SIPP INDUSTRIES, INC.

QUARTERLY REPORT

September 30, 2017

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ITEM 1 – NAME OF THE ISSUER AND ITS PREDECESSORS

The Company was incorporated as First Canadian Financial Corporation under the laws of British Columbia on July 21, 1993. On January 12, 1995, the Company changed its name to Promax Communications, Inc. On April 19, 2007, the Company was re-domiciled in the State of Nevada and changed its name to SIPP Industries, Inc.

ITEM 2 – ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES

600 Anton Blvd
Suite 1100
Costa Mesa, CA 92626

Email: info@sippindustries.com
Website: www.sippindustries.com

ITEM 3 – SECURITIES INFORMATION

CUSIP	784276 20 6
Par value	$0.001
Trading symbol	SIPC

PREFERRED STOCK

Shares Authorized	10,000,000	Preferred Class A
Shares Outstanding	0	As of November 15, 2017

COMMON STOCK

Shares Authorized	888,000,000	
Shares Outstanding	268,690,822	As of November 15, 2017
Non-Restricted	220,737,318	As of November 15, 2017
Shareholder of Record	713	

Transfer Agent
Interwest Transfer Company
1981 Murray Holiday Road
Suite 100
Salt Lake City, UT 84117

Interwest Transfer Company is registered under the Exchange Act.

There are no restrictions on the transfer of securities.

There are no trading suspension orders issued by the SEC in the past 12 months.

ITEM 4 - ISSUANCE HISTORY

On September 11, 2014 the Company issued 10,000,000 shares of its Common stock as a payment of $10,000 against its outstanding debt.

On November 11, 2014 the Company issued 25,000,000 shares of its Common stock as a payment of $5,000 against its outstanding debt.

On November 11, 2015 the Company issued 50,000,000 shares of its Common stock as a payment of $10,000 against its outstanding debt.

On March 30, 2016 the Company issued 2,000,000 shares of its Common stock as compensation to two consultants.

On April 11, 2016 the Company issued 1,666,667 shares of its Common stock to an officer of the Company in exchange for $5,000 through a stock purchase program.

On April 11, 2016 the Company issued 1,166,667 shares of its Common stock to a consultant of the Company in exchange for $3,500 through a stock purchase program.

On April 12, 2016 the Company issued 500,000 shares of its Common stock to acquire certain intellectual properties for the equine hemp market.

On April 15, 2016 the Company issued 25,000,000 shares of its Common stock as a payment of $5,000 against its outstanding debt.

On April 29, 2016 the Company issued 1,000,000 shares of its Common stock to an officer of the Company in exchange for $5,000 through a stock purchase program.

On April 29, 2016 the Company issued 1,000,000 shares of its Common stock to a consultant of the Company in exchange for $5,000 through a stock purchase program.

On August 12, 2016 the Company issued 5,333,333 shares of its Common stock as compensation to two consultants.

On October 12, 2016 the Company cancelled 395,000,000 shares of its Common stock and 1,000,000 shares of its Preferred stock.

On January 23, 2017 the Company issued 8,000,000 shares of its Common stock as compensation to two consultants.

On February 6, 2017 the Company issued 15,000,000 shares of its Common stock as a payment of $3,000 against its outstanding debt.

On March 29, 2017 the Company issued 15,000,000 shares of its Common stock as a payment of $3,000 against its outstanding debt.

ITEM 5 – FINANCIAL STATEMENTS

The financial statements are incorporated herein by reference and located on page 8 of this annual report.

Comparison of the three months ended September 30, 2017 to three months ended September 30, 2016

Revenue

The revenues for the three months ended September 30, 2017 was $6,061 compared to $32,827 for the three months ended September 30, 2016. The decrease in revenues was primarily due to lesser beer sales while the distributor sold through its existing inventory.

Operating Expenses

The operating expenses for the three months ended September 30, 2017 was $2,329 compared to $6,752 for the three months ended September 30, 2016.

Net Income

As a result of the above, the net operating income for the three months ended September 30, 2017 was $2,382 compared to a net income of $259 for the three months ended September 30, 2016.

Comparison of the nine months ended September 30, 2017 to nine months ended September 30, 2016

Revenue

The revenues for the nine months ended September 30, 2017 was $46,316 compared to $63,611 for the nine months ended September 30, 2016. The decrease in revenues was primarily due to lesser beer sales while the distributor sold through its existing inventory.

Operating Expenses

The operating expenses for the nine months ended September 30, 2017 was $26,318 compared to $28,847 for the nine months ended September 30, 2016.

Net Income (Loss)

As a result of the above, the net operating income for the nine months ended September 30, 2017 was $2,823 compared to a net loss of $13,833 for the nine months ended September 30, 2016.

Liquidity and Capital Resources

The net cash used in operating activities for the nine months ended September 30, 2017 was $16,820 compared to the net cash used of $17,219 for the same period ended September 30, 2016. The net cash used by financing activities for the nine months ended September 30, 2017 was $6,000 compared to the net cash provided of $22,500 for the same period ended September 30, 2016.

For the nine months ended September 30, 2017, we had a negative cash flow of $22,820 compared to a positive cash flow of $5281 for the nine months ended September 30, 2016.

ITEM 6 – ISSUER'S BUSINESS, PRODUCTS, AND SERVICES

The Company was incorporated as First Canadian Financial Corporation under the laws of British Columbia on July 21, 1993. On January 12, 1995, the Company changed its name to Promax Communications, Inc. On April 19, 2007, the Company was re-domiciled in the State of Nevada and changed its name to SIPP Industries, Inc.

The Company distributes espresso/cappuccino machines with a variety of distributors. The distributors place the machines in various businesses and retail stores for use by employees and customers. The machines are an added value for the business because it allows them to offer an enhanced experience for the customer or employee.

On July 29, 2014, the Company had a change of control and as a result, discontinued its beverage businesses by divesting its Spectre Brands and Cafelinos subsidiaries.

The Company is now a multifaceted corporation that specializes in technology, import export and distribution of commercial and consumer products.

On September 16, 2014, the Company acquired KCN Capital, LLC., a firm that specializes in capital formation, acquisition and distribution of consumer products.

On December 9, 2015, the Company acquired Major Hemp LLC, forming a wholly owned subsidiary to specialize in industrial hemp and to provide bulk hemp, Cannabidiol (CBD) supply, co-packing and private labeling services.

The Company currently market and sell a line of Advanced Plasma Lighting solutions for indoor horticulture applications as well as hemp ingredients, CBD supply, co-packing and private labeling services for hemp related products.

On July 26, 2016, the Company filed Equine Hemp with the United States Patent and Trademark Office. The Equine Hemp™ is protected under International Class 031: Agricultural, horticulture and forestry products and grains not included in other classes; living animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals, malt.

On August 29, 2016, the Company divested KCN Capital, LLC and formed SippiCo, LLC as its wholly owned subsidiary. SippiCo will provide corporate and consulting services as well as products and services that complement Major Hemp.

In October 2016, the Company formed a partnership with Sleeping Giant Brewing Company to contract brew a hemp beer, Major Hemp Brown Ale. The Ale is currently being sold as draft in nearly forty locations in Colorado.

The Company has been working exclusively with a distributor in Colorado to market and sell its Major Hemp Brown Ale as a proof of concept. The feedback has been favorable. Therefore, the Company has initiated a partnership with a craft brewery in San Diego, California to contract brew its Major Hemp Brown Ale for mass distribution. In addition to selling as draft, Major Hemp Brown Ale will also be sold in bottles and cans. The Company will form partnerships with numerous distributors nationwide to market and sell its current and future beers.

On September 25, 2017, the Company signed a stock swap agreement with Wanderport Corporation whereby the Company will receive 25,000,000 restricted common shares of Wanderport Corporation in exchange for 25,000,000 restricted common shares of Sipp Industries.

The Company primary SIC code is 3580.

The Company's fiscal year end date is December 31.

ITEM 7 - ISSUER'S FACILITIES

The Company currently leases two offices located at 600 Anton Blvd, Suite 1100 Costa Mesa, CA 92626 and 1745 Shea Center Drive, 4th Floor Highlands Ranch, CO 80123. The Company does not own or have any mortgages on these or any other facilities.

ITEM 8 – OFFICERS, DIRECTORS, AND CONTROL PERSONS

A. As of September 30, 2017, Syman Vong was the Chief Executive Officer and director and Thu Pham was a director of the Company.

B. There is no current or pending legal/disciplinary action against the Company as of September 30, 2017.

C. N/A

ITEM 9 – THIRD PARTY PROVIDERS

<u>Legal Counsel</u>
Lanham & Lanham, LLC
Attorney Escrow
28562 Oso Parkway, Unit D
Rancho Santa Margarita, CA 92688
PH: (949) 933-1964

ITEM 10 – ISSUER CERTIFICATION

I, Syman Vong, certify that:

1. I have reviewed this Quarterly Report of Sipp Industries, Inc.

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: November 15, 2017

/s/ Syman Vong
Syman Vong
Chief Executive Officer
Principal Financial Officer

SIPP INDUSTRIES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED BALANCE SHEET
(UNAUDITED)

	For the Nine Months Ended Sept 30, 2017		For the Period Ended December 31, 2016	
ASSETS				
Current Assets				
Cash and cash equivalents	$	9,552	$	32,372
Accounts Receivable	$	1,725	$	21,194
Other Receivable	$	-	$	-
Inventory	$	2,880	$	820
Total Current Assets	$	14,157	$	54,386
Fixed Assets	$	278,625	$	278,625
Total Assets	$	292,782	$	333,011
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current Liabilities				
Accounts Payable and Accrued Liabilities	$	883	$	15,358
Other Payables	$	-	$	-
Due to Associated Company	$	-	$	-
Total Current Liabilities	$	883	$	15,358
Long Term Liabilities - Convertible Promissory Note	$	75,680	$	81,680
Total Liabilities	$	76,563	$	97,038
Stockholders' Equity				
Common stock - $0.001 par value; 888,000,000 shares authorized; 268,690,822 shares issued and outstanding	$	268,691	$	230,691
Preferred Stock - $0.001 par value; 10,000,000 shares authorized; 0 shares issued and outstanding	$	-	$	-
Additional paid-in capital	$	1,554,502	$	1,615,079
Deficit accumulated during development stage	$	(1,606,974)	$	(1,609,797)
Total Stockholders' Equity	$	216,219	$	235,973
Total Liabilities and Stockholders' Equity	$	292,782	$	333,011

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

SIPP INDUSTRIES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED STATEMENT OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended		For the Nine Months Ended	
	Sept 30, 2017	Sept 30, 2016	Sept 30, 2017	Sept 30, 2016
Revenues				
Sales	$ 6,061	$ 32,827	$ 46,316	$ 63,611
Cost of revenues	$ 1,350	$ 25,816	$ 17,175	$ 48,597
Gross Profit	$ 4,711	$ 7,011	$ 29,141	$ 15,014
Operating Costs and Expenses				
General & administrative expenses	$ 2,329	$ 6,550	$ 26,318	$ 28,645
Selling Expense	$ -	$ 202	$ -	$ 202
Total Operating Costs and Expenses	$ 2,329	$ 6,752	$ 26,318	$ 28,847
Net Income (Loss)	$ 2,382	$ 259	$ 2,823	$ (13,833)
Basic and diluted loss per common share	$ 0	$ 0	$ 0	$ (0)
Basic and diluted weighted average				
Common shares outstanding	268,690,822	625,690,822	268,690,822	625,690,822

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

SIPP INDUSTRIES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED STATEMENT OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
OPERATING ACTIVITIES				
Cash Flows from Operating Activities				
Net Income (Loss)	$	2,823	$	(13,833)
Adjustments to Cash Flows from Operating Activities				
Accounts payable	$	-	$	15,358
Accounts receivable	$	(1,725)	$	(13,694)
Depreciation of fixed activities	$	-	$	-
Other	$	(17,918)	$	(5,050)
Net Cash Provided (Used) From Operating Activities	$	(16,820)	$	(17,219)
INVESTING ACTIVITIES				
Capital expenditures	$	-	$	-
Net Cash Provided in Investing Activities	$	-	$	-
FINANCING ACTIVITIES				
Paid-in-capital	$	-	$	-
Convertible debt	$	(6,000)	$	4,000
Issuance of capital stock	$	-	$	18,500
Net Cash Provided (Used) for Financing Activities	$	(6,000)	$	22,500
Net change in cash	$	(22,820)	$	5,281
Cash, beginning of period	$	32,372	$	85
Cash, end of period	$	9,552	$	5,366

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

SIPP INDUSTRIES, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2017
(UNAUDITED)

NOTE 1 - GENERAL ORGANIZATION AND BUSINESS ISSUES

The Company was incorporated as First Canadian Financial Corporation under the laws of British Columbia on July 21, 1993. On January 12, 1995, the Company changed its name to Promax Communications, Inc. On April 19, 2007, the Company was re-domiciled in the State of Nevada and changed its name to SIPP Industries, Inc.

The company announced in Q1 2011 that it has finalized a merger with a specialty liquor company – Specialty Spirits Imports, Inc. which is authorized to license private label liquors and wines. This becomes a wholly owned subsidiary of Sipp Industries Inc.

In April 2012, the company has commenced operations under the brand name Cafelinos of selling franchises businesses providing a unique system for specialized coffee and bistro deployment for a variety of businesses.

On July 29, 2014, the Company had a change of control and discontinued its beverage businesses by divesting its Spectre Brands and Cafelinos subsidiaries.

The Company is now a conglomerate corporation that specializes in technology, import export and distribution of commercial and consumer products.

On September 16, 2014, the Company acquired KCN Capital, LLC., a firm that specializes in capital formation, acquisition and distribution of consumer products.

On December 9, 2015, the Company acquired Major Hemp LLC, forming a wholly owned subsidiary to specialize in industrial hemp and to provide bulk hemp, Cannabidiol (CBD) supply, co-packing and private labeling services.

On August 29, 2016, the Company divested KCN Capital, LLC and formed SippiCo, LLC as its wholly owned subsidiary. SippiCo will provide complementary products and services that are not necessary hemp related.

The Company currently market and sell a hemp beer, Major Hemp Brown Ale, as well as hemp ingredients, CBD supply, co-packing and private labeling services for hemp related products.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Accounting policies and procedures are listed below. The company will be adopting a December 31 year end effective with the 2010 year.

Accounting Basis

We have prepared the consolidated financial statements according to generally accepted accounting

Principles (GAAP).

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less as cash equivalents. As of September 30, 2017 the company had no cash or cash equivalent balances in excess of the federally insured amounts. The Company's policy is to invest excess funds in only well capitalized financial institutions.

Earnings per Share

The Company adopted the provisions of SFAS No. 128, "Earnings per Share." SFAS No. 128 requires the presentation of basic and diluted earnings per share ("EPS"). Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS includes the potential dilution that could occur if options or other contracts to issue common stock were exercised or converted.

The Company has not issued any options or warrants or similar securities since inception.

Stock Based Compensation

As permitted by Statement of Financial Accounting Standards ("SFAS") No. 148, "Accounting for Stock-Based Compensation--Transition and Disclosure", which amended SFAS 123 ("SFAS 123"), "Accounting for Stock-Based Compensation", the Company has elected to continue to follow the intrinsic value method in accounting for its stock-based employee compensation arrangements as defined by Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees", and related Interpretations including "Financial Accounting Standards Board Interpretations No. 44, Accounting for Certain Transactions Involving Stock Compensation", and interpretation of APB No. 25. At December 31, 2014 the Company has not formed a Stock Option Plan and has not issued any options.

Dividends

The Company has adopted a policy regarding the payment of dividends. Dividends may be paid to shareholders once all divisions are fully operational and profitable. The Board may also pay dividends to counter any short selling or undermining of the entity. See Note 1.

Fixed Assets

Fixed assets are carried at cost. Depreciation is computed using the straight-line method of depreciation over the assets' estimated useful lives. Maintenance and repairs are straight-line method of depreciation over the assets' estimated useful lives. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of fixed assets are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in income.

Income Taxes

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the period in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

Advertising

Advertising is expensed when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Goodwill

Goodwill is created when we acquire a business. It is calculated by deducting the fair value of the net assets acquired from the consideration given and represents the value of factors that contribute to greater earning power, such as a good reputation, customer loyalty we assess goodwill of individual subsidiaries for impairment in the fourth quarter of every year, and when circumstances indicate that goodwill might be impaired.

NOTE 3 – ACCOUNT RECEIVABLE AND INVENTORY

On July 29, 2014, the Company divested its Spectre Brands and Cafelinos subsidiaries. As part of the divestiture, $456,700 in receivable and $1,200,000 in inventory were removed from the Company's current assets.

NOTE 4 – ACCOUNTS PAYABLE AND LIABILITIES

As part of the divestiture of the Spectre Brands and Cafelinos subsidiaries, $860,224 in accounts payable, $621,148 in other payables and $75,000 in payable to associated company were eliminated from the Company's total current liabilities.

NOTE 5 - GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company had a net income for the three months ended September 30, 2017 of $2,382. As of September 30, 2017 the Company had current and total liabilities of $76,563 compared to the current and total liabilities of $97,038 at December 31, 2016. At September 30, 2017 total assets were $292,782 of which $9,552 were liquid assets compared to period ended December 31, 2016 where total assets were $333,011 of which $32,372 were liquid assets. At nine months ended September 30, 2017, the Company has an accumulated income of $2,823 and has an accumulated deficit of $1,606,974 compared to an accumulated loss of $13,833 for the same period ended September 30, 2016 and an accumulated deficit of $1,609,797 at December 31, 2016. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 6 - RECENTLY ISSUED ACCOUNTING STANDARDS

Management does not believe that any recently issued but not yet adopted accounting standards will have a material effect on the Company's results of operations or on the reported amounts of its assets and liabilities upon adoption.

NOTE 7 - SHAREHOLDERS' EQUITY

Common Stock

The Company is authorized to issue 888,000,000 shares of Common stock. As of November 15, 2017, there were 268,690,822 shares of Common stock issued and outstanding.

NOTE 8 - PROVISION FOR INCOME TAXES

The Company provides for income taxes under Statement of Financial Accounting Standards NO. 109, Accounting for Income Taxes. SFAS No. 109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

SFAS No. 109 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable.