DIZUN INTERNATIONAL ENTERPRISES INC.

Condensed Consolidated Interim Financial Statements

For the Six Months Ended April 30, 2019 and 2018

(Unaudited – prepared by management)

(Expressed in Canadian dollars)

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 accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. 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 the entity's auditor.

DIZUN INTERNATIONAL ENTERPRISES INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - expressed in Canadian dollars)

	April 30, 2019	October 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 4,260	$ 5,999
Prepaid expenses	23,000	-
Total assets	$ 27,260	$ 5,999
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 174,109	$ 109,934
Loans payable (Note 3)	288,388	238,388
Total liabilities	462,497	348,322
Shareholders' deficit		
Share capital (Note 4)	218,001	218,001
Share-based payment reserve (Note 4)	58,900	58,900
Deficit	(712,138)	(619,224)
Total shareholders' deficit	(435,237)	(342,323)
Total liabilities and shareholders' deficit	$ 27,260	$ 5,999

Nature of and continuance of operations (Note 1)

Approved on behalf of the Board on June 26, 2019:

/s/ "Hani Zabaneh"
Hani Zabaneh, Director

/s/ "Martin Bajic"
Martin Bajic, Director

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

DIZUN INTERNATIONAL ENTERPRISES INC.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited - expressed in Canadian dollars)

	Three Months Ended April 30, 2019	Three Months Ended April 30, 2018	Six Months Ended April 30, 2019	Six Months Ended April 30, 2018
Expenses				
General and administrative	$ 3,450	$ 1,258	$ 6,411	$ 4,095
Professional fees	6,000	6,095	16,929	9,595
Consulting fees	33,087	22,500	55,587	45,000
Stock based compensation (Note 4)	-	-	-	58,900
Interest	1,559	685	2,559	685
Transfer agent and filing fees	8,813	6,968	11,428	10,367
Net and comprehensive loss	$ 52,909	$ 37,506	$ 92,914	$ 128,642
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding – basic and diluted	116,058,800	116,058,800	116,058,800	116,058,800

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

DIZUN INTERNATIONAL ENTERPRISES INC.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - expressed in Canadian dollars)

	Share capital		Share-based payment reserve	Deficit	Total shareholders' deficit
	Number	Amount			
Balance, October 31, 2017 (Note 6)	116,058,800	$ 218,001	$ -	$ (433,447)	$ (215,446)
Stock options granted (Note 4)	-	-	58,900	-	58,900
Net and comprehensive loss for the period	-	-	-	(128,642)	(128,642)
Balance, April 30, 2018	116,058,800	$ 218,001	$ 58,900	$ (562,089)	$ (285,188)
Balance, October 31, 2018	116,058,800	$ 218,001	$ 58,900	$ (619,224)	$ (342,323)
Net and comprehensive loss for the period	-	-	-	(92,914)	(92,914)
Balance, April 30, 2019	116,058,00	$ 218,001	$ 58,900	$ (712,138)	$ (435,237)

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

DIZUN INTERNATIONAL ENTERPRISES INC.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - expressed in Canadian dollars)

	Six Months Ended April 30, 2019	Six Months Ended April 30, 2018
Cash provided by (used in):		
Operating activities		
Net loss	$ (92,914)	$ (128,642)
Non-cash item		
Stock based compensation	-	58,900
Changes in non-cash working capital items:		
Prepaid expenses	(23,000)	-
Accounts payable and accrued liabilities	64,175	48,103
Net cash used in operating activities	(51,739)	(21,639)
Financing activity		
Proceeds from loans	50,000	40,000
Net cash provided by financing activity	50,000	40,000
Increase (decrease) in cash	(1,739)	18,361
Cash and cash equivalents, beginning	5,999	1,322
Cash and cash equivalents, ending	$ 4,260	$ 19,683

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

1. Nature and continuance of operations

Dizun International Enterprises Inc. (the "Company") was incorporated on November 22, 2011 under the Business Corporations Act (British Columbia). The Company's primary business is distributing tea and tea-related products, and establishing, operating, and franchising boutique tea houses that sell these products. The Company's principal executive office is located at Suite 918, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

These unaudited condensed consolidated interim financial statements ("financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at April 30, 2019, the Company has not generated any revenues from operations, has a working capital deficit of $435,237, and has an accumulated deficit of $712,138. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") 34, *Interim Financial* Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) have been omitted or condensed, and therefore these financial statements should be read in conjunction with the Company's December 31, 2018 annual audited consolidated financial statements and the notes thereto.

The policies applied in these financial statements are based on the IFRS issued and outstanding as of June 26, 2019, the date the Board of Directors approved these financial statements. These financial statements follow the same accounting policies and methods of computation as the most recent annual consolidated financial statements.

New accounting standard and interpretation

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended April 30, 2019, and have not been applied in preparing these financial statements.

IFRS 16, Leases (effective for annual periods beginning on or after January 1, 2019) introduced new requirements for the classification and measurement of leases. Under IFRS 16, a lessee no longer classifies leases as operating or financing and records all leases on the condensed consolidated statement of financial position, unless the lease term is 12 months or less or the underlying asset has a low value. The Company has applied a modified retrospective transition approach. The Company does not have any leases, and as a result, this standard had no impact on the Company's financial statements on adoption.

(Unaudited - expressed in Canadian dollars)

2. Significant accounting policies (continued)

New accounting standard and interpretation

IFRIC 23, Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after January 1, 2019) provides guidance when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered separately; assumptions made about the examination of tax treatments by tax authorities; the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates; and, the impact of changes in facts and circumstances. This interpretation did not have an impact on the Company's financial statements.

3. Loans payable

On December 22, 2017, a non-related party assumed the balance of $198,388 owing to the former President of the Company. The amount owing is non-interest bearing, unsecured, and due on demand.

As at April 30, 2019, the Company had loans payable of $90,000. These loans are secured by promissory notes bearing interest at 10%, and are due on demand. As at April 30, 2019, the Company recognized interest payable of $5,244 related to these loans.

4. Share capital

Authorized share capital:

Unlimited common shares without par value.

Issued and outstanding:

At April 30, 2019, there were 116,058,800 common shares issued and fully paid common shares outstanding (October 31, 2018 – 116,058,800).

Options:

On January 10, 2018, the Company granted 1,000,000 stock options to directors and consultants of the Company, with an exercise price of $0.065 per share expiring on January 10, 2020. The estimated fair value of the options was $58,900 which was determined using the Black-Scholes option pricing model with the following assumptions: an annualized volatility of 236%; an expected life of 2 years; a dividend yield rate of 0%; and a risk-free interest rate of 1.73%. These options vested on their grant date.

The weighted average remaining life of options at April 30, 2019 was 0.69 years.

The following table summarized information about stock options outstanding and exercisable at April 30, 2019:

Number of Shares	Exercise Price	Expiry Date	Exercisable
1,000,000	$0.065	January 10, 2020	1,000,000

(Unaudited - expressed in Canadian dollars)

5. Related party transactions

During the three and six months ended April 30, 2019, the Company incurred $Nil and $Nil (2018 - $Nil and $44,175) of stock-based compensation expense relating to the granting of 750,000 stock options to officers and directors of the Company on January 9, 2018. Refer to Note 4.

6. Restatement

The Company has restated its financial statements as at October 31, 2017 and for the year then ended to reverse the write off of related party debt recorded in error. The restatement resulted in an increase in net loss of $13,761 with no change in net loss per share.

The impact of the restatement as at October 31, 2017 and for the year then ended is summarized below:

Statement of Financial Position

	As at October 31, 2017		
	As reported $	Adjustments $	As restated $
Current liabilities			
Due to related parties	180,937	13,761	194,698
Total liabilities	203,007	13,761	216,768
Shareholders' deficit			
Deficit	(419,686)	(13,761)	(433,447)
Total shareholders' deficit	(201,685)	(13,761)	(215,446)

Statement of Operations and Comprehensive Loss

	Year ended October 31, 2017		
	As reported $	Adjustments $	As restated $
Other income			
Write-off of related party debt	13,761	(13,761)	–
Net loss and comprehensive loss	(20,768)	(13,761)	(34,529)

Statement of Changes in Equity

	As at October 31, 2017		
	As reported $	Adjustments $	As restated $
Deficit	(419,686)	(13,761)	(433,447)
Total shareholders' deficit	(201,685)	(13,761)	(215,446)

6. Restatement (continued)

Statement of Cash Flows

	Year ended October 31, 2017		
	As reported $	Adjustments $	As restated $
Operating activities			
Net loss	(20,768)	(13,761)	(34,529)
Items not involving cash:			
Write-off of related party debt	(13,761)	13,761	–
Net cash used in operating activities	(24,076)	–	(24,076)