



**For immediate release**

## **Grand Power Reports 2008 Financial Results**

April 30, 2009 – Calgary, Alberta and Hong Kong - Grand Power Logistics Group Inc. (“Grand Power” or the “Company”, TSX Venture – “GPW”) is pleased to announce its consolidated financial results for the year ended December 31, 2008. These results include the operating results of Grand Power’s wholly owned subsidiary, Grand Power Express International Limited of Hong Kong (GP Express).

Grand Power reported strong revenue growth for the fiscal year ending December 31, 2008. Revenue increased by 42 percent to \$141.9 million compared to \$99.6 million during the same period in 2007. Gross profit for the year increased by 2.6 percent to \$7.1 million compared to \$6.9 million for 2007. Costs related to the Company’s aggressive expansion, particularly in China, as well as other unusual expenses, such as the bad debt provision, foreign exchange loss and write-downs resulted in a net loss of \$7.5 million compared to a net loss of \$139,623 in the previous year. Basic and diluted loss per share for 2008 was \$0.20. Excluding the impact of one-time charges and foreign exchange loss, Grand Power recorded a net loss of \$3.6 million of \$0.10 per share.

“Our 2008 results reflect the impact of the global economic situation on our business from both an operational and financial perspective. We were able to add more locations, strengthen our sales and management teams, and invest in new technology to support our operations, which drove revenue higher. Unfortunately, with the capital markets essentially closed, we were required to internally fund our expansion plans, which caused downward pressure on our margins during the year,” stated Ricky Chiu, President and CEO of Grand Power. “In response, we initiated numerous cost reduction programs in the fourth quarter that are expected to bring GPW back to profitability. We see tremendous opportunities for business growth, not only within the Asia-Pacific Region, but also in our trans-Pacific and global business. We have built a solid operating platform and will now focus on expanding our operations into market segments with higher operating margins, such as our direct client business.”

The Company experienced strong growth in cargo volume during 2008., Tonnage shipped increased by 31.9 percent to 55,539 tonnes for the twelve months ended December 31, 2008 compared to 42,105 tonnes for the corresponding period in 2007. In 2008, Grand Power generated \$124.9 million or 87.9 percent of revenue from its traditional co-loading air freight business, \$10.7 million or 7.5 percent of revenue from its new direct sales air freight business, \$6.2 million or 4.3 percent of revenue from its ocean freight business.

Geographically, Grand Power generated \$44.3 million or 31.2 percent of revenue from its new airfreight and ocean freight business in China. In comparison, Grand Power’s China freight

business generated \$6.9 million in revenue in 2007. Hong Kong is still the Company's largest operating centre, generating \$77.6 million or 54.7 percent of the Company's 2008 revenue. Other regions accounted for \$20.1 million or 14.2 percent of revenue. It is expected that Grand Power's operations in China will continue to grow and will account for an increasing percentage of revenue in 2009 and future years.

### **Business Highlights**

Grand Power has achieved several key milestones including:

- On July 3, 2008, Grand Power announced that GP Express International has become a member of the Cargo Accounting Settlement System (CASS) in China. This recently acquired membership is only available to service providers who have been previously granted the CATA (Bronze) License, which allows foreign owned companies such as Grand Power to deal directly with all airlines in China. There are currently only 35 agents with CASS memberships in China.
- On August 18, 2008, Grand Power announced that it has entered into two agreements: a Letter of Intent with government authorities in Shanghai to acquire the land use rights for approximately 100,000 square meters of development property at Shanghai Pudong International Airport to build and operate bonded and non-bonded warehouse and logistics facilities; and a Memorandum of Understanding with one of the world's largest industrial property groups to form a joint venture for the finance, construction and operation of the warehouse facilities. This project is currently on hold.
- On October 14, 2008, Grand Power announced that its wholly owned subsidiary, Grand Power Express International (China) Limited, had significantly expanded its airfreight business through new direct sales contracts with ten additional airlines, increasing the number of airlines the Company has under contract to 15. The addition of the ten new airlines enhances the Company's freight forwarding and capacity and provides Grand Power wider coverage of global destinations, including Europe, India and North America.
- On April 16, 2009, Grand Power announced it had expanded its reach into key European markets through a joint venture agreement with European Cargo Service (ECS), one of Europe's largest air cargo companies. The joint venture will create the "intercontinental freight alliance" (IFA), which will allow GPW to leverage ECS's extensive network of general sales and services agents (GSSA) throughout Europe, while ECS will utilize Grand Power's expertise and networks in Asia to enhance its global service offering. IFA is expected to begin operations in the second half of 2009. Approximately 440,000 tonnes of cargo was shipped from Europe to mainland China (excluding Hong Kong) in 2008. ECS and Grand Power estimate that IFA, if successful, could capture 15 to 20 percent of that market within the first year of operation. By comparison, Grand Power shipped 55,539 tonnes of cargo from all operations in 2008.

In addition to these key business milestones, Grand Power announced and is executing on a plan to reduce operating costs and allocate resources to higher margin business, minimizing the impact of the ongoing global economic downturn and better positioning the Company in the Asian logistics market. The cost-cutting measures include reducing headcount, downsizing and consolidating operations, tightening credit and risk control, and slowing down its expansion plans for its Domestic Express Network in China, and its warehouse development at Shanghai Pudong Airport. In addition, the Company announced plans to terminate certain low margin co-loading

airfreight business lines in order to reallocate working capital to higher margin business lines such as direct sales airfreight. Through these actions, which commenced during the fourth quarter of 2008, Grand Power expects to reduce operating costs by up to \$2 million in 2009, and improve gross margin providing significant improvement in operating margins and net income.

Grand Power has also taken several steps in order to strengthen its balance sheet and increase liquidity. The Company completed a non-brokered private placement in November 2008 in the amount of \$1,420,000 and another one in March 2009 in the amount of \$1,487,000. In addition, Grand Power has in place a HK\$100 million (C\$16.2 million) credit facility and no long-term debt other than the convertible debenture issued as a result of the private placement.

## Outlook

In view of the current global financial crisis, the Corporation's immediate plan is to consolidate its current operations, particular after the Corporation has expanded its operations aggressively in China during the year, and to continue to carry out its cost reduction program initiated in the third quarter with the goal of returning the Company to profitability.

In addition, in enhancing its profitability, the Corporation will continue to pursue the following strategies:

- Increasing margins in the Corporation's core air-freight business by increasing direct sales business and negotiating volume discounts on the cost of air cargo space with airlines;
- Expanding into higher margin logistics sectors including warehousing, customs brokerage, and trucking and ocean freight as the economy improves from the severe impact of the world financial crisis;
- Continuing to pursue the Corporation's cost reduction program, including the reduction of staff in the Corporation's subsidiaries reflecting to the downturn of cargo export from Asia; and
- Minimizing the Corporation's corporate financing activities until the financial market improves.

With the recent severe slowdown in the world's economy and the corresponding decrease in export from China, the Corporation will pursue more business opportunities in China where the Chinese government has recently announced a massive stimulus economic program and a number of plans to stimulate its internal economy.

## Financial Highlights

	<b>As at December 31, 2008</b>	<b>As at December 31, 2007</b>
Total assets	\$38,218,420	\$35,375,170
Total liabilities	\$27,016,345	\$22,472,548
Non-controlling interest	\$203,984	\$262,449
Shareholders' equity	\$10,998,091	\$12,640,173
	<b>Year ended December 31, 2008</b>	<b>Year ended December 31, 2007</b>
Revenue	\$141,998,476	\$99,624,998
Gross profit	\$7,138,922	\$6,958,840
Gross margin	5.03%	6.99%
Net loss after tax and minority interest	\$7,586,561	\$139,623
Cash flow (used in)/ provided by	(\$4,104,841)	\$912,888

Operations			
Retained earnings, end of year		(\$4,220,520)	1,073,554
Earnings (loss) per Share – basic & diluted		(\$0.203)	\$0.006

**About Grand Power Logistics Group Inc.**

Grand Power Logistics Group Inc. operates principally through its wholly owned Hong Kong based subsidiary, Grand Power Express International Limited (GP Express), and provides air-freight forwarding and sea-freight services, customs brokerage, logistics, warehousing and distribution, as well as other value added services. GP Express has established operations in various regions, particularly in the Greater Pearl River Delta (GPRD), China's largest economic region. GP Express' Subsidiaries or Branch Offices in this region are located in Macau, Shenzhen, Guangzhou, and Jiangmen. GP Express also operates in other regions through Subsidiaries and Branch Offices or Supporting Offices in Shanghai, Beijing, Tianjin, Xiamen, Taipei, Bangkok and Los Angeles.

For further information, please contact:

**Canada**

Alan Chan, CFO

Telephone: (403) 237 - 8211

Facsimile: (403) 228 - 3013

Email: [alanchan@grandpowerlogistics.com](mailto:alanchan@grandpowerlogistics.com)

[sean.webster@grandpowerlogistics.com](mailto:sean.webster@grandpowerlogistics.com)

Website: [www.grandpowerlogistics.com](http://www.grandpowerlogistics.com)

**Hong Kong**

Sean Webster, Senior Vice President

Finance & Business Development

Canada: (403) 630 – 0318

Hong Kong: (852) 6989 1376

Facsimile: (852) 3582 4130

Email:

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