

HOPE WELL CAPITAL CORP.

AMENDED AND RESTATED

Interim Condensed Financial Statements

(Expressed in Canadian dollars)

For the Three Months Ended April 30, 2018

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(2)(b), the Statement of Changes in Equity now includes comparative financial information for the corresponding interim period immediately preceding the financial year ended April 30, 2018.

Additional subsequent events disclosure has been added to reflect the closing of the financing and the signing of the definitive agreement for the qualifying transaction. See Note 6-"Subsequent Events".

No amendment has otherwise been made to any amount, balance or disclosure in the attached financial report.

August 16, 2018

HOPE WELL CAPITAL CORP.

Amended and Restated Interim Condensed Statement of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

As at April 30, 2018 and January 31, 2018

	April 30, 2018	January 31, 2018
Assets		
Current assets:		
Cash (note 3)	\$ 1,058,403	\$ 1,123,588
Other receivable	6,395	-
Prepays and expense advances	45,127	-
Total assets	\$ 1,109,925	\$ 1,123,588
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 64,286	\$ 61,495
Total liabilities	64,286	61,495
Equity:		
Share capital (note 4)	1,083,704	1,083,704
Contributed surplus (note 4)	281,321	281,321
Deficit	(319,386)	(302,932)
Total equity	1,045,639	1,062,093
Total liabilities and equity	\$ 1,109,925	\$ 1,123,588

Nature of operations (Note 1)

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

On behalf of the Board:

"Peiwei Ni" _____ Director

"Bill Hong Ye" _____ Director

HOPE WELL CAPITAL CORP.

Amended and Restated Interim Condensed Statement of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

For the Three Months Ended April 30, 2018 and 2017

	April 30, 2018	April 30, 2017
Expenses:		
TSXV filing fees and others	\$ 9,600	\$ 10,151
Audit fees	3,390	-
Accounting fees	1,000	-
Legal fees	2,464	-
Net loss and comprehensive loss	\$ (16,454)	\$ (10,151)
Loss per share		
Basic	\$ (0.002)	\$ (0.007)
Diluted	\$ (0.002)	\$ (0.007)
Weighted average number of shares outstanding		
Basic	7,724,999	1,475,000
Diluted	7,724,999	1,475,000

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

HOPE WELL CAPITAL CORP.

Amended and Restated Interim Condensed Statement of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

For the Three Months Ended April 30, 2018 and 2017

	Number of Common Share	Share Capital	Contributed Surplus	Deficit	Total
Balance, January 31, 2017	1,475,000	\$ 147,500	\$ -	\$ (37,776)	\$ 109,724
Net loss for the 3-month period ending Apr 30, 2017	-	-	-	(10,151)	(10,151)
Balance, April 30, 2017	1,475,000	\$ 147,500	-	\$ (47,927)	\$ 99,573
Common shares issued pursuant to offering	6,249,999	1,250,000	-	-	1,250,000
Share issue cost	-	(313,796)	90,302	-	(223,494)
Stock-based compensation	-	-	191,019	-	191,019
Net loss for the 9-month period ending Jan 31, 2018	-	-	-	(255,005)	(255,005)
Balance, January 31, 2018	7,724,999	\$ 1,083,704	\$ 281,321	\$ (302,932)	\$ 1,062,093
Net loss for the 3-month period ending Apr 30, 2018	-	-	-	(16,454)	(16,454)
Balance, April 30, 2018	7,724,999	\$ 1,083,704	\$ 281,321	\$ (319,386)	\$ 1,045,639

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

HOPE WELL CAPITAL CORP.

Amended and Restated Interim Condensed Statement of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

For the Three Months Ended April 30, 2018 and 2017

	April 30, 2018	April 30, 2017
Cash flows from operating activities:		
Net loss for the period	\$ (16,454)	\$ (10,151)
Change in non-cash operating working capital:		
Prepaid expenses	(45,127)	27,086
Other receivable	(6,395)	-
Advances payable and accrued liabilities	2,791	(27,086)
	(65,185)	(10,151)
Cash flows from financing activities:		
Proceeds from share issuance	-	-
Costs of share issuance	-	-
	-	-
Decrease in Cash	(65,185)	(10,151)
Cash, beginning of period	1,123,588	97,668
Cash, end of period	\$ 1,058,403	\$ 87,517

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

HOPE WELL CAPITAL CORP.

Notes to Amended and Restated Interim Condensed Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the Three Months Ended April 30, 2018

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 \$1,250,000. 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 and prepaids. The Corporation proposes to identify and evaluate potential acquisitions of businesses, 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.

Payfare LOI and Proposed Qualifying Transaction

On November 17, 2017, the Corporation entered into a letter of intent (the "**LOI**") for a business combination with Payfare Inc. ("**Payfare**"), a corporation existing under the laws of Ontario that will result in a reverse take-over of HWCC on the Exchange. The transaction is intended to constitute HWCC's qualifying transaction under the policies of the Exchange (the "**Qualifying Transaction**").

HOPE WELL CAPITAL CORP.

Notes to Amended and Restated Interim Condensed Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the Three Months Ended April 30, 2018

1. Nature of operations (continued)

Pursuant to the terms of the LOI, completion of the Qualifying Transaction will be subject to a number of conditions, including completion of a Financing (as defined and described below), completion or waiver of sponsorship, receipt of all required regulatory approvals, including the approval of the Exchange of the Qualifying Transaction, completion of all due diligence reviews, satisfaction of the minimum listing requirements of the Exchange and all requirements under the Exchange rules relating to completion of a Qualifying Transaction and execution of a definitive agreement.

The proposed Qualifying Transaction is not a "Non-Arm's Length Qualifying Transaction" within the meaning of Policy 2.4 of the Exchange and, as such, shareholder approval is not required, unless otherwise required by the Exchange.

Sponsorship of a qualifying transaction of a capital pool company is required by the Exchange, unless exempt in accordance with Exchange policies. HWCC intends to apply for an exemption from sponsorship requirements; however, there is no assurance that HWCC will obtain this exemption.

HWCC and Payfare will complete the Qualifying Transaction by way of a share exchange, amalgamation, arrangement, share purchase, or other form of transaction which would result in Payfare becoming a wholly-owned subsidiary of HWCC or otherwise combine its corporate existence with a wholly-owned subsidiary of HWCC. Once the structure is determined, the LOI will be superseded by a definitive agreement between HWCC and Payfare, and the parties will announce the signing of such definitive agreement. Following completion of the Qualifying Transaction, HWCC as the resulting issuer (the "**Resulting Issuer**") will hold all of Payfare's assets and conduct the business of Payfare.

Prior to, and as a condition of closing of the Qualifying Transaction and subject to Exchange approval, HWCC will consolidate its outstanding shares (the "**Consolidation**") on the basis of 1.580113 pre-Consolidation common shares for one post-Consolidation common share (a "**Post-Consolidation Share**"). The Resulting Issuer also expects to change its name to "Payfare Corp." or such other similar name approved by the directors of HWCC and Payfare and acceptable to the applicable regulatory authorities.

HOPE WELL CAPITAL CORP.

Notes to Amended and Restated Interim Condensed Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the Three Months Ended April 30, 2018

1. Nature of operations (continued)

Pursuant to the Qualifying Transaction each outstanding common share of Payfare (a "**Payfare Share**") will be exchanged for one Post-Consolidation Share of Resulting Issuer. All outstanding convertible securities of Payfare will be replaced by convertible securities of the Resulting Issuer on a post-Consolidation basis.

Completion of the Qualifying Transaction with Payfare is subject to a number of conditions including but not limited to, due diligence, Exchange acceptance, completion of minimum of \$5,000,000 Financing (as defined below) and completion of the Consolidation. There can be no assurance that the Qualifying Transaction with Payfare will be completed as proposed or at all.

Subscription Receipt Financing

In conjunction with the Qualifying Transaction, Payfare and HWCC entered into an engagement letter on April 9, 2018 to conduct a brokered private placement (the "**Financing**") led by Mackie Research Capital Corporation to raise gross proceeds of a minimum of \$5,000,000 and a maximum of \$12,000,000 through the issuance of subscription receipts of Payfare ("**Subscription Receipts**"). The Subscription Receipts will be offered at a price to be determined in the context of the market currently expected to be \$0.65 per Subscription Receipt. Upon satisfaction of the escrow release conditions, including all conditions precedent to the Qualifying Transaction being satisfied, each Subscription Receipt will automatically convert without any further action on the part of the holder into one unit of Payfare (a "**Unit**") immediately prior to completion of the Qualifying Transaction. Should the escrow release conditions not be satisfied on or before a certain date which is currently contemplated to be the 120th day after closing of the Financing, the Subscription Receipts will be cancelled and all proceeds from the sale of Subscription Receipts will be returned to the subscribers.

Each Unit will be comprised of one Payfare Share and one Payfare warrant, with each Payfare warrant entitling the holder to acquire one Payfare Share, at \$1.25 per share for a period of 24 months after completion of the Qualifying Transaction. On completion of the Qualifying Transaction, each Unit will be exchanged for one Post-Consolidation Share of the Resulting Issuer and one warrant of Resulting Issuer with each warrant entitling the holder to acquire one

HOPE WELL CAPITAL CORP.

Notes to Amended and Restated Interim Condensed Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the Three Month Ended April 30, 2018

1. Nature of operations (continued)

Post-Consolidation Share at \$1.25 per share for a period of 24 months after completion of the Qualifying Transaction.

The address of the Corporation's registered office, as of the year 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 June 30, 2018.

2. Significant accounting policies

Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**") under IFRS as issued by the International Accounting Standards Board ("**IASB**").

Basis of measurement

These interim condensed 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.

Adoption of new accounting policy

Adoption of IFRS 15, revenue from contracts with customers and IFRS 9, financial instruments: classification and measurement have no impact to the Corporation.

3. Cash

Once the Corporation has been 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.

HOPE WELL CAPITAL CORP.

Notes to Amended and Restated Interim Condensed Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the Three Month Ended April 30, 2018

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 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 its agent, Mackie Research Capital Corporation (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 \$1,250,000.

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.

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. On June 29, 2017, the Corporation received the resignation from a director and officer, and the 270,375 options granted to this director and officer expired on September 29, 2017 without being exercised in accordance with the terms of the stock option plan. On November 6, 2017, the Corporation granted a total of 270,374 options to two directors, exercisable at a price of \$0.21 per share until November 6, 2022. As at April 30, 2018, the Corporation had a total of 772,499 stock options outstanding and exercisable, with 502,125 stock options exercisable for a period of five years until May 3, 2022 at an exercise price of \$0.20 per share, and 270,374 stock options exercisable for a period of five years until November 6, 2022 at an exercise price of \$0.21 per share.

HOPE WELL CAPITAL CORP.

Notes to Amended and Restated Interim Condensed Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the Three Month Ended April 30, 2018

4. Share Capital (continued)

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. As at April 30, 2018, 1,475,000 common shares were held in escrow.

5. Related Party Transactions

During the three months ended April 30, 2018, the Corporation did not enter into transactions with related parties, and no remuneration was paid to directors or officers of the Corporation.

HOPE WELL CAPITAL CORP.

Notes to Amended and Restated Interim Condensed Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the Three Month Ended April 30, 2018

6. Subsequent Events

On July 27, 2018, the Corporation and its wholly owned subsidiary entered into an amalgamation agreement (the "**Definitive Agreement**") with Payfare, to provide for the completion of the Qualifying Transaction. Pursuant to the Definitive Agreement, Hope Well and Payfare will complete a "three-cornered" amalgamation under the provisions of the *Business Corporation Act* (Ontario), pursuant to which Payfare will amalgamate with a wholly-owned subsidiary of Hope Well (the "**Amalgamation**"). Immediately prior to the closing of the Amalgamation, Hope Well will complete a consolidation (the "**Consolidation**") of the common shares of Hope Well on the basis of 1.580113 pre-Consolidation shares for one (1) post-Consolidation share. Upon closing of the Amalgamation, Hope Well will also change its name to "Payfare Corp." or such other name approved by Hope Well and Payfare and acceptable to the applicable regulatory authorities (the "**Name Change**"). On closing of the Amalgamation, the outstanding Payfare Shares will be exchanged for post-Consolidation common shares of Hope Well on a 1:1 basis, resulting in the existing holders of Payfare Shares (including investors under the Financing) becoming holders of post-Consolidation common shares of Hope Well post-Amalgamation. Subject to TSXV approval, the outstanding convertible securities of Payfare will be exchanged pursuant to the Amalgamation for comparable securities of Hope Well having substantially the same terms and conditions. The amalgamated entity will be a wholly-owned subsidiary of Hope Well post-Amalgamation.

In connection with the Qualifying Transaction, Payfare completed, on July 27, 2018, the first tranche of the Financing by issuing a total of 7,850,878 Subscription Receipts for gross proceeds of approximately \$5.10 million through a combination of a brokered Financing led by Mackie Research Capital Corporation ("**Mackie**") and a non-brokered Financing. Approximately \$2.01 million of the Subscription Receipts was sold in the brokered Financing pursuant to an agency agreement dated July 27, 2018 (the "**Agency Agreement**") with a syndicate led by Mackie and including Haywood Securities Inc. and Canaccord Genuity Corp. (collectively, the "**Agents**"). The Agency Agreement provides for a minimum of \$5 million and a maximum of \$12 million of gross proceeds of the Financing, from both the brokered Financing and the non-brokered Financing, at an issue price of \$0.65 per Subscription Receipt, subject to an option of the Agents to purchase up to an additional 2,769,230 Subscription Receipts at the same issue price. The gross proceeds of the Financing (other than the Agents' expenses, a \$65,000 advisory fee payable to Mackie and 50% of the Agents' commission) are held in escrow until the release conditions have been satisfied which includes the completion of the Amalgamation. The Agents were paid a cash commission in the amount of 7% of the gross proceeds raised under the brokered Financing, 50% of which were paid to the Agents on closing of the Financing, and 50% of which are held in escrow to be released when the release conditions are satisfied. Mackie was paid an advisory fee of \$65,000 on the closing of the Financing. In addition, the Agents received compensation warrants (the "**Agents' Warrants**") in an amount equal to 7% of the number of Subscription Receipts sold pursuant to the brokered Financing, each of which will entitle the holder to acquire one post-Consolidation Share upon the payment of \$0.65 for a period of two years following the closing of the Qualifying Transaction.

HOPE WELL CAPITAL CORP.

Notes to Amended and Restated Interim Condensed Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the Three Month Ended April 30, 2018

6. Subsequent Events (continued)

On June 28, 2018, Hope Well held an annual and special meeting of shareholders. At the meeting, Hope Well shareholders approved, among other things, the Consolidation and the Name Change.