

## GRAND POWER LOGISTICS REPORTS FINANCIAL RESULTS FOR Q1 2011

Calgary, Alberta and Hong Kong, China – June 29, 2011 – Grand Power Logistics Group Inc. (TSXV: GPW), a leading international logistics provider based in Hong Kong and with operations in China, today announced its consolidated financial results for the three month period ended March 31, 2011. All amounts are expressed in American currency except where noted.

### Selected Q1 Financial Highlights

(in thousands except share or % data)	<b>March 31, 2011</b>	<b>March 31, 2010</b>	<b>Change</b>
Revenue	\$12,019	\$14,876	-19.2%
Gross profits	\$826	\$1,003	-17.7%
Gross margins	6.9%	6.7%	+1.9%
Net income (loss)	\$(304)	\$(893)	+\$589
Comprehensive income (loss)	\$362	\$(959)	+\$1,321
Earnings (loss) per share	\$(0.004)	\$(0.019)	+\$0.015
	<b>March 31, 2011</b>	<b>Dec. 31, 2010</b>	<b>Change</b>
Total assets	\$28,257	\$28,517	-0.9%
Working capital	\$9,292	\$7,600	+22.3%
Total liabilities	\$14,485	\$15,988	-9.4%
Shareholders' Equity	\$13,772	\$12,529	+9.9%

“The company’s operating results continued to improve during the quarter. During the quarter, the company had a net loss of \$303,639 compared to a net loss of \$893,322 in the first quarter of 2010 for an improvement of \$589,683. In addition, the company had a comprehensive income of \$363,222 in the quarter compared to a comprehensive loss of \$959,826 in 2010 for a gain of \$1,323,048. We are particularly satisfied with the improvement in general and administrative expenses in which the amount of expenses decreased by \$512,608 to \$976,099 from \$1,488,707 in the first quarter of 2010. We are also very pleased that significant progress has been made in the Yangshan Logistics Park project,” said Ricky Chiu, President and CEO of the Corporation.

### Q1 2011 Financial Operational Highlights

- Corporation’s subsidiary, Grand Power Logistics Development Co. Ltd. (“GPLD”), received approval to set up a wholly Owned Foreign Enterprise (“WOFE”) in China to facilitate the development of the Yangshan International Container Transit Logistics Park.
- Corporation’s subsidiary for the Yangshan Logistics Park signed a subscription agreement on issuing a convertible note for approximately US\$15 million for funding the Yangshan Logistics Park project.

### Highlights Subsequent to Quarter End

- In April, 2011, the establishment of GPLD as a Wholly Owned Foreign Enterprise (“WOFE”) for the Yangshan Logistics Park project has been completed, and the initial amount of US\$3,000,000, which represents 20% of the US\$15,000,000 in registered capital of GPLD, has been funded.

- In April, 2011, the Corporation's Hong Kong subsidiary, Grand Power Express International Limited ("GP Express"), has signed an exclusive partnership contract with Necko Freight Forwarders Ltd. (a subsidiary of Budget Couriers Pvt Ltd.) to develop airfreight and ocean freight markets between India, Hong Kong and Greater China.
- In May, 2011, GPLD has received a Letter of Intent from Industrial and Commercial Bank of China ("ICBC") in Zhoushan city, Zhejiang province, China to provide RMB 1.6 billion (US\$246 million) project loan to Yangshan Logistics Park project.
- In May, 2011, the Corporation has fully contributed US\$7,500,000 in registered capital of Grand Power Express International (China) Limited ("GPE China"), a company subsidiary located in Shanghai. GPE China is fully licensed to operate air freight, sea freight, courier, warehouse and custom brokerage businesses in China. With GPE China's registered capital fully contributed, Grand Power is now allowed to establish up to 100 branches in China without requiring additional registered capital or application.

### **Q1 2011 Financial Results**

Grand Power Logistics reported consolidated revenue of \$12 million for the three months ended March 31, 2011, decreased 19.2% or \$2.8 million from \$14.9 million for the corresponding period in 2010. The decrease in sales revenue for the period reflected the transformation of the subsidiary, Beijing Jinfeng International Logistics Ltd., in becoming a minority owned subsidiary during 2010 as a result of the increase of the share capital of this Beijing subsidiary. In addition, the restructuring of the Corporation's operations in China since 2009 to focus more on high margin business had also led to the decrease in the Corporation's revenue.

Gross profit was \$826 thousand for the three months ended March 31, 2011 compared to \$1 million for the corresponding period of 2010 for a decrease of 17.7% as a result of lower revenue. Gross profit margin increased to 6.87% compared to 6.74% for 2010 and gross profit margin per tonne increased by 2% to \$145 compared to \$142 in 2010.

Operating expenses for the first quarter of 2011 decreased by 32.1% to \$1.2 million from \$1.8 million for the corresponding period of 2010. The decline, which was most notable by a decrease in general and administrative expenses of \$512 thousand, was principally due to the Corporation's restructuring program implemented in 2009 and having Beijing Jinfeng International Logistics Ltd. becoming a minority owned subsidiary.

Net loss for the first quarter of 2011 was \$303 thousand or \$0.004 per fully diluted share, representing a positive turnaround of approximately \$590 thousand compared to a net loss of \$893 thousand or \$0.019 per fully diluted share, for the first quarter of 2010. The comprehensive income for the quarter was \$363 thousand compared to a comprehensive loss of \$959 thousand in the first quarter of 2010.

As at March 31, 2011, Grand Power had working capital of \$9.3 million, including cash totaling \$8.1 million. This compares to \$7.6 million and \$4.5 million, respectively, at December 31, 2010. At March 31, 2011, the Corporation's total liabilities were \$14.5 million, down from \$16 million at year-end 2010.

## **Outlook**

“We will continue to strive to improve our operating results by further reducing our operating expenses where possible and by pursuing higher margin business. We will particularly strive to advance further the Yangshan Logistics Park project. It is expected that the full amount of registered capital of \$15 million will be contributed in the near future,” said Ricky Chiu.

## **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](http://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 Corporation'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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