

FORM 62-103F1

**REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

**THIS REPORT AMENDS THE EARLY WARNING REPORT OF  
ZHANG, SICHENG ("ZHANG") DATED SEPTEMBER 10, 2018**

**Item 1 – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to convertible unsecured debentures ("**Debentures**") and common shares ("**Common Shares**") of CanAsia Financial Inc. (the "**Issuer**" or "**CanAsia**").

The Issuer's address is:

1600, 333 – 7th Avenue S.W.  
Calgary, Alberta T2P 2Z1

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The Issuer and Zhang, through Malchemy Corporation Limited (the "**Acquiror**"), a company controlled by Zhang, entered into a Subscription Agreement (as defined below) providing for, among other things, the ownership or control of Debentures in the principal amount of \$600,000, which Debentures are convertible into Common Shares at a conversion price of \$0.125 per Common Share (assuming a five to one consolidation of the Common Shares). The Common Shares trade on the facilities of the NEX Board of the TSX Venture Exchange under the trading symbol "CNA.H".

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Zhang, Sicheng  
216, Flat 2, St. Albert Street  
Gzira, Malta

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On November 15, 2018, the Acquiror entered into a subscription agreement with the Issuer (the "**Subscription Agreement**") providing for, among other things, the acquisition of Debentures in the principal amount of \$600,000. The transaction provided for in the Subscription Agreement closed on November 15, 2018 (the "**Closing Date**").

Prior to the Closing Date, Zhang held 29,000,000 Common Shares directly, representing 25.63% of the issued and outstanding Common Shares. Assuming the conversion of the Debentures held by Zhang indirectly, Zhang would then own, directly and indirectly, 33,800,000 Common Shares, representing 28.65% of the issued and outstanding Common Shares.

**2.3 State the names of any joint actors.**

Malchemy Corporation Limited.

**Item 3 – Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.**

See paragraph 2.2.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

The Acquiror acquired the Debentures.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

See paragraph 2.2.

**3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

Zhang owns 29,000,000 Common Shares directly, representing 25.63% of the issued and outstanding Common Shares and Debentures in the principal amount of \$600,000 indirectly. Assuming the conversion of the Debentures held by Zhang indirectly, Zhang would then own, directly and indirectly, 33,800,000 Common Shares, representing 28.65% of the issued and outstanding Common Shares.

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

**(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect**

**of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Acquiror paid \$600,000 for the Debentures.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See paragraph 4.1.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

The Debentures were acquired by the Acquiror for investment purposes and Zhang intends to evaluate these holdings and to increase or decrease his investment in CanAsia as circumstances warrant.

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

Not applicable.

- (b) **a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**

The Issuer does not have an active business and has entered into a letter of intent with respect to a potential acquisition. It is intended that the subscription proceeds for the Debentures will be used by the Issuer for these purposes. For further information please see CanAsia's press release dated September 27, 2018 which is available under CanAsia's profile on [www.SEDAR.com](http://www.SEDAR.com).

- (c) **a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

Not applicable.

- (d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

Not applicable.

- (e) **a material change in the present capitalization or dividend policy of the reporting issuer;**

Not applicable.

- (f) **a material change in the reporting issuer's business or corporate structure;**

Not applicable.

- (g) **a change in the reporting issuer's charter, bylaws or similar instrument or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

Not applicable.

- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

Not applicable.

- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**

Not applicable.

- (j) **a solicitation of proxies from securityholders;**

Not applicable.

**(k) an action similar to any of those enumerated above.**

Not applicable.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in the loan agreements need not be included.**

Not applicable.

**Item 7 – Change in material fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.**

Not applicable.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

*[remainder of page left intentionally blank]*

**Item 9 – Certification**

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

**DATED** November 15, 2018

(signed) "*Zhang, Sicheng*"

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Zhang, Sicheng