



Restructured Terms of Carryout Acquisition Result in Significantly Less Shareholder Dilution - Board of Directors Ratifies Acquisition

CITY OF INDUSTRY, Calif., Oct. 28, 2014 /PRNewswire/ -- Sugarmade, Inc. (SGMD), the marketer of environmentally friendly copy and office paper made from sugarcane waste and bamboo, today announces its new board of directors has ratified its acquisition of CarryOutSupplies.com of City of Industry, California, a producer and wholesaler of custom printed and generic paper products to more than 2,000 takeout restaurant establishments. During calendar 2013, CarryOut had revenues in excess of \$9 million. With future cross selling of products, expansion of the sales and market staffs and an improved balance sheet, management believes it can significantly grow revenues over the coming years.

Under the revised terms of the acquisition, upon ratification by the board of directors, there were approximately 78 million shares of Sugarmade common stock outstanding. The Company had originally announced there would be a total of 160 million shares outstanding as of the closing of the merger. As the terms of the agreement were restructured, fewer shares needed to be issued, resulting in less shareholder dilution. Assuming CarryOut reaches predefined revenue goals over the coming months, up to an additional 36 million common shares will be issued, yielding a total outstanding share count of approximately 114 million. Of these shares, only approximately 2.2 million are currently in the public float with the vast majority of the remaining shares held in certificate form and being subject to selling restrictions. All current and former officers and directors hold restricted shares and will be subject to normal volume and trading limitations.

The Company's new board of directors will consist of Jimmy Chan, founder and President of CarryOut, Waylon Huang, CarryOut's general manager, and Clifton Leung, a current director. Mr. Chan will become the organization's CEO, replacing Mr. Leung.

Mr. Jimmy Chan, commented, "We are very excited about our future and believe the combination of Sugarmade's environmentally-friendly paper with our current business

operations represented by a base of over 2,000 customers will provide strong synergies as we move forward. As we recently announced, we are in process of analyzing additional acquisitions to further improve our growth prospects. I recently returned from an extensive trip to Asia to further these goals. We expect to provide our investors with additional information regarding these over the coming weeks. In the meantime, with the acquisition now behind us we plan to fully integrate our operations in order to grow our revenues and maximize shareholder value."

About Sugarmade, Inc.

Each year approximately four billion trees worldwide are cut down to make paper. At Sugarmade we believe it is four billion trees too many. Sugarmade paper is made of bagasse, a residual by-product of sugarcane, and bamboo, both rapidly renewable resources. 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 2,000 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. Information on the company can be viewed at <http://www.carryoutsupplies.com/>.

For media and press or investor inquiries, please contact the Company at info@SugarMade.com.