



Sugarmade Continues Consolidation with CarryOutSupplies - Begins Shipments to New Customers

San Francisco, Calif. / ACCESSWIRE / August 4, 2014 / Sugarmade, Inc.

(OCTQB:SGMD), a marketer and distributor of sustainable tree-free paper and high quality paper products for the restaurant industry, today provides an update to its investors relative to the recent merger with CarryOutSupplies.com, including the following:

Corporate Integration - The Company is finalizing plans to move its corporate headquarters from San Francisco to City of Industry, CA, which is just outside of Los Angeles. Management has begun the process of financial integration recently reengaging the West Coast's largest audit firm, Anton & Chai, LLP. Additionally, it has enhanced its accounting department's staff to ensure future Securities & Exchange Commission filing are completed in a timely manner.

Working Capital and Capital Structure – The Company has recently received capital and commitments well in excess of the recently announced \$600,000 to fund working capital for operations. The Company expects a post-merger total outstanding share count of approximately 160 million with only 2.1 million of these shares free trading and in the public float. The remaining 157.9 million shares are restricted.

Customer Shipments – Revenues peak for CarryOutSupplies.com's business during the summer months as frozen yogurt and ice cream-oriented establishments order product to meet peak yearly demand. Bookings for this peak season continue as expected.

New Branding for Sugarmade Paper – The Company has completed new packaging for its tree free, bagasse and bamboo-based copy paper and plans to introduce this new branding as the already completed manufacturing run is packaged and shipped to the U.S.

New Customers – CarryOutSupplies.com has begun shipments to one of the most well established frozen yogurt franchise chains in California with CarryOutSupplies.com products now shipping to more than 50 new franchise locations.

Mr. Jimmy Chan, President of CarryOutSupplies.com commented, "We expect this merger with Sugarmade to have a hugely positive effect on our business. We are especially excited about the financial flexibility we have gained that will enable us to further expand our revenue base. For a considerable amount of time the amount of business we could

book was constrained by the financing available to us. With this new corporate structure we are expecting our financing costs to be significantly reduced, which will allow us to meaningfully accelerate our revenue potential. CarryOut has very strong offerings for the fast food and take out restaurant industries and with the corporate and financial strength we gain from Sugarmade we believe our prospect are very strong."

About Sugarmade, Inc.

Each year approximately 4 billion trees worldwide are cut down to make paper. At Sugarmade we believe that is 4 billion trees too many. Sugarmade paper is 100% tree-free and made of bagasse, a residual by-product of sugarcane, and bamboo, both rapidly renewable resources. The paper is acid free and is 100% compostable and recyclable. Products include printing, writing and copy paper, among other items, which Sugarmade has begun marketing in the United States and intends to market on a global basis. Based in California., Sugarmade ensures superior quality through rigorous testing by nationally recognized testing organizations. Sugarmade paper can be purchased online at [Officemax.com](http://www.officemax.com) or at <http://www.officemax.com/office-supplies/paper/copy-multipurpose-paper/product-prod3450808>.

About CarryOut Supplies.Com

CarryOutSupplies.com is a producer and wholesaler of custom printed and generic takeout supplies. CarryOut, which services more than 3,000 takeout establishments, restaurants and other food service operators, is headquartered at 167 N Sunset Ave, City of Industry, CA 91744, with two additional warehouse locations in Southern California. Additional information on the company can be viewed at www.CarryOutSupplies.com.

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SOURCE: Sugarmade, Inc.