



CanAsia Financial Inc.

CANASIA PROVIDES UPDATE WITH RESPECT TO THE ACQUISITION OF TECHNI MODUL ENGINEERING S.A.

FOR IMMEDIATE RELEASE

CALGARY, ALBERTA – December 20, 2018 - CanAsia Financial Inc. ("**CanAsia**" or the "**Company**") (NEX: CNA.H) announces that further to its press release of September 27, 2018, the Company has entered into a share exchange agreement with Techni Modul Engineering S.A. ("**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 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 (the "**Information Circular**") and related proxy materials have been mailed to the holders of Common Shares and is 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.

SHAREHOLDER APPROVAL REQUIRED

The Proposed Acquisition is a reverse takeover pursuant to the rules of the Exchange. Sicheng Zhang is a director and significant shareholder of CanAsia and TME. Jim Hsieh is a director of CanAsia and a director and shareholder of TME. Therefore, the Proposed Acquisition is a Related Party Transaction within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**") and must be approved by a majority of the minority shareholders of the Company. 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 the Proposed Acquisition, the "minority shareholders" will be all holders of Common Shares excluding the Common Shares held directly or indirectly by Sicheng Zhang and Yu-Chung (Jim) Hsieh. 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 MI 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 MI 61-101. Given that the securities of CanAsia are listed on the Exchange, the Company is relying upon the exemption set out in Section 5.5(b) of MI 61-101 (Issuer Not Listed on Specified Markets). While the Company is relying on the exemption contained in section 5.5(b) of MI 61-101, CanAsia did commission and obtain a valuation report, which is described in the Information Circular.

Reader Advisory

Completion of the Proposed Acquisition is subject to a number of conditions, including Exchange acceptance and disinterested shareholder approval. The Proposed Acquisition cannot close until the required approvals are obtained. There can be no assurance that the Proposed Acquisition will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Information Circular, any information released or received with respect to the Proposed Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the Proposed Acquisition and has neither approved nor disapproved the contents of this press release.

About CanAsia

CanAsia is an Alberta based company listed on the NEX board of the TSX Venture Exchange. It is engaged in the business of developing unique new business opportunities in the Pacific Rim countries and elsewhere. The Company is located in Calgary, Alberta of Canada.

For further information, please contact James G. Louie, Chief Executive Officer via email louiejd@shaw.ca.

About TME

TME is in the business of providing its customers with quality composite forming and curing equipment and solutions primarily applied in aeronautics and automotive industries. TME's vision is to

provide the critical composite solutions needed in aerospace, defense, automotive and sports sectors. TME specializes in an industrial approach to provide equipment and solutions for composites, which increases the efficiency of manufacturing products from composites and reduces the cost of production, investments and labour (manual versus robotized).

Forward Looking Statements

This news release may contain certain forward-looking information and statements, including without limitation, statements pertaining to the Proposed Acquisition including the Company's ability to obtain the necessary approvals including regulatory approvals, shareholder approval, meeting the conditions in the Share Exchange Agreement and closing the Proposed Acquisition. Statements containing the words: 'believes', 'intends', 'expects', 'plans', 'seeks' and 'anticipates' and any other words of similar meaning are forward-looking. All statements included herein involve various risks and uncertainties because they relate to future events and circumstances beyond the Company's control. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in CanAsia's disclosure documents on the SEDAR website at www.sedar.com, including the Information Circular. Any forward-looking statements are made as of the date of this press release and CanAsia does not undertake to update any forward-looking information except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.