Kaiyue International Inc.
Management's Discussion and Analysis
For the Period Ended June 30, 2011

August 23, 2011

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited interim condensed financial statements of Kaiyue International Inc. ("Kaiyue" or "Company) for the period ended June 30, 2011 and the audited financial statements of Kaiyue for the year ended December 31, 2010 and the notes thereto. As of January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS") and the following disclosure, and associated condensed interim financial statements, are presented in accordance with IFRS. The comparative periods for fiscal 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.".

The Company will also complete a non-brokered private placement of common shares to raise approximately $1,500,000, at a price of $0.15 per share (the "Private Placement"). Completion of the

Private Placement will not be conditional upon completion of the Acquisition, and the Company may, subject to Exchange approval, complete the Private Placement without completing the Acquisition.

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 is 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.

Results of Operations

For the three months ended June 30, 2011, the Company incurred a loss of $13,108 compared with a loss of $8,533 for the comparative period of last year. The losses were mainly made of the general and administrative expenses. The basic and diluted loss per share was $0.003 for the second quarter compared with $0.004 for the comparative period of last year.

For the six months ended June 30, 2011, the Company incurred a loss of $64,901 compared with a loss of $23,410 for the comparative period of last year. The losses were mainly made up of the general and administrative expenses. The basic and diluted loss per share was $0.02 for the six month period compared with $0.01 for the comparative period of last year.

Summary of Quarterly Results

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

	Quarter Ended 30-Jun-11	Quarter Ended 31-Mar-11	Quarter Ended 31-Dec-10	Quarter Ended 30-Sep-10	Quarter Ended 30-Jun-10	Quarter Ended 31-Mar-10	From date of incorporation on November 23, 2009 to December 31, 2009
Revenue ($)	-	-	-	-	-	-	-
General and administrative expense ($)	13,108	51,793	97,017	710	8,653	15,001	17,193
Other income ($)	-	-	223	123	120	124	-
Loss for the period ($)	13,108	51,793	96,794	587	8,533	14,877	17,193
Loss per Share - Basic & Diluted ($)	0.02	0.01	0.02	0	0	0.01	0.2
Weighted average number of common shares outstanding - Basic & Diluted	4,180,000	4,180,000	4,180,000	3,397,391	2,180,000	2,153,333	87,179

Liquidity and Capital Resources

As at June 30, 2011, the Company has a cash balance of $615,493. Management believes that the cash balance is sufficient to meet its working capital and contractual obligations for the year ending December 31, 2011.

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 June 30, 2011, the Company had 4,180,000 common shares issued and outstanding.

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 June 30, 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 June 30, 2011, and will expire on August 12, 2012.

Off-Balance Sheet Arrangements

As at June 30, 2011, the Company had no off-balance sheet arrangements.

Transactions with Related Parties

As at June 30, 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. As at June 30, 2011, the Company had cash balance of $615,493. 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 Company's continuing operations as intended are dependent upon the Company's ability to identify, evaluate and negotiate the acquisition of an interest in properties, assets or a business, which is considered a Qualifying Transaction. Such an acquisition will be subject to regulatory approval and may be also subject to shareholder approval. In the case of a non-arm's length transaction (as defined in the CPC Policy) a majority of the minority shareholder approval must also be obtained in accordance with the CPC Policy. Should the Company fail to complete such a transaction within the timeline stipulated in the CPC Policy, its ability to raise sufficient financing to maintain operations may be impaired and accordingly the Company may be unable to realize on the carrying value of its net assets.

In preparing the Company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results may differ from these estimates. Areas where management uses subjective judgment include, but are not limited to, future income tax valuation allowances. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

International Financial Reporting Standards

The second quarter interim condensed financial statements are the Company's second interim financial statements prepared in accordance with IFRS. The disclosures required by the provisions of IFRS 1, "First-time Adoption of International Financial Reporting Standards" ("IFRS 1"), explaining how the transition to IFRS has affected the reported financial performance, cash flows and financial position of the Company, are summarized below and provided in the notes to the Company's June 30, 2011 unaudited interim financial statements.

The Company's unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

The accounting policies adopted under IFRS were applied in the preparation of the opening IFRS unaudited interim statement of financial position. The Company's IFRS transition date is January 1, 2010. As a result of the adoption of IFRS, there was no impact on the Company's statement of financial position at December 31, 2009, as reported under Canadian GAAP, thereby resulting in a similar opening statement of financial position at January 1, 2010, in accordance with IFRS.

IFRS 1 requires an entity to reconcile equity, comprehensive loss and cash flow for comparative periods. The Company's adoption of IFRS did not have a monetary impact on equity, loss and comprehensive loss and cash flows in the prior periods. As a result there were no adjustments to the Company's statement of financial position, comprehensive loss, cash flows and changes in shareholders' equity.

As anticipated by management, the adoption of IFRS has resulted in certain presentation, disclosure and description changes to the unaudited interim condensed financial statements. IFRS 1 does not permit changes to estimates that have been made previously. Consistent with that restriction, estimates used in the preparation of the Company's opening unaudited interim condensed statement of financial position in compliance with IAS 34 were consistent with those that were made under Canadian GAAP.

Change in Accounting Policies

There are no changes in accounting policies adopted by the Company during the quarter ended June 30, 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.

IFRS 7 (Amendment)	Financial Instruments: Disclosure for amendments enhancing disclosures about transfers of financial assets (1)
IFRS 9	Financial Instruments (Issued November 2009) (4)
IFRS 10	Consolidated Financial Statements(4)

IFRS 11	Joint Arrangements[(4)]
IFRS 12	Disclosure of Interests in Other Entities[(4)]
IFRS 13	Fair Value Measurement[(4)]
IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income [(3)]
IAS 12 (Amendment)	Income Taxes: Limited scope amendment (recovery of underlying assets) [(2)]
IAS 19 (Revised 2011)	Employee Benefits[(3)]
IAS 27 (Amendment)	Separate Financial Statements[(4)]
IAS 28 (Amendment)	Investments in Associates and Joint Ventures[(4)]

[(1)] effective for annual periods beginning on or after July 1, 2011
[(2)] effective for annual periods beginning on or after January 1, 2012
[(3)] effective for annual periods beginning on or after 1 July 2012
[(4)] effective for annual periods beginning on or after January 1, 2013

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.