

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

Composite Alliance Group Inc. (formerly CanAsia Financial Inc. (the "**Company**"))
1600, 333 - 7th Avenue SW
Calgary, AB T2P 2Z1

2. Date of Material Change(s):

November 13, 2020.

3. News Release:

A news release relating to the material changes described herein was disseminated on November 13, 2020 through the facilities of Newsfile Corp.

4. Summary of Material Change(s):

The Company announced that it has: (i) reached an understanding with the related party holders, Malchemy Corporation Limited ("**Malchemy**") and K Plus Capital LLC ("**K Plus**"), of two previously issued convertible unsecured debentures (the "**Convertible Debentures**") in the aggregate principal amount of \$660,000 to replace the Convertible Debentures with new debentures that are not convertible and have an extended maturity date of November 15, 2025, (ii) entered into an amending agreement with the related party holder, Team Alpha Limited ("**TAL**"), of a previously issued unsecured debenture (the "**Unsecured Debenture**") in the amount of up to \$600,000, of which \$400,000 has been drawn to date, to extend the maturity date of the Unsecured Debenture to January 31, 2026, and (iii) obtained a loan (the "**Loan**") of up to \$1,000,000 from a related party, TAL, which Loan is unsecured, shall bear interest at a rate of 5% per annum, matures on November 15, 2025 and of which no amounts have been drawn at this time.

5. Full Description of Material Change:

5.1 Full Description of Material Change

The Company announced that it has: (i) reached an understanding with the related party holders, Malchemy and K Plus, of two previously issued Convertible Debentures in the aggregate principal amount of \$660,000 to replace the Convertible Debentures with new debentures that are not convertible and have an extended maturity date of November 15, 2025, (ii) entered into an amending agreement with the related party holder, TAL, of a previously issued Unsecured Debenture in the amount of up to \$600,000, of which \$400,000 has been drawn to date, to extend the maturity date of the Unsecured Debenture to January 31, 2026, and (iii) obtained the Loan of up to \$1,000,000 from a related party, TAL, which Loan is unsecured, shall bear interest at a rate of 5% per annum, matures on November 15, 2025 and of which no amounts have been drawn at this time. Malchemy is an entity controlled by Sicheng Zhang, a director, officer and shareholder of the Company, and TAL and K Plus are entities controlled by Jim Hsieh, a director, officer and shareholder of the Company. Other than the amendments described herein, the other terms of the Convertible Debentures and Unsecured Debenture remain the same. The foregoing is subject to regulatory approval.

Related Party Participation

The amendments to the Convertible Debentures and the Unsecured Debenture are with entities controlled by insiders of CAG and the Loan is being provided by an entity controlled by an insider of CAG. As insiders of the Company participated in these transactions, they are deemed to be “related party transactions” as defined under Multilateral Instrument 61-101-*Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

K Plus, a company controlled by Yu-Chung (Jim) Hsieh, is the holder of \$60,000 principal amount of the amended Convertible Debentures and TAL, a company controlled by Mr. Hsieh, is the holder of the amended Unsecured Debenture and has granted the Loan. Mr. Hsieh also owns, directly and indirectly, 1,807,988 common shares of the Company (the "**Common Shares**") which represents approximately 1.64% of the issued and outstanding Common Shares, USD\$351,507.25 principal amount of a previously issued non-convertible unsecured debenture that is not being amended, 396,271 Series D preferred shares of the Company (the "**Preferred Shares**") and 500,000 stock options. Assuming the conversion of the Preferred Shares and the exercise of the stock options, Mr. Hsieh would then own, directly and indirectly, 2,704,259 Common Shares, representing 2.43% of the issued and outstanding Common Shares.

Malchemy, a company controlled by Sicheng Zhang, is the holder of \$600,000 principal amount of the amended Convertible Debentures. Mr. Zhang also owns, directly and indirectly, 47,705,062 Common Shares, representing 43.28% of the issued and outstanding Common Shares, 9,184,671 Preferred Shares, 30,163,063 convertible bonds of TME (the "**Bonds**") and 600,000 stock options. Assuming the conversion of the Preferred Shares and the Bonds and the exercise of the stock options, Mr. Zhang would then own, directly and indirectly, 87,652,796 Common Shares, representing 58.36% of the issued and outstanding Common Shares.

Neither the Company, nor to the knowledge of the Company after reasonable inquiry, a related party, has knowledge of any material information concerning the Company or its securities that has not been generally disclosed. Since the Unsecured Debenture and the Loan are not convertible into shares of CAG and the Convertible Debentures have been amended to remove the convertibility provisions, there will be no effect on the voting interests of any related parties.

The amendments to the Convertible Debentures and the Unsecured Debenture and the entering into of the Loan are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 (pursuant to subsections 5.5(c) and 5.7(1)(b)) as they are distributions of securities for cash and neither the fair market value of the securities distributed to, nor the consideration received from, interested parties exceeded \$2,500,000.

The business purpose of the amendments to the Convertible Debentures and the Secured Debenture is to extend the maturity dates for these credit facilities which were due in the next few months, and the business purpose of the Loan was to provide additional funds to the Company if needed during the economic uncertainty caused by the Covid-19 pandemic.

The directors of the Company, other than Jim Hsieh and Sicheng Zhang, unanimously approved the amendments to the Convertible Debentures and the Secured Debenture and entering into the Loan.

The Company did not file a material change report with all of the details required by MI 61-101 more than 21 days before the amendments to the Convertible Debentures and the Unsecured Debenture and the entering into of the Loan because the Company wished to close on an expedited basis for business reasons.

Covid-19 Update

On October 29, 2020, the French government published a decree for a second lockdown from October 30 until December 1, 2020 to stop the spread of Covid-19. The Company's subsidiary Techni Modul Engineering S.A., located in Clermont-Ferrand, France has asked most employees to work from home ever since. For those employees whom still have to work on-site, they are required to follow strict hygiene requirements such as wearing masks and keeping social distancing at all times. The operations of Techni Modul Engineering S.A will be affected by these restrictions imposed by the French government and CAG will continue to monitor the rapidly changing developments concerning the pandemic.

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:

Jim Hsieh, President, Chief Executive Officer and Director
Email: jimhsieh@compositealliancegroup.com

9. Date of Report:

November 20, 2020

Forward Looking Statements

This news release may contain certain forward-looking information and statements. 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 the Company's disclosure documents on the SEDAR website at www.sedar.com. Any forward-looking statements are made as of the date of this press release and the Company does not undertake to update any forward-looking information except in accordance with applicable securities laws.