbers in this press release assumes that CanAsia has completed a five for one share consolidation. Subject to the conditions noted below, each Preferred Share may be converted by the holder thereof into one Common Share at no additional cost to the holder for a period of up to five (5) years from the date of issuance.

The Preferred Shares are to include the following conditions:

1. Each Preferred Share is convertible into one Common 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 Proposed Acquisition has accumulated to at least EUR€3.5 million (the satisfaction shall be referred to as a "**Success**");
2. 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 Proposed Acquisition; and
3. CanAsia may, in its discretion, cancel all of the issued and outstanding Preferred Shares if TME fails to reach Success after 36 months from the completion date of the Proposed Acquisition.

The completion of the Proposed Acquisition is subject to several conditions set out in the Share Exchange Agreement, including shareholder approval by a majority of the minority shareholders of CanAsia, a TSX Venture Exchange Inc. (the "**Exchange**") escrow agreement being entered into by certain shareholders of TME, the waiver letter being entered into, the consolidation and name change have been duly authorized and approved, conditional listing approval of the Exchange, and that the Proposed Acquisition closes on or before February 15, 2019.

Trading of CanAsia's Common Shares has been halted and, pursuant to the rules of the Exchange, the halt in trading is expected to continue until the completion of the Proposed Acquisition and the minimum listing requirements of the Exchange are met or such earlier time as may be allowed by the Exchange. The Company has applied to the Exchange for conditional approval of the Proposed Acquisition. Sponsorship pursuant to rules of the Exchange may be required and CanAsia has applied to the Exchange for a waiver. The Company has not yet engaged a sponsor. If the Proposed Acquisition is completed CanAsia expects to be listed on the Exchange as an industrial issuer.

MANAGEMENT AND DIRECTORS OF THE RESULTING ISSUER

The following are summaries of the proposed directors and officers of the Company assuming the completion of the Proposed Acquisition, including their respective proposed positions and relevant work and educational background.

Yu-Chung (Jim) Hsieh – 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.

Sicheng Zhang – 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.

Serge Luquain – 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.

Dale Burstall - 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.

JianYong (Bill) Cui – 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.

Ron Love - 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.

Debbie Chien - 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.

SELECTED FINANCIAL INFORMATION CONCERNING TME

The following has been derived from and should be read in conjunction with the TME financial statements attached to the Information Circular.

| | 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 | - | - | - | - |

Note:

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

RELATED PARTY TRANSACTION COMPLIANCE

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 Proposed Acquisition constitutes a Related Party Transaction and is

therefore subject to the requirements of M1 61-101 and specifically the requirements of Part 5 set out therein.

The Proposed Acquisition is a Related Party Transaction within the meaning of M1 61-101. Subject to certain exemptions found under M1 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 M1 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 M1 61-101. Mr. Zhang currently owns or controls 29,000,000 Common Shares (25.6% of the outstanding Common Shares pre-consolidation) and Mr. Hsieh currently owns or controls no Common Shares, and after the completion of the Proposed Acquisition Mr. Zhang will own or control 47,705,062 Common Shares (43.3% of the outstanding Common Shares) and Mr. Hsieh will own or control 1,807,988 Common Shares (1.6% of the outstanding Common Shares).

Since the Proposed Acquisition constitutes a Related Party Transaction under M1 61-101 and Policy 5.9 of the Exchange, CanAsia is required to obtain a formal valuation in respect of the Proposed Acquisition, unless an exemption to this requirement is available under M1 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 M1 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 M1 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. The valuation report is summarized in the Information Circular.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on Subsection 7.1(2) of National Instrument 51-102 *Continuous Disclosure Obligations*:

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officer Knowledgeable of Material Change:

James Louie, President and CEO
Email: louiejd@shaw.ca

9. Date of Report:

December 27, 2018