

GRAND POWER LOGISTICS REPORTS FINANCIAL RESULTS FOR Q1 2010

Calgary, Alberta and Hong Kong, China – May 31, 2010 – Grand Power Logistics Group Inc. (TSX-V: GPW), a leading China-based international logistics provider, today announced its consolidated financial results for the three month period ended March 31, 2010. All amounts are expressed in Canadian currency.

Selected Financial Highlights

(in thousands except share or % data)	March 31, 2010	March 31, 2009	Change
Revenue	\$15,487	\$25,431	-39.1%
Gross profits	\$1,044	\$2,502	-58.3%
Gross margins	6.7%	9.8%	
Net (loss) income	\$(659)	\$11	-\$670
Earnings (loss) per share	\$(0.015)	\$0.00	-\$0.015
	March 31, 2010	Dec. 31, 2009	Change
Total assets	\$26,909	\$38,911	-28.4%
Working capital	\$10,586	\$10,564	+0.2%
Total liabilities	\$16,647	\$29,008	-42.7%
Shareholders' Equity	\$10,102	\$9,313	+8.5%

“Despite declines to revenue and gross margins on a comparative basis, our first quarter was marked by a number of strategic developments that position us very well for the long term,” said Ricky Chiu, President and CEO, Grand Power Logistics Group Inc. “Most notably, we strengthened our balance sheet through a private placement that generated \$2 million in gross proceeds while reducing total debt by almost \$13 million, we validated our direct sales business model by increasing segment-specific revenue by 33% while reducing our air freight co-loading business, and we signed an MOU with local government officials to develop the Yangshan International Container Logistics Park as part of Shanghai’s new deep-sea port.”

Mr. Chiu added, “Operationally, our first quarter results were adversely impacted by an approximate 20% rise of the Canadian dollar, the timing of rate increases imposed by air carriers and the economic slowdown caused by the Chinese New Year holiday period. Excluding these factors, our Q1 performance was consistent with recent trends as measured by the growing contributions from our direct sales business and our ongoing reduction in expenses.”

Q1 2010 Operational Highlights

- Completed a private placement of 6,666,833 units priced at \$0.30 per Unit, for gross proceeds to Grand Power of CDN \$2 million.
- Signed a memorandum of understanding ("MOU") to develop Yangshan International Container Transit Logistics Park. The MOU was signed with the Shengsi County People's Government ("SCPG") in Zhejiang Province, China.
- Entered into agreements with two major airline carriers to handle the Company’s dangerous cargo shipments in Northern China.
- Signed an agency agreement with a leading, international ocean carrier to act as a broker for the carrier, selling directly to China-based exporters of manufactured goods.

- Formed a special Project Team that will oversee the development of Yangshan International Container Transit Logistics Park.
- Appointed Mr. Jones Chu to the Company's Board as an independent director.
- Increased air freight direct sales business revenue by 33% to \$4.2 million, an amount that represents 27.3% of total consolidated revenue, up from 12.4% for Q1 2009.
- Reduced operating expenses by 36.5% due to ongoing cost-cutting measures.

Q1 2010 Financial Results

Grand Power Logistics reported consolidated revenue of \$15.5 million for Q1 2010, down 39.1% from \$25.4 million for corresponding period of 2009. The decline was primarily due to the strengthening of the Canadian currency during the period against the Hong Kong dollar and Chinese Yuan, the principal currencies of customer contracts. The decline was also due to the Company's decision to focus its sales efforts on direct sales business, which generate higher margin but lower volumes. Other contributing factors include the restructuring of the Company's China operations and divestiture of its BSI Logistics subsidiary effectively completed on January 1, 2010. In the first quarter of 2009, the discontinued co-loading businesses from the Corporation's Shanghai operations and BSI Logistics generated \$4,226,931 and \$3,800,150 in revenue respectively. Excluding these two discontinued co-loading businesses, the sales revenue for the first quarter of 2009 would have been \$17,403,974. Further taking into consideration of approximately 20% rise in the Canadian dollar and applying the average exchange rate used in the first quarter of 2010, the adjusted revenue in the first quarter of 2009 would be approximately \$14.5 million comparing to \$15.5 million in the first quarter of 2010.

On an adjusted basis, revenue for Q1 2010 was HK\$115 million, up 6.4% from HK\$108 million for the corresponding period of 2009. The adjustment excludes revenue contributions of the co-loading air freight business from BSI Logistics and the Company's Shanghai operations.

Gross profit and gross margins were \$1.0 million and 6.74%, respectively, for Q1 2010. This compares to \$2.5 million and 9.84%, respectively, for the corresponding period of 2009. The year-over-year declines in gross profit and gross margins were attributable to sharp rate increases levied by airline carriers during Q1 as part of a general industry-wide trend. The timing of the air carrier rate increases coupled with the terms of existing customer contracts made it impossible to offset the increased cost of sales with higher customer fees. Subsequent to the quarter end, the Company has experienced a recovery to its gross margins following the introduction of new customer pricing.

Operating expenses for Q1 2010 were \$1.6 million, down 35.6% from \$2.5 million for the corresponding period of 2009. The decline, which was most notable by the decrease in general and administrative expenses of 31.9%, was due to the Company's restructuring program implemented in 2009 and ongoing cost-cutting measures.

The Company reported a net loss of \$0.6 million for the first quarter of 2010, or \$0.015 per fully diluted share. This compares to a net loss of \$0.01 million, or nil per fully diluted share, for Q1 2009.

As at March 31, 2010, Grand Power had working capital of \$10.6 million, including cash totaling \$6.6 million. This compares to \$10.4 million and \$6.3 million, respectively, at December 31, 2009. At March 31, the Company's liabilities totaled \$16.6 million, down from \$29.0 million at year-end 2009.

Outlook

“Since the start of Q2, we have seen improvements to our gross margins and an increase in demand for our logistics services, particularly as global economic conditions improve and air cargo shipments caused

by travel disruptions due the volcano eruption in Iceland resume,” Mr. Chiu also said. “These encouraging trends, along with the steady performance gains of our direct sales business, support our view that 2010 could be a breakout year for Grand Power.”

Conference call notice

Grand Power will host a conference call on Tuesday, June 1, 2010 at 10:00 a.m. EST to discuss its first quarter results.

To access the conference call by telephone, dial (888) 231-8191 or (647) 427-7450. Please connect approximately 15 minutes prior to the beginning of the call to ensure participation. A question and answer session for analysts and institutional investors will follow management's presentation.

A live audio webcast of the conference call will be available at www.newswire.ca Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. The webcast will be archived at the above web site for 30 days.

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, Taipei, Bangkok and Los Angeles. For more information visit www.grandpowerlogistics.com

Forward-looking Information

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.

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