

Kaiyue International Inc.
Management's Discussion and Analysis
For the Year Ended December 31, 2011

April 27, 2012

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements of Kaiyue International Inc. ("Kaiyue" or "Company") for the years ended December 31, 2011, December 31, 2010 and January 1, 2010, respectively, and the notes thereto. As of January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS") and the following disclosure, and associated financial statements, are presented in accordance with IFRS. The comparative figures for 2010 have been restated in accordance with IFRS. All amounts are in Canadian dollars unless otherwise indicated.

Forward-looking Statements

The statements made in this MD&A that are not historical facts contain forward-looking information that involves risks and uncertainties. All statements, other than statements of historical facts, which address the Company's expectations, should be considered forward-looking statements. Such statements made by the Company are based on current expectations, factors and assumptions and reflect our expectations as at the date of this MD&A. Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. The Company assumes no obligations to update or revise any forward-looking statements, whether as a result of new information, future events or any other reason.

For a discussion of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

Overview of the Company

Kaiyue was incorporated on November 23, 2009 under the Business Corporation Act of Alberta and carries on business as a Capital Pool Company ("CPC") in accordance with Policy 2.4 of the TSX Venture Exchange. The Company completed its initial public offering of 2,000,000 common shares at \$0.10 per share for gross proceeds of \$200,000 on August 6, 2010. Subsequently, its shares commenced trading on the Toronto Stock Exchange Venture ("Exchange") on August 12, 2010 under the symbol "KYU.P".

As a CPC, the principal business of the Company is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction under Exchange rules and policies. Until completion of

a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. The Company is actively engaged in the search for a suitable Qualifying Transaction.

On December 3, 2010, the Company entered into an agreement (“Agreement”) with China Easy-Pay Technology Inc. (“China Easy-Pay”) and its sole shareholder, Soar High Group Limited (“Soar High”), to purchase all of the issued and outstanding shares of China Easy-Pay (the “Acquisition”). The Acquisition, if completed, will constitute the Company’s Qualifying Transaction under Policy 2.4-Capital Pool Company of the Exchange. China Easy-Pay and Soar High are at arm’s length to the Company, as such, the Company anticipates that the Acquisition will not be subject to approval of the Company’s shareholders.

China Easy-Pay owns 100% of Dragon Smart Technology Limited (“Dragon Smart”), a corporation incorporated under the laws of Hong Kong on January 5, 2010. Dragon Smart in turn owns 100% of Guangzhou Huahong Network Technology Company Limited (“Huahong”), a corporation incorporated under the laws of the People’s Republic of China on July 25, 2005, and which is the operating subsidiary for China Easy-Pay.

Huahong is a close strategic partner of China Mobile Guangdong (a subsidiary of China Mobile Limited, the largest mobile communications operator in China), and has an established, profitable and growing business, processing payments for prepaid (or pay-as-you-go) mobile phone accounts for China Mobile customers in Guangdong Province. Currently, Huahong offers Top-up Voucher Services to its clients in Guangdong, China.

Under the terms of the Agreement, the Company will issue 14,758,000 common shares (“Acquisition Securities”) to acquire 100% of the issued and outstanding shares of China Easy-Pay, which shall represent 51% of the total issued and outstanding shares of the resulting issuer immediately following the closing of the Acquisition. In the event that the Private Placement (as defined below) or any unforeseeable event shall result in 14,758,000 common shares of the Company constituting more or less than 51% of the total issued and outstanding shares of the resulting issuer immediately following the closing of the Acquisition, then the number of common shares of the Company issuable shall be adjusted so that the Acquisition Securities issuable to Soar High shall constitute 51% of the total issued and outstanding shares of the resulting issuer immediately following closing of the Acquisition.

Upon the completion of the Acquisition, China Easy-Pay will become a wholly-owned subsidiary of the Company, the Company will carry on its business through China Easy-Pay and Huahong, and the Company will be renamed “China Easy-Pay Inc.”.

Subsequent to the initial announcement, the Company filed its initial submission with the Exchange in February 2011 and received the Exchange’s initial comments. The Company filed its updated submission with the Exchange in February 2012 and received further comments from the Exchange. The Company is working with its legal counsel and sponsors to address Exchange’s comments. The Company is also working with China Easy-Pay and its auditors to complete the updated financial statements required for inclusion in the filing statement, and expects to file its revised submission with the Exchange shortly following the completion of the financial statements.

On October 24, 2011, the Company announced that it has completed its previously announced 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 at a price of \$0.15 per share for aggregate gross proceeds of \$1,500,948 and net proceeds of \$1,489,214. 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 a finder's fee to an agent in the amount of \$11,734 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 Exchange.

Selected Annual Information

The following chart summarizes selected financial information:

	<u>Year ended</u> <u>December 31, 2011</u>	<u>Year ended</u> <u>December 31, 2010</u>
<u>Total assets</u>	<u>\$ 1,454,400</u>	<u>\$ 176,841</u>
<u>Total long-term liabilities</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Net loss</u>	<u>\$239,675</u>	<u>\$120,791</u>
<u>Basic and diluted loss per share</u>	<u>\$0.04</u>	<u>\$ 0.04</u>

The Company is a CPC and has no business operations. The Company has no sales revenue. Until such time as the Company completes the Qualifying Transaction as required by the Exchange, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to complete due diligence on the target company or to identify and evaluate other potential business opportunities.

Results of Operations

For the year ended December 31, 2011, the Company incurred a loss of \$239,675 compared with a loss of \$120,791 for 2010. The higher losses were mainly due to the expenses incurred in relation to the proposed qualifying transaction. The basic and diluted loss per share was \$0.04 for 2011 compared with \$0.04 for 2010.

Summary of Quarterly Results

The below table summarizes the results of the Company by quarter.

	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended	Quarter Ended
	31-Dec-11	30-Sep-11	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10	30-Jun-10

Loss for the period (\$)	72,286	102,489	13,108	51,793	96,794	587	8,533
Loss per Share - Basic & Diluted (\$)	0.01	0.04	0.00	0.01	0.02	0.00	0.00
Weighted average number of common shares outstanding - Basic & Diluted	11,571,304	4,180,000	4,180,000	4,180,000	4,180,000	3,397,391	2,180,000

Liquidity and Capital Resources

As at December 31, 2011, the Company has a cash balance of \$1,452,384. Management believes that the cash balance is sufficient to meet its working capital and contractual obligations for the year ending December 31, 2012.

The Company has no operating income. The proceeds raised are expected to provide the Company with a minimum of funds with which to identify and evaluate businesses or assets with a view to complete a Qualifying Transaction. However, if the Company identifies a target business, asset or property as its Qualifying Transaction, it is anticipated and highly probable that the Company will have to seek additional financing.

There is no assurance that the Company will be able to identify a suitable Qualifying Transaction. Furthermore, even if a Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction.

Capital Stock

As at December 31, 2011, the Company had 14,180,000 common shares issued and outstanding. As at April 27, 2012, the Company had 14,180,000 common shares issued and outstanding. The increase is primarily due to the private placement closed on October 24, 2011, which strengthened the Company's capital structure.

On August 6, 2010, Company granted 200,000 stock options to certain directors and officers pursuant to the Company's option plan to purchase up to 200,000 common shares at a price of \$0.10 per common share. These options were outstanding as of December 31, 2011, and will expire on August 6, 2015.

On August 12, 2010, Company granted 80,000 offering options to underwriters to purchase up to 80,000 common shares at a price of \$0.10 per common share. These options were outstanding as of December 31, 2011, and will expire on August 12, 2012.

Off-Balance Sheet Arrangements

As at December 31, 2011, the Company had no off-balance sheet arrangements.

Transactions with Related Parties

As at December 31, 2011, there was no transaction during the period and there is no balance due to or from related parties.

Financial Instruments

The Company's approach in managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. The Company is not exposed to significant credit, liquidity or market risk. The carrying value of cash and accounts payable and accrued liabilities reflected in the condensed statement of financial position approximate fair value due to the limited term of these instruments.

Risks and Uncertainties

The Company has no active business. The Company does not have a history of earnings, nor has it paid any dividends, and will not be in a position to generate earnings or pay dividends until at least after completion of the Qualifying Transaction. It is possible the Company may never generate earnings or be in a position to pay dividends. The directors and officers of the Company will only devote part of their time and efforts to the affairs of the Company.

The Company has only limited funds available to identify and evaluate potential Qualifying Transactions and thereby cannot provide assurance the Company will be able to identify or complete a suitable Qualifying Transaction. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses for the purpose of completing the Qualifying Transaction.

Critical Accounting Estimates

The preparation of financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses reported each period. Each of these estimates varies with respect to the level of judgment involved and the potential impact on the Company's reported financial results. Estimates are deemed critical when the Company's financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period. By their nature, these estimates are subject to measurement uncertainty, and changes in these estimates may affect the financial statements of future periods.

International Financial Reporting Standards

IFRS employs a conceptual framework that is similar to Canadian GAAP; however, significant

differences exist in certain matters of recognition, measurement and disclosure.

The accounting policies described in the Company's financial statements have been applied in preparing these financial statements for the year ended December 31, 2011 as well as the comparative information presented in the financial statement for the year ended December 31, 2010 and the opening IFRS statement of financial position at January 1, 2010.

The adoption of IFRS has had no material impact on the financial position of the Company as at December 31, 2011, December 31, 2010 and January 1, 2010.

Change in Accounting Policies

There are no changes in accounting policies adopted by the Company during the year ended December 31, 2011

New Accounting Pronouncements

The Company has not early applied the following new and revised standards, amendments that have been issued by the IASB but are not yet effective.

Amendments to IFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹
Amendments to IFRS 1	Government Loans ²
Amendments to IFRS 7	Disclosures – Transfers of Financial Assets ¹
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ²
IFRS 9	Financial Instruments ³
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures ³
IFRS 10	Consolidated Financial Statements ²
IFRS 11	Joint Arrangements ²
IFRS 12	Disclosure of Interests in Other Entities ²
IFRS 13	Fair Value Measurement ²
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income ⁵
Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets ⁴
IAS 19 (Revised 2011)	Employee Benefits ²
IAS 27 (Revised 2011)	Separate Financial Statements ²
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ²
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities ⁶
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine ²

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2015

⁴ Effective for annual periods beginning on or after 1 January 2012

⁵ Effective for annual periods beginning on or after 1 July 2012

⁶ Effective for annual periods beginning on or after 1 January 2014

The Company is currently assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

Other Information

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.