



## Grand Power Reports First Quarter Financial Results

*--Company grows revenue and generates positive net income in first quarter--*

*--Gross margin doubles--*

May 20, 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 three months ended March 31, 2009. These results include the operating results of Grand Power’s wholly-owned subsidiary, Grand Power Express International Limited of Hong Kong (GP Express).

	<b>Three Months ended March 31, 2009</b>	<b>Three Months ended March 31, 2008</b>
Revenue	\$25,431,055	\$23,059,663
Gross profit	\$2,502,609	\$1,122,412
Gross margin	9.84%	4.87%
Net income / (loss) after tax and minority interest	\$11,233	(\$705,426)
Cash flow (used in)/ provided by Operations	\$141,579	(\$632,901)
Earnings/ (loss) per Share – basic & diluted	\$0.00	(\$0.021)

	<b>As at March 31, 2009</b>	<b>As at December 31, 2008</b>
Total assets	\$33,315,494	\$38,218,420
Total liabilities	\$21,227,828	\$27,016,345
Non-controlling interest	\$238,986	\$203,984
Shareholders’ equity	\$11,848,680	\$10,998,091

Grand Power reported a ten percent year-over-year increase in revenue in the first quarter ended March 31, 2009. For the quarter, the Company generated revenues of \$25.4 million versus \$23.1 million in the same period in 2008. Gross Profit for the year increased by 123 percent to \$2.5 million compared to \$1.1 million for the corresponding period in 2008. Gross margin as a percentage of revenue climbed to 9.8 percent versus 4.9 percent in the first quarter of 2008 as Grand Power successfully executed on its margin enhancement strategy announced in the fourth quarter of 2008. The Company reported significant improvement in net income generating approximately \$11 thousand, or \$0.00 per share, versus a loss of \$705 thousand, or \$0.02 per share in the same period last year.

“Our first quarter results reflect the positive impact of the numerous cost reduction programs we initiated in the fourth quarter that are expected to bring GPW back to profitability,” stated Ricky Chiu, President and CEO of Grand Power. “We have significantly decreased our operating costs and remain focused on expanding our operations into market segments with higher operating margins, such as our direct client business. Our concentrated efforts are beginning to take hold as we improved on every comparative operating metric in the first quarter and are ahead of schedule on our goal of returning Grand Power to profitability in 2009.”

The Company experienced year-over-year growth in cargo volume during the first quarter, despite the negative effects of the global recession. Tonnage shipped increased by 12.4 percent to 10,182 tonnes for the three months ended March 31, 2009 compared to 9,055 tonnes for the corresponding period in 2008. In the first quarter of 2009, Grand Power generated \$20.1 million or 79 percent of revenue from its traditional co-loading air freight business, \$3.2 million or 13 percent of revenue from its new direct sales air freight business, and \$2.1 million or 8 percent of revenue from its ocean freight business.

Geographically, Grand Power generated \$8.9 million or 35 percent of revenue from its air freight and ocean freight business in China. Hong Kong is still the Company's largest operating centre, generating \$12.4 million or 49 percent of the Company's first quarter revenue. Other regions accounted for \$4.1 million or 16 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.

As at March 31, 2009, Grand Power had cash and cash equivalents of \$2.1 million and working capital of \$10.6 million. In addition, Grand Power has in place a HK\$87 million (C\$14.1 million) credit facility and no long-term debt other than the convertible debentures in the amount of \$1.487 million issued as a result of the private placement completed in March 2009. These convertible debentures have a maturity date of two years from the date of closing of the private placement.

### **Business Highlights**

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 tons 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 tons of cargo from all operations in 2008.

### **Outlook**

In view of the recent global financial crisis, the Corporation plans to continue to consolidate its operations, particular with its operations in China which had expanded significantly in 2008, and to continue to carry out its cost reduction program with the goal of further improving the Corporation's operating results.

In addition, in further improving its operating results, 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.

Grand Power will host a conference call to discuss its first quarter 2009 financial results

Date: Friday, May 22, 2009

Time: 10:00 am Eastern

Dial In Number: 416-340-8061 or 1-866-225-0198

Taped Replay: 416-695-5800 or 1-800-408-3053 (available for 7 days)

Taped Replay Passcode: 7144151

Live webcast link: <http://events.onlinebroadcasting.com/grandpower/052009/index.php>

### **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)

#### **Hong Kong**

Sean Webster, Senior Vice President

Finance & Business Development

Canada: (403) 630 - 0318

Hong Kong: (852) 6989 1376

Facsimile: (852) 3582 4130

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

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

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

*Forward-looking statements: Statements included in this press release that are not historical facts may be considered "forward looking statements". All estimates and statements that describe the Company's objectives, goals or future plans are forward looking statements. Forward-looking statements involve inherent risks and uncertainties where actual results could differ materially from those currently anticipated.*