UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2016

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________to ________

Commission File Number: 000-54493

DTS8 COFFEE COMPANY, LTD.

(Exact name of registrant as specified in its charter)

Nevada	**80-0385523**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

World Trade Center, 999 Canada Place,
Suite 404, Vancouver, B.C. V6C 3E2
(Address of principal executive offices) (Zip Code)
+1 604-641-1228
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [x] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files)

Yes [x] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer (Do not check if a smaller reporting company)	[ ]	Smaller reporting company	[x]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date: There were 49,594,832 shares outstanding of common stock of the registrant at March 16, 2016.

DTS8 COFFEE COMPANY, LTD.
INDEX

PART I - FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

DTS8 COFFEE COMPANY, LTD.
CONSOLIDATED FINANCIAL STATEMENTS
AS OF January 31, 2016

TABLE OF CONTENTS

DTS8 COFFEE COMPANY, LTD.
CONSOLIDATED BALANCE SHEETS

	January 31, 2016 Unaudited	April 30, 2015
ASSETS		
Current assets		
Cash and cash equivalents	$ 30,270	$ 85,665
Accounts receivable	50,600	78,551
Prepaid expenses	3,692	9,004
Inventories	7,136	58,150
Total Current Assets	**91,698**	**231,370**
Property, plant and equipment, net	50,286	54,907
TOTAL ASSETS	**$ 141,984**	**$ 286,277**
LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accruals	$ 101,821	$ 240,334
Convertible notes	115,500	54,000
Derivative liabilities	453,265	-
Due to related parties	563,163	772,952
Total Current Liabilities	**1,233,749**	**1,067,286**
SHAREHOLDERS' EQUITY (DEFICIT)		
Common stock, 75,000,000 shares authorized, $0.001 par value; 49,594,832 and 34,791,666 shares issued and outstanding as of January 31, 2016 and April 30, 2015, respectively	49,594	34,791
Additional paid-in capital	8,028,775	7,057,409
Accumulated deficit	(9,172,730)	(7,867,478)
Accumulated other comprehensive loss	2,596	(5,731)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	**(1,091,765)**	**(781,009)**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIT)	**$ 141,984**	**$ 286,277**

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

DTS8 COFFEE COMPANY, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended January 31, 2016 Unaudited	Three Months Ended January 31, 2015 Unaudited	Nine Months Ended January 31, 2016 Unaudited	Nine Months Ended January 31, 2015 Unaudited
REVENUE				
Sales	$ 71,049	$ 96,733	$ 255,882	$ 270,572
Cost of sales	52,903	66,540	176,729	175,890
Gross profit	18,146	30,193	79,153	94,682
OPERATING EXPENSES				
Marketing expenses	8,242	5,940	24,222	19,775
Loss on disposal of fixed assets	-	-	47	-
General and administration expenses	114,238	125,039	872,793	615,164
TOTAL OPERATING EXPENSES	**122,480**	**130,979**	**897,062**	**634,939**
LOSS FROM OPERATIONS	**(104,334)**	**(100,786)**	**(817,909)**	**(540,257)**
Interest expense	110,293	-	176,762	-
Change in fair value of derivative liabilities	269,477	-	290,774	-
Other expenses	131	-	19,807	-
TOTAL OTHER EXPENSES	**379,901**	-	**487,343**	-
NET LOSS	**$ (484,235)**	**$ (100,786)**	**$ (1,305,252)**	**$ (540,257)**
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustments	4,570	(315)	8,327	(709)
TOTAL COMPREHENSIVE LOSS	**$ (479,665)**	**$ (101,101)**	**$ (1,296,925)**	**$ (540,966)**
BASIC AND DILUTED NET LOSS PER COMMON SHARE	**$** (0.01)	**$** (0.00)	$ (0.03)	$ (0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	**49,594,832**	**33,863,985**	**43,895,324**	**32,598,767**

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

DTS8 COFFEE COMPANY, LTD.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

	Common Stock					
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity (Deficit)
Balance as of April 30, 2015	**34,791,666**	**34,791**	**7,057,409**	**(5,731)**	**(7,867,478)**	**(781,009)**
Shares issued for cash	2,500,000	2,500	47,500	-	-	50,000
Shares issued for services	7,800,000	7,800	532,700	-	-	540,500
Shares issued for the settlement of related party debt and payables	3,542,857	3,543	244,457	-	-	248,000
Conversion of convertible notes	960,309	960	55,200	-	-	56,160
Foreign currency translation adjustments	-	-	-	8,327	-	8,327
Net loss	-	-	-	-	(1,305,252)	(1,305,252)
Reclassification of derivative liabilities to additional paid-in capital	-	-	91,509	-	-	91,509
Balance as of January 31, 2016 (Unaudited)	**49,594,832**	**$ 49,594**	**$ 8,028,775**	**$ 2,596**	**$ (9,172,730)**	**$ (1,091,765)**

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

DTS8 COFFEE COMPANY, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Nine Months Ended January 31, 2016 Unaudited		Nine Months Ended January 31, 2015 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$	(1,305,252)	$	(540,257)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation		10,823		12,877
Amortization of debt discount		169,500		-
Loss on disposal of fixed assets		47		360
Change in fair value of derivative liabilities		290,774		-
Stock-based compensation		540,500		271,000
Changes in operating assets and liabilities:				
Accounts receivable		23,600		523
Prepaid expenses		4,897		(6,837)
Inventories		48,994		(79,945)
Due to related parties and shareholder		172,887		21,179
Accounts payable and accruals		(125,139)		57,501
NET CASH USED IN OPERATING ACTIVITIES		**(168,369)**		**(263,599)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(9,997)		(175)
Proceeds from disposal of fixed assets		117		-
Cash paid for investment in joint venture company		-		(5,000)
NET CASH USED IN INVESTING ACTIVITIES		**(9,880)**		**(5,175)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued for cash		50,000		279,500
Proceeds from convertible notes		200,000		-
Repayment to related parties		(116,318)		-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**133,682**		**279,500**
Effect of exchange rate changes on cash and cash equivalents		(10,828)		1,792
NET INCREASE (DECREASE) IN CASH		**(55,395)**		**12,518**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**85,665**		**33,339**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$**	**30,270**	**$**	**45,857**
SUPPLEMENTAL DISCLOSURES:				
Cash paid for interest and income taxes:				
Income taxes paid	$	-	$	-
Interest paid	$	-	$	-
Non-cash investing and financing activities:				
Payable investment in joint venture	$	-	$	107,800
Shares issued for conversion of notes and accrued interests		56,160		-
Shares issued for the settlement of related party debt and payables		248,000		-
Debt discount from derivative liabilities		254,000		-
Reclassification of derivative liabilities to additional paid-in capital		91,509		-

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

DTS8 COFFEE COMPANY, LTD.
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 2016

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

DTS8 Coffee Company, Ltd. (the "Company") was incorporated in the State of Nevada on March 27, 2009. Effective January 22, 2013, the Company changed its name from Berkeley Coffee & Tea, Inc. to DTS8 Coffee Company, Ltd. On April 30, 2012, the Company acquired one hundred percent (100%) of the issued and outstanding capital stock of DTS8 Holdings Co., Ltd. ("DTS8 Holdings"), a corporation organized and existing since June 2008 under the laws of Hong Kong, and which owns DTS8 Coffee (Shanghai) Co., Ltd. ("DTS8 Coffee"), a wholly owned foreign subsidiary entity ("WOFE") corporation organized and existing in Shanghai since January 19, 2009, under the laws of the People's Republic of China.

In March 2013, the Company established a 100% owned subsidiary of DTS8 Coffee called DTS8 Coffee (Huzhou) Co. Ltd. ("DTS8 Huzhou") in Huzhou, Zhejiang Province, China, which is approximately a two hour drive from Shanghai. DTS8 Huzhou is a coffee roaster equipped with the standard procedures to ensure that it meets regulatory requirements for food safety and sanitation in China.

DTS8 Holdings, through its subsidiaries DTS8 Coffee and DTS8 Huzhou, is a gourmet coffee roasting, marketing and wholesale distribution company. The Company's office and coffee storage facility is located in Shanghai, China, and its coffee roasting facility is located in Nanxun Town, Huzhou, Zhejiang Province, China. The Company is in the business of roasting, marketing and selling gourmet roasted coffee to customers in Shanghai and other parts of China. It sells gourmet roasted coffee under the "DTS8 Coffee" label and other labels through distribution channels that reach consumers at restaurants, multi-location coffee shops, and offices.

NOTE 2 – BASIS OF PRESENTATION

The accompanying interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X as promulgated by the Securities and Exchange Commission (the "SEC"). In the opinion of management, the financial statements include all adjustments of a normal recurring nature necessary for a fair statement of the results for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in conjunction with generally accepted accounting principles have been condensed or omitted as permitted by the rules and regulations of the United States Securities and Exchange Commission ("SEC"), although the Company believes that the disclosures contained in this report are adequate to make the information presented not misleading. The consolidated balance sheet information as of April 30, 2015 was derived from the consolidated audited financial statements included in the Company's Annual Report on Form 10-K for the year ended April 31, 2015. These consolidated financial statements should be read in conjunction with the annual consolidated audited financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended April 30, 2015, and other reports filed with the SEC.

The accompanying unaudited interim consolidated financial statements reflect all adjustments of a normal and recurring nature, which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows of the Company for the interim periods presented. The results of operations for these periods are not necessarily comparable to, or indicative of, results of any other interim period or for the fiscal year taken as a whole.

NOTE 3 – GOING CONCERN UNCERTAINTY

The accompanying interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of the business. The Company has incurred material losses from operations. At January 31, 2016, the Company had a working capital deficit of $1,142,051 in addition to limited cash, limited revenue and unprofitable operations. For the nine months ended January 31, 2016, the Company sustained net losses and generated negative cash flows from operations. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is contingent upon its ability to obtain additional financing and to generate revenue and cash flow to meet its obligations on a timely basis.

NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, DTS8 Holdings Co., Ltd., DTS8 Coffee (Shanghai) Co., Ltd., and DTS8 Coffee (Huzhou) Co. Ltd. All significant inter-company transactions and balances have been eliminated upon consolidation.

Use of Estimates

In preparing financial statements in conformity with US GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Management makes these estimates using the best information available at the time the estimates are made. However, actual results could differ materially from those estimates.

Fair Value of Financial Instruments

ASC 820 "Fair Value Measurements and Disclosures", adopted January 1, 2008, defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The Company's financial instruments include cash and cash equivalents, current receivables and payables, and derivative liabilities. These financial instruments are measured at their respective fair values. The three levels are defined as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value.

The Company has determined that certain convertible notes covered by these financial statements qualifies as derivative financial instruments under the provisions of FASB ASC Topic No. 815-40, "Derivatives and Hedging – Contracts in an Entity's Own Stock". See Note 7 for more details.

Estimating the fair value of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. The assumptions used to value the Company's derivatives will have a direct effect on the fair values. In addition, valuation techniques are sensitive to changes in the trading market price of the Company's common stock and its estimated volatility and interest rate changes and other variables or market conditions not within the Company's control that can significantly affect management's estimates of fair value and changes in fair value. Because derivative financial instruments are initially and subsequently carried at fair value, the Company's net income may include significant charges or credits as these estimates and assumptions change.

The fair value of the derivative liabilities was determined using the Black-Scholes Model with any change in fair value during the period recorded in earnings as "Change in fair value of derivative liabilities". Significant inputs used to calculate the fair value of the derivative liabilities include expected volatility, risk-free interest rate and dividend yield.

For cash and cash equivalents, accounts receivables, prepaid expenses, and accounts payable and accruals, it is management's opinion that the carrying values are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and if applicable, their stated interest rate approximates current rates available.

Management believes it is not practical to estimate the fair value of related party payables because the transactions cannot be assumed to have been consummated at arm's length, the terms are not deemed to be market terms, there are no quoted values available for these instruments, and an independent valuation would not be practical due to the lack of data regarding similar instruments, if any, and the associated potential costs.

Foreign Currency Translation

The Company's functional and reporting currency is United States Dollars ("USD"). The functional currency of the Company's subsidiaries, DTS8 Coffee and DTS8 Huzhou, in the People's Republic of China is Chinese currency Renminbi ("RMB"). Since RMB is not freely convertible into foreign currencies, all foreign exchange transactions involving RMB must take place either through the People's Bank of China (the "PBOC") or other institutions authorized to buy and sell foreign exchange. The exchange rate adopted for the foreign exchange transactions are the rates of exchange quoted by the PBOC.

The Company maintains its financial statements in the functional currency. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at rates of exchange prevailing at the balance sheet dates. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Exchange gains or losses arising from foreign currency transactions are included in the determination of net income (loss) for the respective periods.

For financial reporting purposes, the financial statements of the Company's subsidiaries DTS8 Coffee and DTS8 Huzhou in the People's Republic of China are maintained in RMB and translated into USD. Balance sheet accounts with the exception of equity are translated using the closing exchange rate in effect at the balance sheet date, income and expense accounts are translated using the average exchange rate prevailing during the reporting period and the equity accounts were stated at their historical exchange rate.

The exchange rates used for foreign currency translation were as follows (USD$1 = RMB):

Period Covered	Balance Sheet Date Rates	Annual Average Rates
January 31, 2016	6.5516	6.3020
April 30, 2015	6.1137	6.1454
January 31, 2015	6.1370	6.1475

Net Income (Loss) per Share

Basic net income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net income per share is computed similar to basic net income (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. If applicable, diluted net income per share assume the conversion, exercise or issuance of all common stock instruments, such as convertible notes, unless the effect is to reduce a loss or increase earnings per share.

For the periods presented, the computation of diluted loss per share equaled basic loss per share as the inclusion of any dilutive instruments would have had an anti-dilutive effect on the earnings per share calculation in the periods presented.

Recently Issued Accounting Pronouncements

In July 2015, the FASB issued ASU 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory". The amendments in ASU 2015-11 require an entity to measure in scope inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. The amendments do not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after

December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. A reporting entity should apply the amendments prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The adoption of ASU 2015-11 is not expected to have a material impact on the Company's consolidated financial statements.

In August 2015, the FASB issued ASU 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date". The amendments in ASU 2015-14 defer the effective date of ASU 2014-09 for all entities by one year. Public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently in the process of evaluating the impact of the adoption on its consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16, "Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments". The amendments in ASU 2015-16 require that an acquirer recognize adjustments to estimated amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The amendments require that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the estimated amounts, calculated as if the accounting had been completed at the acquisition date. The amendments also require an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the estimated amounts had been recognized as of the acquisition date. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The amendments should be applied prospectively to adjustments to provisional amounts that occur after the effective date with earlier application permitted for financial statements that have not been issued. The adoption of ASU 2015-16 is not expected to have a material impact on the Company's consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes". The amendments in ASU 2015-17 eliminates the current requirement for organizations to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet. Instead, organizations will be required to classify all deferred tax assets and liabilities as noncurrent. The amendments in this ASU are effective for public business entities for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The amendments may be applied prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The Company is currently in the process of evaluating the impact of the adoption on its consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities". The amendments in ASU 2016-01, among other things, requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income; Requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; Requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables); Eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost. The amendments in this ASU are effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The new guidance permits early adoption of the own credit provision. In addition, the new guidance permits early adoption of the provision that exempts private companies and not-for-profit organizations from having to disclose fair value information about financial instruments measured at amortized cost. The Company is currently in the process of evaluating the impact of the adoption on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Tpic 842)". Among other things, in the amendments in ASU 2016-02, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and Topic 606, Revenue from Contracts with Customers. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted for all public business entities and all nonpublic business entities upon issuance. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach. The Company is currently in the process of evaluating the impact of the adoption on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-03, "Intangibles-Goodwill and Other (Topic 350); Business Combinations (Topic 805); Consolidation (Topic 810); Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance". The amendments in this ASU make the guidance in ASUs 2014-02, 2014-03, 2014-07, and 2014-18 effective immediately by removing their effective dates. The amendments also include transition provisions that provide that private companies are able to forgo a preferability assessment the first time they elect the accounting alternatives within the scope of this ASU. Any subsequent change to an accounting policy election requires justification that the change is preferable under Topic 250, Accounting Changes and Error Corrections. The amendments in this ASU also extend the transition guidance in ASUs 2014-02, 2014-03, 2014-07, and 2014-18 indefinitely. While this ASU extends transition guidance for Updates 2014-07 and 2014-18, there is no intention to change how transition is applied for those two ASUs. The Company is currently in the process of evaluating the impact of the adoption on its consolidated financial statements.

NOTE 5 – INVENTORIES

Inventories consist of the following:

		January 31, 2016		April 30, 2015
Raw materials - Green beans	$	890	$	45,245
Finished products - Roasted coffee		6,098		7,053
Packing products		148		5,852
Total	**$**	**7,136**	**$**	**58,150**

NOTE 6 – CONVERTIBLE NOTES

On March 6, 2015, the Company issued a convertible note (Note I) in the amount of $54,000. The note is due together with any interest on December 10, 2015 (the "Maturity Date"). The Company has to pay interest on the unpaid principal balance of the note at the rate of 8% per annum from March 10, 2015, until the Maturity Date. Any amount of principal or interest on the note which is not paid on the Maturity Date shall bear an interest at the rate of 22% per annum from the due date until the note is paid in full. The holder of the note shall have the right from time to time, and at any time during the period beginning on the date which is 180 days following the date of the note and ending on the later of: (i) the Maturity Date and (ii) the date of payment of the note, each in respect of the remaining outstanding principal amount of the note to convert all or any part of the outstanding and unpaid principal amount of the note into fully paid and non-assessable shares of common stock of the Company. The conversion price shall equal, subject to equitable adjustments for stock splits, stock dividends or rights offerings by the Company, 61% multiplied by the market price of the average of the lowest three trading prices for the common stock during the 10 trading days prior to the conversion date.

In accordance with ASC 815-15, the Company analyzed the conversion option of the note for derivative accounting consideration. The Company determined that the conversion option of the note should be classified as a liability once the conversion option becomes effective after 180 days because there is no limit to the number of shares of common stock to be issued upon conversion of the note.

On September 9, 2015, Note I became convertible. On September 18, 2015, the debt holder converted $12,000 of the note into 230,769 common shares at a conversion price of $0.0520 per share. On September 25, 2015, the debt holder converted $15,000 of the note into 260,417 common shares at a conversion price of $0.0576 per share. On September 30, 2015, the debt holder converted $20,000 of the note into 316,456 common shares at a conversion price of $0.0632 per share. On October 7, 2015, the debt holder converted the remaining principal of $7,000 and the accrued interest in the amount of $2,160 into a total number of 152,667 shares at a conversion price of $0.0600. As of January 31, 2016, the balance payable on Note I of $54,000 and accrued interest of $2,160 were fully converted into common stock.

On October 20, 2015, the Company issued two convertible promissory notes with same terms in a total amount of $210,000 (collectively, Note II) with a discount of 5%. The proceeds of $200,000 of the note were not received until October 23, 2015. The note is due together with any interest on April 19, 2015 (the "Maturity Date"). The Company has to pay interest on the unpaid principal balance of the note at the rate of 10% per annum from October 23, 2015 until the Maturity Date. The outstanding principal and interest at 120% may be redeemed within 90 days of closing and 130% after 90 days. The conversion price shall equal, subject to equitable adjustments for stock splits, stock dividends or rights offerings by the Company, 61% of the lowest daily volume weighted average price ("VWAP") of the common stock during the 15 trading days prior to the conversion date. Upon default, the debt holder shall have the right to convert the note into shares of common stock at an alternative conversion price equal to 50% of the lowest daily VWAP of the common stock during the 20 trading days prior to the conversion date. All overdue accrued and unpaid interest to be paid shall entail a late fee at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted by applicable law which shall accrue daily from the date such interest is due through and including the date of actual payment in full.

As of January 31, 2016, the balance payable on the convertible note was $215,753 representing the principal amount of $210,000 plus accrued interest of $5,753. The debt discount as of January 31, 2016 is $94,500.

As described in Note 7, the embedded conversion feature for both Note I and Note II qualified for liability classification at fair value. As a result, the Company recorded debt discounts resulting from derivative liabilities of $54,000 to Note 1 and $200,000 to Note II at the dates the notes became convertible. Due to the excess of the fair value of derivative liabilities over the principal of the notes on the day when the notes became convertible, the Company recorded loss on derivative liabilities in the amount of $292,718. This amount was included in change in fair value of derivative liabilities. In addition, the Company amortized the balance of debt discount of $54,000 associated to the exercise of the conversion option of Note 1.

Amortization of the debt discounts was recorded as a component of interest expense in the accompanying unaudited statements of operations and comprehensive loss. Amortization of debt discounts amounted to $105,000 and $169,500 for the three and nine months ended January 31, 2016, respectively. There was no amortization of debt discounts recorded for the three and months ended January 31, 2015. Contractual interest expense for the two convertible notes amounted to $7,262 and $0 for the nine months ended January 31, 2016 and 2015, respectively. Contractual interest expense for the two convertible notes amounted to $5,293 and $0 for the three months ended January 31, 2016 and 2015, respectively.

NOTE 7 – DERIVATIVE INSTRUMENTS AND THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company issued convertible notes and the conversion option embedded in the convertible notes contains no explicit limit to the number of shares to be issued upon settlement and as a result is classified as a liability under ASC 815 (see Note 6). The Company accounted for the embedded conversion option in accordance with ASC 815-40, which requires the Company to bifurcate the embedded conversion options as liability at the date when it becomes effective and to record changes in fair value relating to the conversion option liability in the statement of operations and comprehensive income as of each subsequent balance sheet date. The debt discount related to the convertible note is amortized over the life of the note using the effective interest method.

The following table sets forth the Company's consolidated financial assets and liabilities measured at fair value by level within the fair value hierarchy as of January 31, 2016. Assets and liabilities are classified in their entirety based on the lowest level of inputs that is significant to the fair value measurement.

		Total	Level 1	Level 2	Level 3
LIABILITIES					
Conversion option liability	$	453,265	-	-	453,265

The following is a reconciliation of the conversion option liability for which Level 3 inputs were used in determining the fair value:

Balance as of April 30, 2015		-
Fair value of embedded conversion option derivative liabilities at issuance charged to debt discounts	$	254,000

Change in fair value of derivative liabilities		290,774
Reclassification of derivative liabilities to additional paid-in capital due to conversions		(91,509)
Balance as of January 31, 2016	$	453,265

The Company's conversion option liabilities are valued using pricing models and the Company generally uses similar models to value similar instruments. Where possible, the Company verifies the values produced by its pricing models to market prices. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads, measures of volatility and correlations of such inputs. These consolidated financial liabilities do not trade in liquid markets, and as such, model inputs cannot generally be verified and do involve significant management judgment. Such instruments are typically classified within Level 3 of the fair value hierarchy.

The fair value at the commitment and re-measurement dates for convertible notes that are treated as derivative liabilities with embedded conversion features were based upon the following management assumptions for the nine months ended January 31, 2016:

	Commitment Date	**Re-measurement Date**
Exercise price	\$0.0328 - \$0.0645	\$0.0285 - \$0.0632
Expected dividends	0%	0%
Expected volatility	197.12% - 203.24%	197.30% - 224.94%
Expected term	6 months - 9 months	6 months - 9 months
Risk free interest rate	0.13% - 0.26%	0.07% - 0.32%

NOTE 8 – RELATED PARTY TRANSACTIONS

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Upon the acquisition of DTS8 Holdings on April 30, 2012, the Company assumed a loan from Sean Tan to DTS8 Holdings. Sean Tan was the Company's Chief Executive Officer and director until August 10, 2015, when Sean Tan resigned and Douglas Thomas replaced his position. The loan from related parties bears no interest and has no fixed term of repayment. The Company entered into a debt settlement agreement dated August 28, 2015 with Sean Tan to convert $120,000 of debt owed by the Company, at the fair market price of $0.07 per share, being the closing stock price at August 28, 2015, for a total of 1,714,286 shares of the Company's common stock. As of January 31, 2016 and April 30, 2015, $nil and $120,000, respectively, was recorded as due to related parties.

On March 31, 2011, the Company entered into a management agreement with Sean Tan, the Company's officer and director, to serve as the President and Chief Executive Officer of the Company. This contract was terminated effective August 10, 2015. The Company entered into a debt settlement agreement dated August 28, 2015 with Sean Tan to convert the management fee payment of $128,000 owed by the Company, at the fair market price of $0.07 per share, being the closing stock price at August 28, 2015, for a total of 1,828,571 shares of the Company's common stock. For the periods ended January 31, 2016 and April 30, 2015, the Company owed Mr. Tan $nil and $110,000, respectively.

On August 10, 2015, Company entered into a management agreement with Douglas Thomas to serve as the President, Chief Executive Officer, Chief Financial Officer and Secretary of the Company. Mr. Thomas's engagement commenced on the August 10, 2015, and shall continue on a year-to-year basis until terminated by either party upon sixty days prior written notice to the other party. The Company shall make monthly management fee payment of six thousand dollars ($6,000) to Thomas, in arrears, on the 25th day of each month and four million (4 million) common shares of the Company as engagement bonus remuneration. As of January 31, 2016 and April 30, 2015, the Company owed Mr. Thomas $61,000 and $43,000, respectively. The balance of $43,000 as of April 30, 2015 was included in accounts payable and accruals due to the fact that Mr. Thomas was not a related party until August 10, 2015.

On August 31, 2015, the Company entered into an agreement with Cherry Cai to serve as the financial controller of the Company commenced on September 1, 2015, and shall continue on a year-to-year basis until terminated by either party upon thirty days prior written notice to the other party. The Company shall make monthly fee payment of three thousand dollars ($3,000) to Cherry, in arrears, on 25th day of each month and issue one million shares of common stock of the Company; 500,000 shares were issued in September 2015 and balance of 500,000 shall be issued on September 1, 2016. As of January 31, 2016 and April 30, 2015, the Company owed Ms. Cai $3,188 and $nil, respectively.

On April 30, 2012, upon its acquisition of DTS8 Holdings, the Company assumed a loan payable of $382,396 owed by DTS8 Coffee to a consultant who provides accounting and financial reporting services to the Company through his company from time to time on a monthly basis. The amounts owed, as loan payable, as of January 31, 2016, and April 30, 2015, were $ $247,476 and $382,152, respectively. The balance of the amount is unsecured, non-interest bearing, has no fixed term of repayment, and is repayable on demand, and the consultant has agreed not to demand payment within the next fiscal year. In addition, as of January 31, 2016 and 2015, the Company owed the consultant $251,499 and $160,800 respectively for consulting services provided to the Company.

In September 2015, the Company advanced to Alex Liang, Chairman and director of the Company, $397 for the business operation purpose. As of January 31, 2016 and April 30, 2015, there was $nil due from this related party.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Company leases its corporate office and coffee distribution and storage facility located at Building B, #439, Jinyuan Ba Lu, Jiangqiao Town, Jiading District, Shanghai 201812, China. Lease commenced on October 1, 2013, and expires on September 30, 2017. The leased area is approximately 92 square meters (990 square feet).

The Company leases its corporate administration and sales office and coffee distribution located at 1329 Xikang Road, #110, Putuo District, Shanghai 200060, China. Lease commenced on January 16, 2016, and expires on January 31, 2017. The lease area is approximately 21.08 square meters (227 square feet).

The Company also leases a warehouse for its coffee roasting and manufacturing at 801 Jiahe Road, 2nd Floor, Nanxun Town, Huzhou City, 313009, Zhejiang, China. The leased area is approximately 1,041 square meters (11,205 square feet). The lease commenced on August 18, 2012, and expired on August 17, 2015. This lease was extended for additional six-month term, and expired on February 17, 2016. The lease was re-extended for additional three and half years' term and now expires on August 17, 2019.

Total lease payments for the periods ended January 31, 2016 and 2015 were $16,170 and $26,983, respectively.

NOTE 10 – COMMON STOCK

At January 31, 2016, the Company's authorized capital was 75,000,000 shares of common stock with a par value of $0.001 and 49,594,832 shares were issued and outstanding.

In June 2015, the Company issued 2,500,000 restricted shares of common stock at a price of $0.02 per share for cash proceeds of $50,000.

In August, 2015, the Company issued 4,000,000 restricted shares of common stock to the Chief Executive Officer of the Company at a fair market price of $0.06 per share as payment for management fees. Total value of the services, valued at the fair market price, was $240,000. For the period ended January 31, 2016, $240,000 was expensed.

In August, 2015, the Company issued 1,100,000 restricted shares of common stock to a director (1,000,000) and to two employees (50,000 each) at a fair market price of $0.06 per share as payment for management fees. Total value of the services, valued at the fair market price, was $66,000. For the period ended January 31, 2016, $66,000 was expensed.

In August, 2015, the Company in lieu of cash payment issued 3,542,857 shares of the Company's common stock as payment in full for the outstanding debts of $248,000 owed to the former director and Chief Executive Officer. The shares were issued at the fair market price of $0.07 per share, being the closing stock price at August 28, 2015.

In September, 2015, the Company issued 500,000 restricted shares of common stocks of the Company for consulting services valued at $0.085 per share or $42,500. For the period ended January 31, 2016, $42,500 was expensed.

In September, 2015, the Company issued 1,000,000 shares of common stock Company to a consultant at fair market price of $0.085 per share as payment for consulting fees. Total value of the services, valued at the fair market price, was $85,000. For the period ended January 31, 2016, $85,000 was expensed as consulting fees.

In September, 2015, the Company issued 1,000,000 shares of common stock the Company's attorney at fair market price of $0.085 per share as payment for legal fees. Total value of the services, valued at the fair market price, was $85,000. For the period ended January 31, 2016, $85,000 was expensed as legal fees.

In September 2015, the Company issued 230,769, 260,417 and 316,456 restricted shares of common stocks of the Company for the conversion of $12,000, $15,000 and $20,000 of the Note I described in Note 6, respectively.

On October 5, 2015, the Company issued 152,667 restricted shares of common stocks of the Company for the conversion of the remaining principal of $7,000 and the accrued interest in the amount of $2,160 of Note I described in Note 6.

On October 1, 2015, the Company entered into an agreement with Carter, Terry & Company acting as the Company's exclusive Financial Advisory Investment Bank and Placement Agent for an initial period of 60 days, and then reverting to a non-exclusive advisor for the next twelve consecutive (12) months. The Company agreed to issue 200,000 restricted shares of common stocks of the Company upon the execution of the agreement. Within two years' period, the Company agreed on cash compensation fees subject to: a). 10 % of the amount up to $1,000,000; b). 8% up to 5,000,000 and c). 6% over 5,000,000 for any equity or hybrid equity capital raised and also agreed to pay restricted shares equal to 4% of capital raised by the closing price of the stock on the date of close. In October 2015, the Company issued 200,000 restricted shares of common stocks to Carter, Terry & Company valued at $0.11 per share. For the period ended January 31, 2016, $22,000 was expensed as consulting fees.

NOTE 11 – SUBSEQUENT EVENTS

On March 1, 2016, the Company entered into a definitive Purchase and Sale Agreement to acquire 100% of the issued and outstanding shares of a coffee roasting and wholesale company located in the United States. The acquisition is subject to receiving audited financial statements and a number of conditions stipulated in a letter of intent, including DTS8 completing and accepting the results of its due diligence investigation, and a valuation opinion. Closing of the transaction is expected on or before August 1, 2016, subject to financing and receipt of 2015 audited financial statements from the target company. The purchase price for the acquisition is $4,500,000, in cash at closing, or, if the total amount is not paid in cash, $4,700,000 in cash and debt at closing. As of the date of this report, the Company was in the process of completing the due diligence.

On March 2, 2016, the Company issued a convertible note (Note III) in the amount of $73,000. The Note III is due together with any interest on December 4, 2016 (the "Maturity Date"). The Company has to pay interest on the unpaid principal balance of the note at the rate of 8% per annum from March 2, 2016 until the Maturity Date. Any amount of principal or interest on the note which is not paid on the Maturity Date shall bear an interest at the rate of 22% per annum from the due date until the note is paid in full. The holder of the note shall have the right from time to time, and at any time during the period beginning on the date which is 180 days following the date of the note and ending on the later of: (i) the Maturity Date and (ii) the date of payment of the note, each in respect of the remaining outstanding principal amount of the note to convert all or any part of the outstanding and unpaid principal amount of the note into fully paid and non-assessable shares of common stock of the Company. The conversion price shall equal, subject to equitable adjustments for stock splits, stock dividends or rights offerings by the Company, 63% multiplied by the market price of the average of the lowest three trading prices for the common stock during the 10 trading days prior to the conversion date. As the filing date of this report, the funds have not been received.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

All references in this Report to the “Company”, “we”, “us” or “our” are to DTS8 Coffee Company, Ltd. and its 100% owned subsidiary DTS8 Holdings Co. Ltd. (“DTS8 Holdings”), which owns 100% of DTS8 Coffee (Shanghai) Co., Ltd. (“DTS8 Coffee”) which owns 100% of DTS8 Coffee (Huzhou) Co., Ltd. (“DTS8 Huzhou”).

This Report contains “forward-looking statements” that involve risk and uncertainties. We use forward-looking statements that you can identify by words or terminology such as "may", "should", "could", "predict", "potential", "continue", "expect", "anticipate", "future", "intend", "plan", "believe", "estimate" and similar expressions (or the negative of these expressions). Except for historical information, this Report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and statements regarding our expectations, hopes, beliefs, intentions or strategies regarding the future. All statements other than statements of historical facts included in this report, including, without limitation, statements under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding our financial position, business strategy and other plans and objectives for future operations, and future product demand, supply, costs, marketing, transportation and pricing factors, are forward-looking statements. Actual results, levels of activity, performance, achievements and events may vary materially from those implied by the forward-looking statements. These statements are based on our current beliefs, expectations and assumptions. Any such statements should be considered in light of various risks and uncertainties that could cause results to differ materially from expectations, estimates or forecasts expressed. The various risks and uncertainties include, but are not limited to: changes in general economic conditions, changes in business conditions in the coffee industry, fluctuations in consumer demand for coffee products, the availability and costs of green beans, increased competition within the green bean and roasted coffee businesses, our lack of successful operating history, our history of continued losses, our inability to successfully implement our business plan, fluctuations in the price of green coffee, concentration of single product and sales, lack of significant experience in the coffee industry of our employees, inability to hire, train and retain qualified personnel, inability to acquire customers, natural disasters, adverse weather conditions, diseases, political and social instability in countries where we source green coffee beans, weak consumer demand for our roasted coffee, and the fact that we own only one roasting plant and interruption to our only roasting plant may cause significant disruption to our roasting operation. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of this Report. Readers should carefully review this Report in its entirety, including but not limited to our financial statements and the notes thereto. Except for our ongoing obligations to disclose material information under Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events.

ITEM 2 MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

For the nine months ended January 31, 2016, our sales from fresh roasted coffee decreased by 5.4%, which is inconsistent with growth in revenue we experienced for the year ended April 30, 2015. We expect the decrease to be temporary in nature as we work through the management changes reported in our previous quarter. News sales initiatives have been introduced and expectations are for this to result in a return to our previously established revenue growth trend. Chinese consumers are now choosing coffee more by its origin country and flavor, rather than by brand, which is similar to the current trend of coffee consumption habits in Western countries. In China, the expanding coffee culture and the popularity of coffee shops in bigger cities is increasing the awareness and sale of fresh roasted coffee. Supplying gourmet, artisan roasted, coffees, fresh from our roaster located in Huzhou, positions us well in Shanghai to participate in the development and evolution of this new coffee drinking culture in all of China. Fresh, artisan roasted coffee is only available at a limited number of premium food service establishments. The opening of new coffee cafes and fast food restaurants has increased coffee sales in China due to the adoption of modern lifestyles and affluence within the country. The evolution in the taste and buying habits of Chinese consumers is creating opportunities for the continued development of a robust coffee market which bodes well for the Company’s future revenue growth.

Review of Operations

Sales for the nine months ended January 31, 2016 and 2015 were $255,882 compared to $270,572. The decrease of approximately 5.4% is attributable to a decrease in sales volume to existing and new wholesale customers. Cost of sales were $176,729 and $175,890, respectively, and our gross profits for the nine months ended January 31, 2016 and 2015, were $79,153 (31% of sales) $94,682 (35% of sales). The gross margin changes are due to the increased cost of sales resulting from increased raw coffee prices during the period while the occupancy costs remained at same level. Our general and administrative expenses were $872,793 and $615,164 during the nine months ended January 31, 2016, and 2015.

Our operating expenses for the nine months ended January 31, 2016 and 2015 were $897,062 and $634.939. The increase of $257,629 were mainly due to higher office and administration costs and shares issued at a fair market value of $540,500 for services which were comprised with $342,500 for management and director fees, $6,000 for wages & benefits, $107,000 for consulting fees and $85,000 for legal fees. Our marketing expenses were $24,222 and $19,775 during the nine months ended January 31, 2016 and 2015. Our losses for the nine months ended January 31, 2016 and 2015 were $1,305,252 and $540,257, respectively. Consequently, our accumulated loss to January 31, 2015 was $9,172,730.

Liquidity and Capital Resources

Provided below is selected financial data about us for the periods ended January 31, 2016 and April 30, 2015. Our financial statements and notes thereto are included in this Report under "Financial Statements".

		January 31, 2016		April 30, 2015
Cash	$	30,270	$	85,665
Total assets	$	141,984	$	286,277
Total liabilities	$	1,233,749	$	1,067,286
Stockholders' equity	$	(1,091,765)	$	(781,009)

As of January 31, 2016, we had $30,270 in cash, receivables of $50,600 and inventory of $7,136, while our accounts payable and accruals were $101,821 and due to related parties amount was $563,163 and the net value of our machinery, plant and equipment was $50,286. Our paid in capital was $8,028,775, and stockholders' equity was ($1,091,765). Since our inception on March 27, 2009, we have incurred an accumulated deficit of $9,172,730 and other comprehensive income from currency translations of $2,596.

As of April 30, 2015, we had $85,665 in cash, receivables of $78,551, inventory of $58,150 and prepaid expenses of $9,004, while our accounts payable and accruals were $240,334, loans from related parties were $772,952 and we had a convertible note payable of $54,000. The net value of our machinery, plant and equipment was $54,907. Our paid in capital was $7,057,409 and shareholders' equity deficit was $781,009. We incurred accumulated losses of $7,867,478 and our other comprehensive loss from currency translations was $5,731 as of April 30, 2015.

During the period ended January 31, 2016, we financed our operations by selling shares of common stock and issued convertible promissory note. Our ability to continue with our business is subject to our ability to continue generating additional revenue and obtaining equity financing for working capital. To fund our ongoing operations, we may be forced to find alternate sources of financing, which at this time cannot be assured.

As of the date of this Report, we have not incurred any coffee-related research and development expenses and do not plan to incur any research or development expenses in the future.

Going Concern

Our consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. We have incurred material recurring losses from operations. As of January 31, 2016, we had an accumulated deficit, limited cash and unprofitable operations. These factors, among others, indicate that we may be unable to continue as a going concern for a reasonable period of time. Our financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that may be necessary should we be unable to continue as a going concern. Our continuation as a going concern is contingent upon our ability to obtain additional financing and to generate revenue and cash flow to meet our obligations on a timely basis. Any failure to generate revenue and profits will raise substantial doubt about our ability to continue as a going concern. We plan to retain any cash we earn in order to develop our business.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies & Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make a variety of estimates and assumptions that affect (1) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and (2) the reported amounts of revenues and expenses during the reporting periods covered by the financial statements. Our management routinely makes judgments and estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the future resolution of the uncertainties increases, these judgments become even more subjective and complex. Although we believe that our estimates and assumptions are reasonable, actual results may differ significantly from these estimates. Changes in estimates and assumptions based upon actual results may have a material impact on our results of operations and/or financial condition. We have identified certain accounting policies that we believe are most important to the portrayal of our current financial condition and results of operations. Our significant accounting policies are disclosed in Note 4 to the financial statements included in this Report.

Revenue Recognition

We derive our revenue from the sale of roasted coffee. Revenue is recognized when persuasive evidence of an arrangement exists, delivery occurs, the sales price is fixed or determinable and collectability is reasonably assured. Coffee is considered delivered when title and risk have been transferred to the customer. Retail sales are recorded when payment is tendered at point of sale. Wholesale sales are recorded upon delivery of coffee to the customers.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided using the straight-line or accelerated methods over the estimated useful lives of the assets. The useful lives of property, plant and equipment for purposes of computing depreciation are five to ten years for equipment. We evaluate the recoverability of property and equipment when events and circumstances indicate that such assets might be impaired. We determine impairment by comparing the undiscounted future cash flows estimated to be generated by these assets to their respective carrying amounts. Maintenance and repairs are expensed as incurred. Replacements and betterments are capitalized. The cost and related reserves of assets sold or retired are removed from the accounts, and any resulting gain or loss is reflected in results of operations.

Receivables

Trade accounts receivable are recorded at the net realizable value and do not bear interest. No allowance for doubtful accounts was made during period based on management’s best estimate of the amount of probable credit losses in existing accounts receivable. We evaluate our allowance for doubtful accounts based upon knowledge of our customers and their compliance with credit terms. The evaluation process includes a review of customers’ accounts on a regular basis. The review process evaluates all account balances with amounts outstanding for 60 days and other specific amounts for which information obtained indicates that the balance may be uncollectible. As at January 31, 2016 and April 30, 2015, there was no allowance for doubtful accounts. We do not have any off-balance-sheet credit exposure related to our customers.

ITEM 3 QUANTITAIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4 CONTROL AND PROCEDURES

Evaluation of Controls and Procedures

We evaluated the effectiveness of our disclosure controls and procedures, as required by paragraph (b) of Rule 13a-15 or Rule 15d-15 under the Exchange Act, as of the end of the period covered by this Report, being January 31, 2016. This evaluation was conducted with the participation of our principal executive officer and our principal accounting officer.

Disclosure controls are those controls and other procedures designed to ensure information we are required to disclose in the reports we file pursuant to the Exchange Act is correctly recorded, processed, summarized and reported. We maintain a system of internal accounting controls that is designed to provide reasonable assurance assets are safeguarded and transactions are executed and properly recorded in accordance with management's authorization. This system is continually reviewed and augmented by written policies and procedures, the careful selection and training of qualified personnel and an internal audit program to monitor its effectiveness.

Our management does not expect our disclosure controls or our internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance the objectives of a control system are met. Further, any control system reflects limitations on resources, and the benefits of a control system must be considered relative to its costs. These limitations also include the realities that judgments in decision-making can be faulty and breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of a control. A design of a control system is also based upon certain assumptions about potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Changes in Internal Control over Financial Reporting

Based upon their evaluation of our controls over financial reporting, as required by paragraph (d) of Rule 13a-15 or Rule 15d-15 under the Exchange Act, our principal executive officer and principal accounting officer have concluded that our disclosure controls are, and will be, effective in providing reasonable assurance that material information relating to us is accumulated and communicated to management, including our principal executive and principal financial officer(s), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. There were no changes in our internal controls that occurred during the quarter covered by this Report that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

PART II - OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

As of the date of this Report, there is no litigation pending or threatened by or against us. However, from time to time we may be subject to legal proceedings and claims in the ordinary course of business. Such claims, even if not meritorious, would result in the expenditure by us of significant financial and managerial resources.

ITEM 1A RISK FACTORS

Not applicable.

ITEM 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On August 24, 2015, we issued 4,00,000 restricted shares of common stock to an officer and director of the Company pursuant to a management agreement dated at a fair market price of $0.06 per share as payment for management fees. Total value of the services, valued at the fair market price, was $240,000. For the period ended January 31, 2016, $240,000 was expensed as management fees. The shares were issued with a restrictive legend, and the shares are exempt from registration as contained in Section 4(2) of the Securities Act based upon the fact that the shares were issued in a private transaction to a director of the Company.

On August 24, 2015, we issued 1,1,00,000 restricted shares of common stock to a director and two employees of the Company at a fair market price of $0.06 per share as payment for management fees. Total value of the services, valued at the fair market price, was $66,000. For the period ended January 31, 2016, $66,000 was expensed as management fees. The shares were issued with a restrictive legend, and the shares are exempt from registration as contained in Section 4(2) of the Securities Act based upon the fact that the shares were issued in a private transaction to a director and two employees of the Company.

On August 28, 2015, the Company in lieu of cash payment issued 3,542,857 shares of the Company's common stock as payment in full for the outstanding debts of $248,000 owed to the former director and the chief executive officer. The shares were issued at the fair market price of $0.07 per share, being the closing stock price at August 28, 2015. The shares were issued with a restrictive legend and in reliance on an exemption from registration under Regulation S of the Securities Act.

On September 10, 2015, we issued 500,000 restricted shares of common stock to a consultant of the Company at a fair market price of $0.085 per share as payment for consulting fees. Total value of the services, valued at the fair market price, was $42,500. For the period ended January 31, 2016, $42,500 was expensed as consulting fees. The shares were issued with a restrictive legend, and the shares are exempt from registration as contained in Section 4(2) of the Securities Act based upon the fact that the shares were issued in a private transaction and are exempt from registration as contained in Section 4(2) of the Securities Act.

On October 5, 2015, the Company issued 200,000 restricted shares of common stocks to Carter, Terry & Company valued at $0.11 per share. For the period ended January 31, 2016, $22,000 was expensed as consulting fees.

On October 20, 2015, the Company issued two convertible promissory notes with same terms in a total amount of $210,000 with a discount of 5%. The proceeds of $200,000 of the note were not received until October 23, 2015. The note is due together with any interest on April 19, 2015 (the "Maturity Date"). The Company has to pay interest on the unpaid principal balance of the note at the rate of 10% per annum from October 23, 2015 until the Maturity Date. The outstanding principal and interest at 120% may be redeemed within 90 days of closing and 130% after 90 days. The conversion price shall equal, subject to equitable adjustments for stock splits, stock dividends or rights offerings by the Company, 61% of the lowest daily volume weighted average price ("VWAP") of the common stock during the 15 trading days prior to the conversion date.

The note was issued in reliance on an exemption from the registration requirements of Rule 506 of Regulation D under the Securities Act. The cash proceeds of was used for general working capital.

Stock Repurchase

We do not have any stock repurchase plan.

ITEM 3 DEFAULT UPON SENIOR SECURITIES

None.

ITEM 4 MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 OTHER INFORMATION

Alexander Liang resigned as a director of DTS8 Coffee Company, Ltd. ("Company") effective February 22, 2016. The form 8-K report was filed. Douglas Thomas, the sole director, serves as the Chairman, Chief Executive Officer, President and Chief Financial Officer.

As of the date of this Report, our management is unaware of any additional information to be reported on Form 8-K during the quarters ended January 31, 2016.

No material changes were made to the procedures by which security holders may recommend nominees our board of directors.

ITEM 6 EXHIBITS

Exhibit Number	Description	
3.1	Articles of Incorporation	Previously filed
3.2	Bylaws	Previously filed
14.1	Code of Conduct	Previously filed
31	Section 302 Certification	Included
32	Section 906 Certification	Included
101.INS*	XBRL Instance	Included
101.SCH*	XBRL Taxonomy Extension Schema	Included
101.CAL*	XBRL Taxonomy Extension Calculation	Included
101.DEF*	XBRL Taxonomy Extension Definition	Included
101.LAB*	XBRL Taxonomy Extension Labels	Included
101.PRE*	XBRL Taxonomy Extension Presentation	Included

* XBRL Information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DTS8 COFFEE COMPANY, LTD.

By: *[/s/ Douglas Thomas]*
Douglas Thomas
President, Chief Executive Officer,
Chief Financial Officer, Treasurer, Secretary and Director
(Principal Executive Officer, Principal Financial Officer
and Principal Accounting Officer)
Date: March 16, 2016