

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Reporting Issuer

Kaiyue International Inc. (“Kaiyue” or the “Company”)
1500, 850 - 2nd Street SW
Calgary, Alberta
T2P 0R8

Item 2. Date of Material Change

October 21, 2011

Item 3. News Release

A news release announcing the material change referred to in this report was issued on October 24, 2011.

Item 4. Summary of Material Change

On October 24, 2011, Kaiyue announced that it completed a non-brokered private placement of 10,000,000 common shares.

Item 5. Full Description of Material Change

On October 24, 2011 Kaiyue announced that it completed a non-brokered private placement with certain accredited investors, pursuant to which such investors purchased an aggregate of 10,000,000 common shares of the Company (the “**Shares**”) at a price of CAN\$0.15 per Share for aggregate gross proceeds of CAN\$1,500,000 and net proceeds of CAD\$1,488,266.25. The Shares are subject to a hold period and unless permitted under securities legislation the Shares may not be traded before February 22, 2012.

The Company paid Jordan Capital Markets Inc. a finder’s fee in the amount of CAN\$11,733.75 or 3.5% in connection with the sale of 2,235,000 Shares pursuant to the private placement.

The proceeds from the private placement will be added to the Company’s working capital to be used towards the completion of a qualifying transaction in accordance with the rules of the TSX Venture Exchange.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8. Executive Officer

The name and business number of the executive officer of Kaiyue who is knowledgeable of the material change and this report is:

Hilda Sung, President and Chief Executive Officer – 011-86-138-0223-2278.

Item 9. Date of Report

October 24, 2011