

## For Immediate Release

### Grand Power Reports Second Quarter Financial Results

August 28, 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 month and six months periods ended June 30, 2009. These results include the operating results of Grand Power’s wholly-owned subsidiary, Grand Power Express International Limited of Hong Kong (GP Express).

#### Selected Financial Highlights

| <b>Income Statement</b>                                      | <b>3 Months Ending<br/>June 30, 2009</b> | <b>3 Months Ending<br/>June 30, 2008</b> |
|--|--|--|
| <b>Revenue</b>   | \$ 22,220,999                            | \$ 35,691,098                            |
| <b>Gross Profit</b>  | \$ 1,673,784                             | \$ 1,517,469                             |
| <b>Gross Profit Margin</b>                                   | 7.53%                                    | 4.25%                                    |
| <b>Net Income (Loss) after tax and<br/>Minority Interest</b> | (\$ 649,113)                             | (\$ 1,068,078)                           |
| <b>Cash Flow Provided By (Used By)<br/>Operations</b>        | (\$ 528,741)                             | (\$ 1,025,340)                           |
| <b>Earnings (Loss) per Share</b>                             | (\$ 0.015)                               | (\$0.030)                                |
| <b>Cargo Volume (tonnes)</b>                                 | 11,377                                   | 13,830                                   |
| <b>Balance Sheet (Six-Month<br/>Comparison)</b>              | <b>As at June 30, 2009</b>               | <b>As at December 31,<br/>2008</b>       |
| <b>Total Assets</b>  | \$ 29,476,041                            | \$ 38,218,420                            |
| <b>Total Liabilities</b>                                     | \$ 18,925,614                            | \$ 27,016,345                            |
| <b>Non-Controlling Interest</b>                              | \$ 224,098                               | \$ 203,984                               |
| <b>Shareholders Equity</b>                                   | \$ 10,326,329                            | \$ 10,998,091                            |

The global financial crisis had a significant impact on the global air cargo sector, and Grand Power was not immune from the effects. The Company reported a 38% year-over-year decline in revenue in the second quarter ended June 30, 2009, compared with the same period in 2008. For the quarter, the Company generated revenues of \$22.2 million versus \$35.7 million in the same period in 2008. However, Gross Profit for the year increased marginally by 10.3% to \$ 1.67 million compared to \$1.52 million for the corresponding period in 2008. Gross margin as a percentage of revenue climbed to 7.53% versus 4.25% in the second quarter of 2008. The Company’s margin enhancement strategy announced in the fourth quarter of 2008 continues to show improvements in the operating results.

Although the Company reports a net loss during the second quarter, this loss was significantly less than the same quarter as the previous year, that is, a loss of \$ 649,113 or \$0.015 per share, versus a loss of \$1.07 million during the same period in 2008. In addition, a significant portion of the loss was due to the non-recurring expenses as a result of the Company’s cost-cutting program. These expenses, totaling \$371,655, in the second quarter include the write-offs due to office renovations and relocations in Hong Kong and several stations in China and other redundancy

costs. Before non-recurring expenses, the operating result for the second quarter was a net loss of \$277,458.

The Company experienced year-over-year decline in cargo volume during the second quarter, primarily as a result of the global recession. Tonnage shipped decreased by 18% to 11,377 tonnes for the three months ended June 30, 2009 compared to 13,830 tonnes for the corresponding period in 2008. In the second quarter of 2009, Grand Power generated \$17.5 million or 78.8% of its revenue from its traditional co-loading air freight business, \$2.1 million or 9.5% of revenue from its new direct sales air freight business, and \$2.6 million or 11.7% percent of revenue from its ocean freight business.

Geographically, Grand Power generated \$7.5 million or 34% of revenue from its air freight and ocean freight business in China. Hong Kong is still the Company's largest operating centre, generating \$12.2 million or 55% of the Company's second quarter revenue. Other regions accounted for \$2.4 million or 11% of revenue. For the second quarter of 2008, Hong Kong accounted for \$18,330,144 or 51.35% of revenue, China \$8,741,322 or 24.50% and other regions \$8,619,633 or 24.15%.

As at June 30, 2009, Grand Power had cash and cash equivalents of \$7.4 million and working capital of \$9.3 million. In addition, Grand Power has in place a HK\$87 million (C\$13.1 million) credit facility and long-term debt consists of convertible debentures in the amount of \$1.487 million issued through a private placement in March 2009. These convertible debentures carry an interest rate of 10% per year and will mature in March 2011.

### **Business Highlights**

On April 16, 2009 Grand Power announced that 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 ECS's global service offering.

The Company believes that this initiative provides significant business opportunities for the joint-venture partners. For example, in 2008, approximately 440,000 tonnes of cargo was shipped from Europe to mainland China (excluding Hong Kong). ECS and Grand Power estimate that IFA, if successful, could capture 15 to 20 per cent of that market within the first year of operation. By comparison, Grand Power shipped approximately 55,000 tonnes of cargo from all operations in 2008. IFA had anticipated commencement of operations in the second half of 2009, but due to the continued weak economic conditions in Europe, this project could be delayed to the fourth quarter of 2009 or later as economic conditions improve.

### **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. The Company will continue to carry out its cost reduction program with the goal of further improving the Corporation's operating results.

In addition, the Corporation will continue to pursue the following strategies:

- Increase margins in the Corporation's core air-freight business by increasing higher-margin, direct client business while negotiating volume discounts on the cost of air cargo space with airlines;
- Expand into higher margin logistics sectors including warehousing, customs brokerage, trucking and ocean freight as the economy improves from the severe impact of the world financial crisis;
- Continue with an aggressive cost reduction program, which may include further reduction of staff in the Corporation's subsidiaries until economic conditions indicate sustained recovery in of cargo export from Asia; and
- Minimize, or defer, 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 exports from China, the Corporation will pursue additional business opportunities in China where the Chinese government has been implementing a massive economic stimulus program to maintain global leadership in economic growth.

Ricky Chiu, President and CEO of Grand Power Logistics Group, is pleased with the results, in view of the challenges presented by the global downturn. Chiu said, "The last several quarters have been very difficult for all sectors as a result of this global recession. However, we are pleased that we acted aggressively to mitigate some of the effects of that downturn." Chiu concludes, "We believe that our cost cutting program, restructuring, and stronger focus on the higher margin business will bring on further improvements to our bottom line in the coming quarters as the global economic situation starts to improve and the outlook for our sector becomes more favorable."

### **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.

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