

HOPE WELL CAPITAL CORP.

Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the Three Months and the Six Months Ended July 31, 2017

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor. The accompanying unaudited interim condensed financial statements of the Company have been prepared by and are the responsibility of the Company's management.

HOPE WELL CAPITAL CORP.

Interim Condensed Statement of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

As at July 31, 2017

	July 31, 2017	January 31, 2017
Assets		
Current assets:		
Cash (note 3)	\$ 1,146,591	\$ 97,668
Prepaid expenses	-	30,000
Total assets	\$ 1,146,591	\$ 127,668
Liabilities and Equity		
Current liabilities:		
Advances payable and accrued liabilities	\$ 32,152	\$ 17,944
Total liabilities	32,152	17,944
Equity:		
Share capital (note 4)	1,197,337	147,500
Contributed surplus (note 4)	13,900	-
Deficit	(96,798)	(37,776)
Total equity	1,114,439	109,724
Total liabilities and equity	\$ 1,146,591	\$ 127,668

Nature of operations (Note 1)

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

On behalf of the Board:

"Sheldon Kales" _____ Director

"Peiwei Ni" _____ Director

HOPE WELL CAPITAL CORP.

Interim Condensed Statement of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

For the Three Months and the Six Months Ended July 31, 2017

	Three Months	Six Months
	Ended	Ended
	July 31, 2017	July 31, 2017
Expenses:		
TSXV filing fees and others	\$ 13,590	\$ 23,741
Stock-based compensation	5,728	5,728
Audit fees	403	403
Accounting fees	791	791
Legal fees	28,360	28,360
Net loss and comprehensive loss	(48,872)	\$ (59,023)
Loss per share		
Basic	\$ 0.006	\$ 0.013
Diluted	\$ 0.006	\$ 0.013
Weighted average number of shares outstanding		
Basic	7,589,129	4,582,734
Diluted	7,589,129	4,582,734

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

HOPE WELL CAPITAL CORP.

Interim Condensed Statement of Changes in Equity

(Expressed in Canadian dollars)

For the Six Months Ended July 31, 2017

(Unaudited)

Six-month period ended July 31, 2017	Number of Common Share	Share Capital	Contributed Surplus	Deficit	Total
Balance, January 31, 2017	1,475,000	\$ 147,500	-	\$ (37,776)	\$ 109,724
Common shares issued pursuant to IPO	6,249,999	1,250,000	-	-	1,250,000
Share issue cost	-	(200,162)	-	-	(200,162)
Stock-based compensation	-	-	13,900	-	13,900
Net loss for the period	-	-	(59,023)	(59,023)	-
Balance, July 31, 2017	7,724,999	\$ 1,197,337	\$ 13,900	\$ (96,798)	\$ 1,114,439

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

HOPE WELL CAPITAL CORP.

Interim Condensed Statement of Cash Flows

(Expressed in Canadian dollars)

For the Six Months Ended July 31, 2017

(Unaudited)

Cash flows from operating activities:

Net contributed surplus for the period	\$	(59,023)
Change in non-cash operating working capital:		
Prepaid expenses		57,086
Advances payable and accrued liabilities		(12,878)
Cash used in operating activities		(14,814)

Cash flows from financing activities:

Proceeds from share issuance		1,250,000
Contributed surplus		13,900
Costs of share issuance		(200,162)
Cash provided by financing activities		1,063,737

Increase in cash		1,048,924
Cash, beginning of period		97,668
Cash, end of period	\$	1,146,591

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

HOPE WELL CAPITAL CORP.

Notes to Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the Six Months Ended July 31, 2017

1. Nature of operations

Hope Well Capital Corp. (the "Corporation" or "HWCC") was incorporated under the Business Corporations Act (Ontario) on December 1, 2016 with the intent of being classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange").

On May 3, 2017, the Corporation completed its initial public offering pursuant to a prospectus dated March 24, 2017 by issuing 6,249,999 common shares of the Corporation at a price of \$0.20 per common share for total gross proceeds of \$1,249,999.80. The common shares of the Corporation were listed on the Exchange on May 9, 2017 under the symbol "HOPE.P" and the Corporation was classified as a CPC.

The Corporation has no assets other than cash. The Corporation proposes to identify and evaluate potential acquisitions of businesses (for a "Qualifying Transaction"), and once identified and evaluated, to negotiate an acquisition or participation.

The Corporation's continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the Exchange. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. There is no assurance that the Corporation will be able to complete a Qualifying Transaction within twenty-four 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 Corporation's common shares from trading should it not meet these requirements.

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classification of assets and liabilities should the Corporation be unable to continue as a going concern.

The address of the Corporation's registered office, as of the period end date, was Suite 3000, 77 King Street West, Toronto, Ontario. These financial statements were approved and authorized for issuance by the Board of Directors on September 28, 2017.

HOPE WELL CAPITAL CORP.

Notes to Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the Six Months Ended July 31, 2017

2. Significant accounting policies

Statement of compliance

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

These financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

Use of estimates and key judgements

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Income Taxes

Income tax consists of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset

HOPE WELL CAPITAL CORP.

Notes to Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the Six Months Ended July 31, 2017

2. Significant accounting policies (continued)

if a legally enforceable right exists to offset the amounts, and the Corporation intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital

Common shares are classified as equity. Costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Share-based Payments

Equity-settled share-based payments for directors, officers, employees and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements.

HOPE WELL CAPITAL CORP.

Notes to Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the Six Months Ended July 31, 2017

2. Significant accounting policies (continued)

The Corporation applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized in the respective reporting period. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Financial Instruments

Financial assets

The Corporation classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Corporation's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statements of financial position at fair value with changes in fair value recognized in the statements of operations and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Corporation has classified cash as financial assets at fair value through profit and loss.

Financial liabilities

The Corporation classifies its financial liabilities into one of two categories, depending on the purpose for which the liabilities were incurred. The Corporation's accounting policy for each category is as follows:

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Notes to Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the Six Months Ended July 31, 2017

2. Significant accounting policies (continued)

Fair value through profit or loss - this category comprises of liabilities acquired or incurred principally for the purposes of acquiring a value-added service with terms and conditions clearly laid out in an executed agreement. They are carried on the Statement of Financial Position at fair value with changes in fair value recognized in the statements of operations and comprehensive loss.

The Corporation's accrued liabilities are classified as other financial liabilities.

Fair Value Hierarchy

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of July 31, 2017, cash was measured at fair value and was classified within Level 1 of the fair value hierarchy on the Statement of Financial Position.

Accounting standards issued but not yet applied

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the financial statements.

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Notes to Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the Six Months Ended July 31, 2017

3. Cash

Once the Corporation has been successful in being classified as a Capital Pool Company, the proceeds raised from the issuance of capital stock may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenditures of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

4. Share capital

Authorized Unlimited Common Shares

The Corporation is authorized to issue an unlimited number of common shares, and on April 30, 2017, the Corporation had issued 1,475,000 common shares at \$0.10 per share for total proceeds of \$147,500.

On May 3, 2017, the Corporation completed its initial public offering pursuant to the Prospectus through the Agent of 6,249,999 common shares of the Corporation at a price of \$0.20 per common share for total gross proceeds of \$1,249,999.80.

As consideration for its role as agent, the Corporation granted to the Agent a non-transferable option to purchase up to 625,000 common shares of the Corporation at a price of \$0.20 per common share for a period of 24 months until May 3, 2019. In addition, the Agent received a cash commission in an amount equal to 10% of the gross proceeds of the initial public offering, a work fee of \$15,000 and reimbursement of certain expenses. The Agent's option was valued using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free return of 0.52% and an expected remaining life of 24 months. The Corporation has recorded a \$8,172 expense as the cost of shares issuance in the six-month period ended July 31, 2017 in connection with the issuance of the Agent's option.

Upon closing of the initial public offering, the Corporation also granted 772,500 incentive stock options to its directors and officers which are exercisable for a period of five years at an exercise price of \$0.20 per share. The incentive stock options were valued using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free return of 0.78% and an expected remaining life of five years. The Corporation

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For the Six Months Ended July 31, 2017

4. Share capital (continued)

has recorded a \$5,728 expense as the stock-based compensation in the six-month period ended July 31, 2017 in connection with the issuance of the incentive stock options.

Escrow shares

All the 1,475,000 common shares issued prior to the offering and all common shares that may be acquired from treasury of the Corporation by non-arm's length parties, as defined in the policies of the Exchange, of the Corporation prior to the completion of the Qualifying Transaction will be deposited with the trustee under the escrow agreement. Under the Discount Seed Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. This release schedule may be accelerated if the Corporation is listed as a Tier 1 Issuer.

All common shares acquired upon exercise of stock options prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final exchange bulletin is issued, following which the common shares will be released from escrow in accordance with the terms of the escrow agreement.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a control person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer following the Qualifying Transaction will also be escrowed.

Stock Option Plan

During the six months ended July 31, 2017, the directors of the Corporation approved a stock option plan (the "Plan") for the directors, officers, employees and consultants of the Corporation. The outstanding options granted under the Plan are exercisable for a period of up to 10 years from the date of the grant. The exercise price of the options shall be determined by the Board of Directors at the time of the grant. The aggregate number of shares issuable upon the exercise of all options granted under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. The number of common shares reserved for issuance to (a) any participant will not exceed 5% of the issued and outstanding common shares in a

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For the Six Months Ended July 31, 2017

twelve-month period, and (b) any individual director or officer will not exceed 5% of the issued and outstanding common shares while the corporation is a CPC, and (c) any person conducting investor relations activities within a 12 month period shall not exceed 2% of the common shares outstanding at the time of grant, provided that, while the Corporation is a CPC, no common shares may be reserved for issuance to any persons conducting investor relations activities, promotional or market-making services, and (d) Insiders shall not exceed 10% of the common shares outstanding from time to time, and (e) Insiders within a 12 month period shall not exceed 10% of the common shares outstanding from time to time; and (f) to any one consultant in any 12 month period shall not exceed 2% of the common shares outstanding at the time of the grant.

As at July 31, 2017, 772,500 stock options were outstanding exercisable for a period of five years at an exercise price of \$0.20 per share.

5. Related Party Transactions

During the six months ended July 31, 2017, the Company did not enter into transactions with related parties.

6. Financial Instruments Fair Values

At July 31, 2017, the Corporation's financial instruments consisted of cash and accrued liabilities. The fair value of these financial instruments approximate their carrying value due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Corporation places these instruments with a high credit quality financial institution.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to

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Notes to Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the Six Months Ended July 31, 2017

6. Financial Instruments Fair Values (continued)

do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Corporation's liabilities.

7. Capital management and risk management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of issued common shares, in the definition of capital. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.