

KAIYUE INTERNATIONAL INC.

150 – 6th Avenue Southwest
Calgary, Alberta T2P 3Y6

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON OCTOBER 24, 2012

AND

INFORMATION CIRCULAR

September 24, 2012

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisors.

KAIYUE INTERNATIONAL INC.

150 – 6th Avenue Southwest

Calgary, Alberta T2P 3Y6

Telephone: 403.294.7000

Facsimile: 403.265.8263

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF KAIYUE INTERNATIONAL INC.:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of Kaiyue International Inc. (the “**Company**”) will be held at the offices of Parlee McLaws LLP, located at 150 – 6th Avenue Southwest, Calgary, Alberta, on Wednesday, October 24, 2012, at the hour of 4:30 p.m. (Calgary time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial period ended December 31, 2011, and accompanying report of the auditors;
2. to appoint MNP LLP, Chartered Accountants as the auditors of the Company for the fiscal period ending December 31, 2012;
3. to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal period ending December 31, 2012;
4. to set the number of directors of the Company for the ensuing year at five (5);
5. to elect Hilda Sung, Bradley Cran, Joseph Chan, Yingting (Tony) Guo and Judyanna Chen as the directors of the Company to serve until the next annual general meeting of the shareholders;
6. to ratify and approve the continuation of the rolling incentive stock option plan for the Company;
7. to consider and, if thought fit, to pass with or without amendment, an ordinary resolution of the shareholders of the Company, exclusive of non-arm’s length parties of the Company, approving of the transfer of the Company’s common shares from the TSX Venture Exchange to NEX if necessary as more particularly described in the accompanying Information Circular;
8. to consider and, if thought fit, to pass with or without amendment, an ordinary resolution of the shareholders of the Company, exclusive of non-arm’s length parties of the Company, approving of the cancellation of certain escrowed securities as more particularly described in the accompanying Information Circular;
9. to amend the Company's By-laws, subject to approval from the TSX Venture Exchange, to authorize the board of directors to hold shareholder meetings outside of the Province of Alberta; and
10. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company's Board of Directors has fixed September 18, 2012 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 by 5:00 p.m. (local time) at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of Alberta) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Calgary, Alberta, this 24th day of September, 2012.

By Order of the Board of Directors of

KAIYUE INTERNATIONAL CORP.

/s/ Hilda Sung

Hilda Sung
President, Chief Executive Officer
and Director

PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY FORM AND PROMPTLY RETURN IT IN THE ENVELOPE PROVIDED IN ACCORDANCE WITH THE PROXY INSTRUCTIONS.

KAIYUE INTERNATIONAL INC.

150 – 6th Avenue Southwest
Calgary, Alberta T2P 3Y6
Telephone: 403.294.7000
Facsimile: 403.265.8263

INFORMATION CIRCULAR

September 24, 2012

INTRODUCTION

This Information Circular accompanies the Notice of Annual General and Special Meeting of Shareholders (the “**Notice**”) and is furnished to the shareholders (the “**Shareholders**”) holding common shares (the “**Common Shares**”) in the capital of Kaiyue International Inc. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the Annual General and Special Meeting (the “**Meeting**”) of the Shareholders to be held at 4:30 p.m. (Calgary time) on Wednesday, October 24, 2012 at the offices of Parlee McLaws LLP, located at 150 – 6th Avenue Southwest, Calgary, Alberta, or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is September 24, 2012. Unless otherwise stated, all amounts herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this Information Circular and related proxy materials to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxy

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Common Share that such Shareholder holds on September 18, 2012 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company’s registrar and transfer agent, Equity Financial Trust Company (the “**Transfer Agent**”), 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, or by facsimile at (416) 595-9593, not later than 5:00 p.m. (Toronto time) on October 22, 2012, or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Toronto time) on the second business day before any adjournment or postponement of the Meeting, or delivered to the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder’s attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer, or attorney-in-fact, for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, should accompany the form of proxy.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time, before it is exercised, by an instrument in writing: (a) executed by that Shareholder or by that Shareholder’s attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting by a Registered Shareholder and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy

in accordance with the foregoing procedures within the requisite time period. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the proxy. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the Designated Persons named in the form of proxy. It is intended that the Designated Persons will vote the Common Shares represented by the proxy in favour of each matter identified in the proxy, including the vote for the election of the nominees to the Company's Board of Directors (the "Board") and for the appointment of the auditors.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for the determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements as set out in National Instrument 54-101 of the Canadian Securities Administrators ("**NI 54-101**"), the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service

companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the proxy authorization will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs.

These security holder materials are being sent to both registered and non-registered owners of the Common Shares. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares without par value. As at Record Date, determined by the Board to be the close of business on September 18, 2012, a total of 14,180,000 Common Shares were issued and outstanding. Each Common Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the Record Date (September 18, 2012) are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the Company's directors and executive officers, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares of the Company, other than as set forth below:

Name of Shareholder	Number of Common Shares	Percentage of Outstanding Common Shares⁽¹⁾
Hilda Sung	5,700,000	40.20%
CDS & Co. ⁽²⁾	4,704,567	33.17%

⁽¹⁾ Based on 14,180,000 Common Shares issued and outstanding as of September 18, 2012, on an undiluted basis.

⁽²⁾ Management of the Company is unaware of the beneficial shareholders of the common shares registered in the name of CDS & Co.

RECEIPT OF FINANCIAL STATEMENTS

The directors will place before the Meeting the financial statements for the year ended December 31, 2011 together with the auditors' report thereon.

NUMBER OF DIRECTORS

The Articles of the Company provide for a board of directors of no fewer than one director and no greater than nine directors.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at five (5). The number of directors will be approved if the affirmative vote of at least a majority of Common Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at five (5).

Management recommends the approval of an ordinary resolution to set the number of directors of the Company at five (5).

ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. The Company's current Board consists of Hilda Sung, Bradley Cran and Joseph Chan. In the absence of instructions to the contrary, the enclosed Form of Proxy will be voted for the nominees listed in the Form of Proxy.

Management of the Company proposes to nominate the individuals listed below, as further described in the table below, for election by the Shareholders as directors of the Company to hold office until the next annual meeting. Information concerning such persons, as furnished by the individual directors, is as follows:

Name, Province/State, Country of Residence and Position(s) with the Company	Principal Occupation Business or Employment for Last Five Years	Periods during which Nominee has Served as a Director	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽¹⁾
<p>Hilda Sung Central, Hong Kong</p> <p><i>Chief Executive Officer, President and Director</i></p>	<p>Chief Executive Officer and a director of Yongsheng Capital Inc., a capital pool company listed on the TSX Venture Exchange (March 2011 to present); Managing Director of China High Growth Fund Management Limited (September 2009 to present); Managing Director of ZY Financial Investment Consultants (Shenzhen) Ltd.; Executive Director of China High Growth Fund Management Ltd.; Director of China Southern Futures Co. Ltd. (July 2005 to present); Director of New Territories General Chamber of Commerce of The Hong Kong Chamber of Medium Business Ltd. (2002 to present); Managing Director of Taifook Lexton Investment Consultants (Shenzhen) Ltd. (January 2008 to October 2009); Marketing Director of Hantec International Finance Group Limited (May 2005 to September 2007); and Director of Wealth Management of Taifook Lexton Consultants Limited. (July 2007 to September 2009).</p>	<p>December 9, 2009 to present</p>	<p>5,700,000⁽³⁾</p>
<p>Bradley Cran⁽²⁾ Ontario, Canada</p> <p><i>Director</i></p>	<p>Mr. Cran is currently employed at the law firm Fangda Partners in Hong Kong. He practiced corporate/commercial law at Blake, Cassels & Graydon LLP in Toronto, Canada from February 2002 to August 2009 and was subsequently employed as legal counsel at Research In Motion Limited, a wireless innovation company listed on NASDAQ and Toronto Stock Exchange. Mr. Cran also has been a director of Yongsheng Capital Inc, a capital pool company listed on the TSX Venture Exchange (March 2011 to present).</p>	<p>December 9, 2009 to present</p>	<p>100,000⁽⁴⁾</p>

Name, Province/State, Country of Residence and Position(s) with the Company	Principal Occupation Business or Employment for Last Five Years	Periods during which Nominee has Served as a Director	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Joseph Chan ⁽²⁾ Ontario, Canada <i>Chief Financial Officer, Corporate Secretary and Director</i>	Director of Champion Iron Mines Ltd., a Canadian-based iron ore exploration and development company listed on the Toronto Stock Exchange (November 2009 to present); Director of Medifocus Inc., a company in the business of development and commercialization of cancer treatment devices and systems listed on the TSX Venture Exchange (January 2010 to present); Director of Yongsheng Capital Inc., a capital pool company listed on the TSX Venture Exchange (March 2011 to present); Director of MBMI Resources Inc., an exploration company listed on TSX Venture Exchange (April 15, 2011 to present) and Director of Harmony Asset Limited, a company listed on both the Toronto Stock Exchange and Hong Kong Stock Exchange, which is involved with investing in private and public companies (December 2006 to present).	November 23, 2009 to present	100,000 ⁽⁵⁾
Judyanna Chen Ontario, Canada <i>Director Candidate</i>	Chief Financial Officer of China Health Labs & Diagnostics Ltd., a leading provider of total lab solutions for medical diagnostic and food safety in China company listed on the TSX Venture Exchange, since August 15, 2011 and Senior Manager of Manning Elliott LLP from November 2007 to August 2011.	N/A	Nil
Yingting (Tony) Guo British Columbia, Canada <i>Director Candidate</i>	Vice President of Behre Dolbear Group, Inc., a worldwide mineral industry advisory firm since 2001; Exploration Manager of China Gold International Resources Corp., a mineral development company listed on the Toronto Stock Exchange, from 2006 to 2009; Self-employed consulting geologist from 2002 to 2006.	N/A	Nil

(1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, directly or indirectly, as at September 18, 2012.

(2) Denotes a member of the Audit Committee of the Company.

(3) Hilda Sung also holds options to purchase 50,000 Common Shares at \$0.10 per Common Share expiring August 6, 2015.

(4) Bradley Cran also holds options to purchase 50,000 Common Shares at \$0.10 per Common Share expiring August 6, 2015.

(5) Joseph Chan also holds options to purchase 50,000 Common Shares at \$0.10 per Common Share expiring August 6, 2015.

The term of office of those nominees set out above, who are presently directors, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Company's Articles, or with the provisions of applicable corporate legislation or until such director's earlier death, resignation or removal.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other persons as directors.

Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.

Orders

To the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or an executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

To the best of management's knowledge, no proposed director of the Company has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Information Circular:

“**CEO**” of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

“NEO” or “named executive officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity at the end of the most recently completed financial year.

Compensation Discussion and Analysis

Compensation Discussion and Analysis and Compensation Governance

As the Company is currently a CPC, it does not have a formal or informal compensation program. Except as set out below or otherwise disclosed in this Information Circular, prior to completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Company to a non-arm’s length party to the Company or a non-arm’s length party to the qualifying transaction, or to any person engaged in investor relations activities in respect of the securities of the Company or any resulting issuer by any means, including:

- (a) remuneration, which includes but is not limited to:
 - (i) salaries;
 - (ii) consulting fees;
 - (iii) management contract fees or directors’ fees;
 - (iv) finder’s fees;
 - (v) loans, advances, bonuses; and
- (b) deposits and similar payments.

Although the Company may reimburse non-arm’s length parties for the Company’s reasonable allocation of rent, secretarial services and other general administrative expenses, at fair market value (each, a “Permitted Reimbursement”), there have been no such Permitted Reimbursements since incorporation. No reimbursement may be made for any payment made to lease or buy a vehicle. The directors and officers of the Company will also be granted directors’ and officers’ options.

Following completion of the Qualifying Transaction, it is anticipated that the Company shall pay compensation to its officers. However, no payment other than the Permitted Reimbursements, will be made by the Company or by any party on behalf of the Company, after completion of the Qualifying

Transaction, if the payment relates to services rendered or obligations incurred or in connection with the Qualifying Transaction.

Share-based and Option-based Awards

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's stock option plan (the "Plan") to receive grants of stock options. Individual stock options are granted by the Board as a whole and the size of the options is dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long term contribution to the Company will be crucial to its long-term success. Stock options are normally granted by the Board when an executive officer first joins the Company based on his level of responsibility within the Company. Additional grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's level of ongoing responsibility within the Company. The Board also evaluates the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Company's shares on the business day immediately preceding the date of grant and the current policy of the Board is that options expire ten years from the date of grant.

The Plan currently provides that the number of Common Shares reserved for issuance cannot exceed 418,000 Common Shares. At such time as the Company completes its Qualifying Transaction, the Plan will revert to a 10% rolling plan which will allow the Company to reserve that number of Common Shares that does not exceed 10% of the issued and outstanding Common Shares at any given time. The number of Common Shares reserved for issuance to any individual director or officer must not exceed five percent of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants must not exceed two percent of the issued and outstanding Common Shares. Stock options may be exercised the greater of 12 months after the completion of the qualifying transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the stock option may be exercised within a maximum period of one year after such death, subject to the earlier expiry of such stock option. Any Common Shares acquired pursuant to the exercise of stock options prior to the completion of the Qualifying Transaction, must be deposited in escrow in accordance with the terms of the capital pool company escrow agreement.

As at December 31, 2011 as the date hereof, the Company had 150,000 stock options outstanding under the Plan.

Compensation Governance

The Company does not currently have a compensation committee. All tasks related to developing and monitoring the Company's approach to the compensation of executive officers of the Company are performed by the members of the Board collectively. The Board has not retained professional executive compensation consultants or used compensation analytical tools such as market data for similar sized and situated companies to help the Board to determine the appropriate compensation for executive officers, but may consider such engagements in the future as appropriate.

Summary Compensation Table

Particulars of compensation paid to each individual that was a NEO in the most recently completed financial year ended December 31, 2011 are set out in the summary compensation table below for each of the Company's three most recently completed financial years:

Name and Principal Position	Year	Salary (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation ⁽¹⁾ (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Hilda Sung <i>President, Chief Executive Officer and Director</i> ⁽⁴⁾	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	5,000	Nil	Nil	Nil	Nil	5,000
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joseph Chan <i>Chief Financial Officer, Corporate Secretary and Director</i> ⁽⁵⁾	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	5,000	Nil	Nil	Nil	Nil	5,000
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) "Non-equity Incentive Plan Compensation" includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.

(2) "Share-based Awards" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

(3) "Option-based Awards" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

(4) Hilda sung was appointed as President, Chief Executive Officer and a director of the Company on December 9, 2009.

(5) Joseph Chan was appointed as Chief Financial Officer, Corporate Secretary and a director of the Company on November 23, 2009.

Narrative Discussion

Other than as set forth in the foregoing, no NEO of the Company has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of NEOs for their services in their capacity as NEOs, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of NEOs in their capacity as NEOs; or
- (c) any arrangement for the compensation of NEOs for services as consultants or expert.

Incentive Plan Awards

Pursuant to Policy 2.4, the Company is permitted to grant incentive stock options to acquire Common Shares of the Company to its directors, officers or consultants. As such, effective at the completion of the initial public offering of its Common Shares on August 6, 2010, the Company granted 50,000 options to each of Hilda Sung, Joseph Chan, Bradley Cran and Paul Zhang for a total of 200,000 options.

The Company did not grant any share-based awards to its Named Executive Officers during the financial year ended December 31, 2011.

There was no re-pricing of stock options under the Stock Option Plan or otherwise during the Company's completed financial year ended December 31, 2011.

Outstanding Share-based Awards and Option-based Awards

The following table sets forth the outstanding share-based awards and option-based awards for each of the NEOs of the Company outstanding as at December 31, 2011:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Hilda Sung ⁽¹⁾ <i>President, Chief Executive Officer and Director</i>	50,000	\$0.10	August 6, 2015	Nil	Nil	Nil	Nil
Joseph Chan ⁽²⁾ <i>Chief Financial Officer, Corporate Secretary and Director</i>	50,000	\$0.10	August 6, 2015	Nil	Nil	Nil	Nil

⁽¹⁾ Hilda Sung was appointed as Chief Executive Officer, Chairman and a director of the Company on December 9, 2009.

⁽²⁾ Joseph Chan was appointed Chief Financial Officer, Secretary and a director of the Company on November 23, 2009.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEOs.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Hilda Sung ⁽¹⁾ <i>President, Chief Executive Officer and Director</i>	N/A	N/A	N/A
Joseph Chan ⁽²⁾ <i>Chief Financial Officer, Corporate Secretary and Director</i>	N/A	N/A	N/A

⁽¹⁾ The value is determined by calculating the difference between the market price of the underlying shares and the exercise price of the options on the vesting date.

⁽²⁾ Hilda Sung was appointed as Chief Executive Officer, Chairman and a director of the Company on December 9, 2009.

⁽³⁾ Joseph Chan was appointed Chief Financial Officer, Secretary and a director of the Company on November 23, 2009.

Narrative Discussion

See “Statement of Executive Compensation – Compensation Discussion and Analysis” and “Statement of Executive Compensation – Summary Compensation Table – Narrative Discussion” for a description of all plan based awards and their significant terms.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company does not have any plan or arrangement whereby any NEO may be compensated in the event of that NEOs resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the NEOs responsibilities following such a change of control.

Director Compensation

Director Compensation Table

The following table sets forth the details of compensation provided to the Company’s directors, other than the NEOs, during the Company’s most recently completed financial year ended December 31, 2011.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Bradley Cran ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Zhang ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾ Bradley Cran has been a director of the Company since December 9, 2009.

⁽²⁾ Paul Zhang resigned as a director of the Company effective August 16, 2011.

Narrative Discussion

No director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

Incentive Plan Awards for Directors

The following table sets forth the outstanding share-based awards and option-based awards for each of the directors of the Company that were outstanding as at December 31, 2011:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Bradley Cran ⁽¹⁾	50,000	\$0.10	August 6, 2015	Nil	Nil	Nil

⁽¹⁾ Bradley Cran has been a director of the Company since December 9, 2009.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bradley Cran ⁽¹⁾	Nil	Nil	N/A

⁽¹⁾ Bradley Cran has been a director of the Company since December 9, 2009.

Narrative Discussion of Incentive Plan Awards for Directors

See “Statement of Executive Compensation – Compensation Discussion and Analysis” and “Statement of Executive Compensation – Director Compensation – Narrative Discussion” for a description of all plan based awards and their significant terms.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth details of the Company's compensation plans under which equity securities of the Company are authorized for issuance at the end of the Company's most recently completed financial year.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans previously approved by securityholders ⁽¹⁾	150,000	N/A	1,218,000
Equity compensation plans not previously approved by securityholders	N/A	N/A	N/A
Total	150,000	N/A	1,218,000⁽²⁾

⁽¹⁾ The Company does not have any warrants or rights outstanding under any equity compensation plans.

⁽²⁾ Shareholder approval was not required for the Plan as such plan was fully described in the Company's Prospectus filed on SEDAR on May 25, 2010. On August 6, 2010, the Company granted 50,000 options to each of Hilda Sung, Joseph Chan, Bradley Cran and Paul Zhang. Each option entitles the holder to purchase one Common Share of the Company at the exercise price of \$0.10 per share until expiry on August 6, 2015. If the options are exercised prior to the Company's Qualifying Transaction, the Common Shares issuable upon the exercise of the options will be held in escrow in accordance with the terms of the CPC Escrow Agreement. Paul Zhang resigned as a director of the Company effective August 16, 2011 and his options expired 90 days after his resignation.

See "Particulars of Matters to be Acted Upon – Approval of Stock Option Plan" for a description of the material features of the Plan.

A copy of the Plan is available for review at the registered offices of the Company, at 150 – 6th Avenue Southwest, Calgary, Alberta T2P 3Y6 during normal business hours up to and including the date of the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee, proposed nominee for election to the board of directors, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company has had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

“Informed person” means

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution of it; and
- (d) the Company has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

APPOINTMENT OF AUDITOR

Effective August 21, 2012, Deloitte Touche Tohmatsu of Hong Kong resigned as the Company’s auditor, and the Company’s audit committee and board of directors appointed MNP LLP as the Company’s new auditor. Attached as Schedule “A” is the Reporting Package relating to the Company’s Change of Auditor which includes: (a) Notice of Change of Auditor pursuant to Section 4.11 of National Instrument 51-102-Continuous Disclosure Obligations, (b) letter of MNP LLP, and (c) letter of Deloitte Touche Tohmatsu. The Reporting Package is attached hereto as Schedule “A”.

At the Meeting, Shareholders will be asked to vote for the appointment of MNP LLP, to serve as auditor of the Company for the Company’s fiscal year ending December 31, 2012 at a remuneration to be fixed by the Company’s board of directors.

Management recommends that Shareholders vote in favour of the appointment of MNP LLP, as the Company’s auditor for the Company’s fiscal year ending December 31, 2012 at a remuneration to be fixed by the Company’s board of directors.

MANAGEMENT CONTRACTS

Since the start of the Company’s most recently completed financial year, no management functions of the Company have been, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

AUDIT COMMITTEE DISCLOSURE

Audit Committee

The Audit Committee’s role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have the ability to consider and discuss governance and audit issues with parties not directly responsible for operations. Applicable securities laws require the Company, as a venture issuer, to disclose certain information relating to the Company’s audit committee and its relationship with the Company’s independent auditors.

Audit Committee Charter

The Company's Audit Committee Charter was adopted by the Company's Board and Audit Committee on January 6, 2010. A copy of the Company's Audit Committee Charter was filed on SEDAR on January 20, 2011.

Composition of Audit Committee

The members of the Company's Audit Committee are:

Name	Independence	Financial Literacy
Joseph Chan	Not Independent ⁽¹⁾	Financially literate ⁽²⁾
Bradley Cran	Independent ⁽¹⁾	Financially literate ⁽²⁾

⁽¹⁾ A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Joseph Chan is not independent, as he is the Chief Financial Officer and Corporate Secretary of the Company.

⁽²⁾ An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

If Ms. Judyanna Chen is elected as a director of the Company, it is anticipated that she will be appointed as the chairperson of the Company's Audit Committee. Ms. Chen is financially literate and will be an independent member of the Company's Audit Committee.

Relevant Education and Experience

Mr. Joseph Chan has served as a director of the Company since November 2009. Mr. Chan has over 30 years of accounting and management experience in the fields of industrial manufacturing, service (hotel and charitable) industry, academia and public service. Professionally, Mr. Chan is an associate member of The Institute of Chartered Accountants in England and Wales and fellow members of The Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Chartered Institute of Management Accountants as well as a member of the Certified General Accountants' Association of Canada. Mr. Chan is an independent director of a number of public companies including Champion Iron Mines Ltd., a Canadian-based iron ore exploration and development company listed on the Toronto Stock Exchange since November 2009, Medifocus Inc., a company in the business of development and commercialization of cancer treatment devices and systems listed on the TSX Venture Exchange since January 2010, Yongsheng Capital Inc., a capital pool company listed on the TSX Venture Exchange since March 3, 2011, and MBMI Resources Inc., an exploration company listed on the TSX Venture Exchange since April 15, 2011. Mr. Chan has also been a director of Harmony Asset Limited, a company listed on the Toronto Stock Exchange and Hong Kong Stock Exchange, which is involved with investing in private and public companies, since December 2006. Mr. Chan obtained a Master of Business Administration from Edinburgh Business School, Heriot-Watt University, Scotland in 2001. Mr. Chan also obtained a CGA from the Certified General Accountants – Ontario in September 1991.

Mr. Bradley Cran has served as a director of the Corporation since December 2009. Mr. Cran is currently employed at the law firm Fangda Partners in Hong Kong. He practiced corporate/commercial law at Blake, Cassels & Graydon LLP in Toronto, Canada from February 2002 to August 2009 and was subsequently employed as legal counsel at Research In Motion Limited, a wireless innovation company listed on NASDAQ and Toronto Stock Exchange. He has much experience advising public and private

companies on compliance with applicable regulatory requirements and Canadian corporate laws including Chinese companies wishing to do business in Canada. Mr. Cran also has been a director of Yongsheng Capital Inc. since April 25, 2012, a capital pool company listed on the TSX Venture Exchange. Mr. Cran obtained a Bachelor of Science from the University of Ottawa in 1996 and a J.D. from Dalhousie Law School in Halifax, Canada in 2000. Mr. Cran has been a member of the Law Society of Upper Canada (Ontario) since 2002.

Ms. Judyanna Chen is a Chartered Accountant and Certified Public Accountant (Washington) and is currently the Chief Financial Officer of China Health Labs and Diagnostics Ltd., a leading diagnostic lab solution provider for the public healthcare industry in China, listed on the TSX Venture Exchange. Ms. Chen's experience includes providing assurance and compliance services for public companies in Canada and the United States in various industries including Biotechnology, Healthcare, Mining, Oil and Gas and Manufacturing. She graduated with distinction from the University of Alberta with a Bachelor of Commerce degree and has over seven years of experience as an auditor, working previously at KPMG in the public accountability team and was also a senior manager at Manning Elliott LLP.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. A copy of the Company's Audit Committee Charter was filed on SEDAR on January 20, 2011.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor in the last two fiscal years ended December 31, 2011 and December 31, 2010 by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2011	\$8,654	Nil	Nil	Nil

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2010	\$11,930	\$5,000	\$296.50	Nil

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company’s approach to corporate governance is set out below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings or unanimous consent resolutions of the Board. The Board is currently comprised of three (3) directors consisting of Hilda Sung, Joseph Chan and Bradley Cran. The Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Hilda Sung is not independent as she is the President and Chief Executive Officer of the Company. Joseph Chan is not independent as he is the Chief Financial Officer and Corporate Secretary of the Company. Bradley Cran and Judyanna Chen, if elected, are “independent” in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from shareholders.

Directorships

Name of Director	Names of Other Reporting Issuers
Joseph Chan	Harmony Assets Ltd. ⁽²⁾ Champion Iron Mines Limited ⁽¹⁾ Yongsheng Capital Corp. ⁽¹⁾ Medifocus Inc. ⁽¹⁾ MBMI Resources Inc. ⁽¹⁾
Hilda Sung	Yongsheng Capital Corp. ⁽¹⁾
Bradley Cran	Yongsheng Capital Corp. ⁽¹⁾
Judyanna Chen	China Health Labs and Diagnostics Ltd. ⁽¹⁾

⁽¹⁾ TSX Venture Exchange

⁽²⁾ TSX

Orientation and Continuing Education

The Board of the Company briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board conducts reviews with regard to the compensation of the directors, Chief Executive Officer and Chief Financial Officer once a year. For additional information please see the discussion in the section entitled "Executive Compensation".

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, or no associate or affiliate of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of securities of the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, the appointment of auditors or the approval of the Plan (as hereinafter defined). Directors and executive officers of the Company and the nominees, if elected, are eligible to be granted incentive stock options pursuant to the Plan.

PARTICULARS OF MATTERS TO BE ACTED UPON

Ratification of Stock Option Plan

Shareholders will be asked to approve an ordinary resolution set forth below in this Circular (the “**Option Plan Resolution**”) ratifying the Company’s existing stock option plan (the “**Option Plan**”), which is considered a “rolling” stock option plan, which reserves a maximum of 10% of the Company’s total outstanding Common Shares at the time of grant for issuance pursuant to the Option Plan. Any previous granted options are governed by the Option Plan, and if options granted expire or terminate for any reason without having been exercised, the unpurchased Common Shares will again be available under the Option Plan. The policies of the TSX Venture Exchange (the “**Exchange**”) provide that, where a Company has a rolling stock option plan in place, it must seek shareholder approval for such plan annually.

A full copy of the Option Plan will be available for inspection at the Meeting. A summary of the Option can also be found herein under “*Executive Compensation – Option Plan*”

In order for the resolution approving and ratifying the Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting.

The Board of Directors believes that the Option Plan is in the best interests of the Company and unanimously recommends that shareholders vote FOR the Option Plan. In the absence of a contrary instruction, the person(s) designated by management of the Company in the enclosed form of proxy intend to vote FOR the Option Plan Resolution ratifying the Option Plan.

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Option Plan of the Company is hereby ratified and shall continue and remain in effect until further ratification is required pursuant to the rules of the Exchange or other applicable regulatory requirements.
2. Any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”

Approval for the Migration of the Company from the TSX Venture Exchange to NEX

The Company is a capital pool company (a “CPC”) under the policies of the TSX Venture Exchange (the “TSXV”). The Policies of the TSXV allow capital pool companies that have not completed a qualifying transaction, as defined by the policies of the TSXV (a “Qualifying Transaction”), within the time frame prescribed by the policies of the TSXV to apply for a listing on NEX rather than be delisted from the TSXV. NEX is a separate trading board of the TSXV.

The Company has been put on notice by the TSXV that if it does not satisfy certain conditions on or before November 12, 2012 it will be delisted from trading on the TSXV. The conditions required include either completion of the Company’s Qualifying Transaction, or transfer to NEX. In order to transfer to NEX, the Company has to complete certain pre-requisites, including obtaining the approval from its

shareholders, exclusive of votes from non-arm's length shareholders ("Shareholder Approval"). The Company does not anticipate that it will complete its Qualifying Transaction by November 12, 2012. Hence, if the Company has not obtained an extension from the TSXV or obtained Shareholder Approval by November 12, 2012, the Company's Common Shares will be delisted from trading on the TSXV. As part of the Company's listing on the TSXV, the management of the Company signed an undertaking that within 90 days of the date of a delisting from the TSXV, the Company will, in accordance with applicable law, wind-up and liquidate its assets, and distribute its remaining assets on a pro rata basis to its shareholders unless, within that 90 day period, shareholders, pursuant to a majority vote, exclusive of the votes of non-arm's length shareholders, approve another use of the remaining assets.

The NEX is a distinct trading board of the TSXV designed for listed issuers which were previously listed on the Toronto Stock Exchange or the TSXV that have been unable to meet the ongoing financial listing standards of those markets. NEX provides a trading forum for publicly listed shell companies while they seek and undertake transactions which will result in the Company carrying on an active business. A CPC that transfers to NEX must continue to comply with all of the requirements and restrictions of the TSXV Policy 2.4 Capital Pool Companies.

Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution of arm's length shareholders permitting the Company to list on NEX if it does not complete its Qualifying Transaction by November 12, 2012, or such later date as may be agreed to by the TSXV. Accordingly, arm's length shareholders will be asked to consider and, if thought fit, pass the following resolution (the "NEX Resolution"):

"Subject to TSX Venture Exchange approval as an ordinary resolution of arm's length shareholders, BE IT RESOLVED THAT:

1. The Company is hereby authorized to make an application to the TSX Venture Exchange (the "TSXV") to transfer its listing to the NEX as an alternative to delisting if it is unable to complete its qualifying transaction, as defined in the policies of the TSXV, within the time period required by the TSXV.
2. The Company is hereby authorized to prepare such disclosure documents and make such submissions and filings as the Company may be required to make with the TSXV to obtain TSXV acceptance of the transfer to NEX.
3. The directors of the Company be and are hereby authorized and empowered, without further approval of the shareholders of the Company, to abandon or terminate this resolution if the directors of the Company decide to not proceed with the transfer of the Company's listing to NEX.
4. Any one director or officer of the Company be and is hereby authorized for and on behalf of the Company to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Company or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

In order for the transfer of the listing of the Common Shares to NEX to be implemented, the foregoing resolution approving such transfer must be passed, with or without variation, by a simple majority of Shareholders, other than non-arm's length parties. "non-arm's length shareholders" includes directors, senior officers, promoters or insiders of the Company, or their associates and affiliates, as such terms are defined under the policies of the TSXV. In the event such arm's length shareholder approval is not obtained, the Company will not proceed with the NEX Resolution.

The Company advises that votes attached to common shares owned by the directors and officers, and former directors and officers of the Company and their respective associates will be excluded from voting on the foregoing resolution.

The Board will only take the steps necessary to list the Common Shares on the NEX if the Qualifying Transaction does not occur for any reason whatsoever, prior to November 12, 2012, or such date that the TSXV may permit.

Based on the foregoing, the Board unanimously recommends that the Shareholders approve the NEX Resolution. **If named as proxy, the management designees of the Company intend to vote the Common Shares represented by such proxy at the Meeting for the NEX Resolution**

In the event that the listing of the Common Shares are transferred to the NEX, the Company will be required to continue searching for and evaluating potential assets and/or businesses to acquire and, in the process of doing so, may deplete their respective current assets. There is no assurance that, the Company will be able to complete a Qualifying Transaction before depleting their respective assets or at all.

Irrespective of whether the NEX Resolution is passed by the Shareholders, the Board may elect not to proceed with the NEX Resolution and other transactions contemplated in the NEX Resolution.

Approval of the Cancellation of Seed Shares

Under the rules of the TSXV, the Company must either: (a) cancel all seed shares purchased by non-arm's length parties to the Company at less than \$0.10 (the "Seed Share"); or (b) subject to arm's length shareholder approval, cancel an amount of Seed Shares so that the average cost of the remaining Seed Shares is at least equal to \$0.10, the price at which the Company conducted its initial public offering. Prior to completing its initial public offering the Company issued 2,180,000 Seed Shares as follows:

Name and Municipality of Residence of Shareholder	Number of Seed Shares	Price paid for Seed Share	Seed Shares to be Cancelled	Seed Shares Remaining
Hilda Sung Hong Kong	1,700,000	\$0.05	850,000	850,000
Joseph Chan Thornhill, Ontario	100,000	\$0.05	50,000	50,000
Bradley Cran Toronto, Ontario	100,000	\$0.05	50,000	50,000
Paul Zhang Vancouver, British Columbia	100,000	\$0.05	50,000	50,000
Cao Zhuo Richmond, British Columbia	100,000	\$0.05	50,000	50,000

Name and Municipality of Residence of Shareholder	Number of Seed Shares	Price paid for Seed Share	Seed Shares to be Cancelled	Seed Shares Remaining
Steve Isenberg Toronto, Ontario	80,000	\$0.05	40,000	40,000
TOTAL	2,180,000	\$0.05	1,090,000	1,090,000

Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution of arm's length shareholders authorizing the Company to cancel half of the Seed Shares upon the transfer of the Company's listing to the NEX and, if thought fit, pass the following resolution (the "Seed Share Resolution"):

"Subject to TSX Venture Exchange approval as an ordinary resolution of arm's length shareholders, BE IT RESOLVED THAT:

1. As a condition of the proposed transfer of the Company's listing to NEX, the Company is hereby authorized to cancel 1,090,000 common shares of the Company issued by the Company as seed shares before its initial public offering (the "Seed Shares"), as more particularly described in the Company's Information Circular dated September 24, 2012.
2. Any one or more directors or officers of the Company are authorized to sign such documents or carry out such acts as may be necessary to carry out the intent of these resolutions in respect of the cancellation of the Seed Shares.
3. The directors are authorized not to proceed with the transactions contemplated by these resolutions in their sole discretion without any further shareholder approvals."

The Board will only take the steps necessary to cancel the Seed Shares if the Company proceeds with the transfer to NEX.

Based on the foregoing, the Board unanimously recommends that the Shareholders approve the Seed Share Resolution. **If named as proxy, the management designees of the Company intend to vote the Common Shares represented by such proxy at the Meeting for the approval of Seed Share Resolution.**

Alteration of By-laws

The Company is seeking shareholder approval to amend the By-laws of the Company to authorize the board of directors to hold shareholder meetings outside Alberta. The board of directors is seeking such approval in order to grant the Company more corporate flexibility and thereby reducing the resultant costs of the Company. The proposed amendment is subject to approval of the TSX Venture Exchange pursuant to Section 9 of Policy 3.2 Filing Requirements and Continuous Disclosure.

At the Meeting, shareholders will be asked to approve the following ordinary resolution to amend the By-laws of the Company.

“BE IT RESOLVED that sections 2.1 and 2.2 of the Company’s By-laws be deleted in their entirety and replaced with the following:

2.1 Place and Time of Meetings

Meetings of shareholders may be held at a location outside Alberta at the place determined by the Board.

2.2 Calling of Meetings

The Board must call an annual meeting of shareholders not later than fifteen months after holding the last preceding annual meeting and may at any time call a special meeting of shareholders to be held at the place and at the time the Board determines.

Any one director or officer of the Company be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution. ”

The management of the Company recommends the shareholders to vote in favour of this resolution and the persons named in the enclosed instrument of proxy intend to vote in favour of this resolution.

ADDITIONAL INFORMATION

Additional information about the Company can be obtained free of charge through the SEDAR website at www.sedar.com.

Shareholders may also contact Hilda Sung, President, Chief Executive Officer and Director at 150 – 6th Avenue Southwest, Calgary, Alberta T2P 3Y6 Telephone: (604) 687-5700 to request copies of the Company’s financial statements and the related Management’s Discussion and Analysis (the “**MD&A**”). Financial information is provided in the Company’s comparative financial statements and MD&A for its financial year ended December 31, 2011 and comparisons thereto.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies, has been authorized by the Board.

Dated at Calgary, Alberta, the 24th day of September, 2012.

ON BEHALF OF THE BOARD

KAIYUE INTERNATIONAL INC.

/s/ Hilda Sung

Hilda Sung
Chief Executive Officer, President
and Director

Schedule "A"

Reporting Package Regarding Change of Auditors

KAIYUE INTERNATIONAL INC.

TO: British Columbia Securities Commission
Alberta Securities Commission

AND TO: DELOITTE TOUCHE TOHMATSU

AND TO: MNP LLP

**RE: Notice of Change of Auditor pursuant to Section 4.11 of National Instrument 51-102 –
*Continuous Disclosure Obligations of the Canadian Securities Administrators (“NI 51-102”)***

Pursuant to Section 4.11(7) of NI 51-102, Kaiyue International Inc. (the “**Company**”) hereby gives notice of the change of its auditor from Deloitte Touche Tohmatsu to MNP LLP. In accordance with NI 51-102, the Company hereby states that:

1. Deloitte Touche Tohmatsu was asked by the Company to resign as auditor of the Company effective August 21, 2012;
2. the resignation of Deloitte Touche Tohmatsu and the appointment of MNP LLP as the Company’s auditor have been considered and approved by the Company’s Audit Committee and Board of Directors;
3. there were no reservations in Deloitte Touche Tohmatsu’s reports for the two most recently completed fiscal years of the Company; and
4. there have been no “reportable events” within the meaning assigned under subsection 4.11(1) of NI 51-102 up to and including the date of this Notice.

DATED the 21st day of August, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS
OF KAIYUE INTERNATIONAL INC.**

/s/Hilda Sung

Hilda Sung
President, CEO and a Director

September 21, 2012

Alberta Securities Commission
British Columbia Securities Commission

Dear Sirs/Mesdames:

Change of Auditor of Kaiyue International Inc (the "Company")

Pursuant to Section 4.11 of National Instrument 51-102, we have reviewed the attached copy of the Notice of Change of Auditor (the "Notice") dated August 21, 2012. We are in full agreement with the information contained therein based on our knowledge of the information relating to the Notice and of the Company at this time, except that we have no basis to agree or disagree with the statement that there have been no "reportable events" within the meaning assigned under subsection 4.11(1) of National Instrument 51-102 up to and including the date of the Notice.

Yours truly,

Deloitte Touche Tohmatsu



September 21, 2012

To: British Columbia Securities Commission
Alberta Securities Commission

Dear Sirs:

Re: Kaiyue International Inc. (the "Corporation")
Notice of Change of Auditor pursuant to Section 4.11 of National Instrument 51-102 –
Continuous Disclosure Obligations of the Canadian Securities Administrators ("NI 51-102")

We have read the Notice of Change Auditor (the "Notice") of the Company dated August 21, 2012 and are in agreement with the statement contained in such Notice, except that we are not in a position to agree or disagree with the Company's statement that there are no reportable events between the Company and Deloitte Touche Tohmatsu.

Yours truly

MNP LLP



Chartered Accountants