

**Kaiyue International Inc.**  
**Management's Discussion and Analysis of Financial Position and Results of Operations**  
**("MD&A") for the Year Ended December 31, 2010**

The following information, prepared as of April 21, 2011, is Management's Discussion and Analysis ("MD&A") of the financial condition and financial performance of Kaiyue International Inc. (the "Company" or "Kaiyue") and should be read in conjunction with the audited financial statements for the year ended December 31, 2010.

Additional information about the Company is contained in its final prospectus which is available on SEDAR at [www.sedar.com](http://www.sedar.com)

All amounts are expressed in Canadian dollars and prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

***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 April 21, 2011. 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 reasons.

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 intends to carry on business as a Capital Pool Company ("CPC") in accordance with Policy 2.4 of the TSX Venture Exchange (the "Exchange"). As a CPC, the Company has no commercial operations and no assets other than cash. The Company's cash will be used to identify and evaluate businesses or assets with a view to completing a "Qualifying Transaction" (as defined in the Policy). Any proposed Qualifying Transaction must be accepted by the Exchange as well as the shareholders of the Company.

The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein subject, in certain cases, to shareholders approval and acceptance by the

Exchange. As at December 31, 2010, the Company has no business operations. In order to consummate its Qualifying Transaction, the Company has entered into an agreement effective December 3, 2010 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. The Company has targeted to complete this Qualifying Transaction by June 30, 2011.

Where an acquisition or participation (the "Qualifying Transaction") is warranted, additional funding will be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange. There is no assurance that the Company will be able to complete a Qualifying Transaction within 24 months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Company's shares from trading should it not meet these requirements.

On May 25, 2010, the Company filed the prospectus for the issuance of 2,000,000 common shares at \$0.10 per share for gross proceeds of \$200,000 (the "Offering").

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to lesser of 30% of the gross proceeds or \$210,000, may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

The Company engaged M Partners (the "Agent") as its agent to complete an initial public offering to raise minimum proceeds of \$200,000 pursuant to the terms set out in the provisions of the CPC Policy (the "Offering"). In consideration for services to be performed by the Agent in connection with the Offering, the Company has agreed to pay the Agent a cash commission equal to 4% of the gross proceeds raised pursuant to the Offering and a corporate finance fee of \$5,000 plus applicable taxes. In addition, at the closing of the Offering, the Agent will receive an option (the "Agent's Option") exercisable at any time up to 24 months following the respective date of closing on purchase up to that number of treasury shares equal to 4% of the number of common shares sold pursuant to the Offering. The exercise price of these common shares is \$0.10 per share. The terms of the Agent's Options shall be in compliance with the CPC Policy.

On August 6, 2010, the Offering is close with the issuance of 2,000,000 common shares at \$0.10 per shares. The gross and net proceeds received from the Offering are \$200,000 and \$173,527 respectively.

On August 12, 2010, the Company is listed on the TSX Venture Exchange under the symbol "KYU.P".

As of December 31, 2010 as well as the date of this MD&A, there are 4,180,000 common shares issued and outstanding.

### ***Results of Operations***

For the year ended December 31, 2010, the Company incurred a net operating loss of \$120,791. This loss is mainly made up of professional fees related to the filing of prospectus for the Company's initial public offering and the foresaid proposed acquisition of China Easy-Pay in order to complete its Qualifying Transaction and the consequential auditors' fees for the same.

### ***Summary of the Results of the Company***

The below table summarizes the comparative results of the Company for the years ended December 31, 2010 and 2009.

	For the Year Ended December 31, 2010 (Audited)	From Incorporation Date on November 23, 2009 to December 31, 2009 (Audited)
General & Administrative Expenses (\$)	121,381	17,193
Other Income (\$)	590	-
Loss for the Year/Period (\$)	120,791	17,193
Loss Per Share- Basic and Diluted (\$)	0.04	0.20
Weighted Average Number of Common Shares Outstanding- Basic and Diluted	2,984,384	87,179

### ***Disclosure for Venture Issuers Without Significant Revenue***

The Company did not have significant revenue from operations since inception. Apart from the general and administrative expenses which are disclosed in the Company's Statement of Loss and Comprehensive Loss for the year/period ended December 31, 2010 and 2009 respectively, the Company did not have any expenditure relating to exploration, research and development, intangible assets or any material costs not already disclosed in its statement of loss and comprehensive loss for the year/period ended December 31, 2010 and 2009 respectively.

### ***Liquidity and Capital Resources***

As at December 31, 2010 the Company had cash of \$176,841.

Management believes that it has sufficient financial resources to meet all current and expected expenditure required.

### ***Capital Stock***

As at December 31, 2010 the Company had 4,180,000 common shares issued and outstanding.

### ***Transactions with Related Parties***

As at December 31, 2010, there was 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. As at December 31, 2010, the Company had cash of \$176,841 to settle current liabilities of \$53,298. 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 balance sheet approximate their fair value due to the limited term of these instruments.

### ***Risks and Uncertainties***

As at December 31, 2010, the risks and uncertainties outlined in our final prospectus and filed on SEDAR on May 23, 2010 remain unchanged.

### ***Off-Balance Sheet Arrangements***

As at December 31, 2010, the Company did not have any off-balance sheet arrangements.

### ***Internal Controls***

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Given the small size of the Company there is a weakness in internal controls relating to segregation of duties; however management is satisfied that having regard to the future of the business there are adequate compensating controls. No material changes were made in the Company's internal control over financial reporting during the year ended December 31, 2010.

### ***International Financial Reporting Standards***

In February 2008 the Canadian Accounting Standard Board announced 2011 as the changeover date for profit-oriented publicly accountable companies to use IFRS, replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal year beginning on or after January 1, 2011. The Company's changeover date of January 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the expected financial reporting impact of the transition to IFRS cannot be reasonably determined until the Company completes its qualifying transaction.

### ***Other Information***

Additional information related to the Company, including its final prospectus is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com)