



Sugarmade Outlines Corporate Changes to Facilitate Becoming One of World's Largest Publicly Traded Cannabis Supply Company

City of Industry, Calif., December 28, 2017 - Sugarmade, Inc. (OTCQB:SGMD) today outlines the steps being taken to modify its corporate operations as it becomes one of the world's largest publicly traded supplier to the growing cannabis industry.

Mr. Jimmy Chan, CEO of Sugarmade, commented, "We are taking decisive action to modify our operations in order to prepare for the huge increase in business we are expecting. Growing a business infrastructure capable of expanding by more 500% during 2018 is certainly a challenge, but we have already begun the process. We will be providing detailed revenue guidance for the full year 2018 over the next few weeks. All of us at Sugarmade are looking forward to growing with the industry over the coming years. Below, are the steps we are implementing in order to prepare to meet this grow challenge."

- Personnel Expansion – Sugarmade's top priority is to recruit highly experienced accounting and financial personal. To this end, last week, the Company made an offer for employment to a highly skilled individual who would become Sugarmade's Chief Financial Officer. Other staff positions have already been enhanced and several new mid-level accounting and financial specialists are being actively recruited.
- Office Space – Sugarmade plans to move its headquarters location to a more suitable building with enough space to house all staff members. The Company plans to remain in the greater Los Angeles area to accommodate its current staff, all of which are being retained, and the many business partners located near the current City of Industry location.
- Warehouse Consolidation – The Company plan to begin the process of warehouse consolidations to improve the logistical process and to further reduce associated costs. It is likely much of the new warehouse space will be located in close proximity to new office space that will be utilized.

Sugarmade recently announced to its investors and to the growing cannabis marketplace, the creation of becoming one of the industry's largest publicly traded cannabis and hydroponics supply company. Sugarmade has completed a master market agreement with industry leader, BizRight Hydroponics, Inc., a leading marketer and manufacturer of cannabis and hydroponic growth supplies, which offers a range of hydroponics-related products including: HPS grow lights, electronic ballasts, HPS bulbs, nutrient mixes, environmental control products, pH measurement and calibration solutions and other cannabis-related grow and storage products. BizRight operates the ZenHydro.com website and other e-commerce properties, and sells various products to distributors and retailers. BizRight is expected to produce in excess of \$30 million in revenues during 2017, with substantial growth expected for 2018.

Please reference the recent full disclosure regarding this agreement recently filed by Sugarmade, which is available at www.sec.gov. Additional information can be seen at www.Sugarmade.com and www.Zenhydro.com



About Sugarmade, Inc. (OTCQB:SGMD)

Sugarmade, Inc. is a product and brand marketing company investing in products and brands with disruptive potential. Sugarmade's brands include ZenHydro.com, CarryOutSupplies.com, BudLife Cannabis Storage Solutions, CaliGrownSupplies.com, and Sriracha Seasoning Stix, a revolutionary culinary seasoning product. For more information on the Company's products, please visit www.Sugarmade.com.

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FORWARD-LOOKING STATEMENTS: This release contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements also may be included in other publicly available documents issued by the Company and in oral statements made by our officers and representatives from time to time. These forward-looking statements are intended to provide management's current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid. They can be identified by the use of words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "would," "could," "will" and other words of similar meaning in connection with a discussion of future operating or financial performance. Examples of forward looking statements include, among others, statements relating to future sales, earnings, cash flows, results of operations, uses of cash and other measures of financial performance.

Because forward-looking statements relate to the future, they are subject to inherent risks, uncertainties and other factors that may cause the Company's actual results and financial condition to differ materially from those expressed or implied in the forward-looking statements. Such risks, uncertainties and other factors include, among others such as, but not limited to economic conditions, changes in the laws or regulations, demand for products and services of the company, the effects of competition and other factors that could cause actual results to differ materially from those projected or represented in the forward looking statements.

Any forward-looking information provided in this release should be considered with these factors in mind. We assume no obligation to update any forward-looking statements contained in this report.