



Annual Report 2010

*Refresh Your Life...
Refresh Your Room...*



SINCE 1949

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED

Contents

- 1 Financial Highlights
- 2 Message from the President
- 3 Board of Directors
- 7 Organization Chart
- 8 Shareholders and Management
- 10 Report of the Audit Committee
- 11 General Information
- 12 Nature of the Business
- 14 Explanation and Analysis of the Management Operational Performance
- 16 Risk Factors
- 20 Report on 15 Principles of good corporate Governance
- 24 Independent Auditor's Report

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Financial Highlights



Unit : Thousand Baht

	2010	2009	2008
<i>Financial Position At Year End</i>			
Current Assets	503,503	528,504	510,941
Total Assets	725,076	754,192	824,399
Shareholders' Equity	681,071	667,987	740,267
Par Value Per Share (Baht)	1.00	1.00	1.00
Book Value Per Share (Baht)	3.62	3.55	3.93
Share Capital (Shares)	188,300	188,300	188,300
<i>Earning Abilities</i>			
Sales	65,339	72,280	66,871
Other Incomes	38,619	62,217	131,272
Total Revenues	103,959	134,497	198,143
Net Incomes	13,084	-57,215	41,675
Cash Dividends	-	-	0.08
Earnings Per Share (Baht)	0.06	-0.30	0.22
<i>Financial Ratio</i>			
Return on Sales (%)	12.59	-43.00	19.47
Return on Equity (%)	0.07	0.30	5.63
Return on Assets (%)	1.80	-7.59	5.06
Total Debt to Equity Ratio (Times)	0.06	0.13	0.11
Current Ratio (Times)	10.99	3.95	6.05

Message from the Chairman



Since last year, businesses all over the world have been facing the hardship of the global economic recession. Thailand is not an exception and beyond that, not only has the country been affected by the world economic slowdown, but the country's investment atmosphere has also been damaged by the political turmoil. Consequently, all business sectors have their investments put on hold as they lack confidence to expand their businesses. All business sectors have spent money cautiously. At the same time, many businesses have reduced their costs of investment, both directly and indirectly, to adapt to the current circumstances. As such, the Company has got affected by the detrimental atmosphere. The Company's sales this year fall behind its target as previously planned. With the efforts and the strong commitments, all employees have well cooperated with the Management applying the Management's operations guidance, and that helps turn the Company into making profit this year. The successful guidance comprises:

- 1) The efficiency in human resources management for the highest effectiveness
- 2) The profitable asset management by renting out the unused factory building
- 3) The sales of unused assets, most of the assets have the scrape value of 1 baht
- 4) Investments in bill of exchange and stock exchange
- 5) The reduction of unnecessary costs without negative effects on the product quality
- 6) The reduction of dispensable expenses

By these reasons, in 2010, the Company can make a profit of 13.08 million baht: 65.34 million baht from sales and 38.62 million baht from other sources of income.

The Company has long been conducting the research and developing the ceiling lamp fan in order to improve the product quality and save energy as well as produce the colorful and modern pattern. Although such products are now produced abroad and imported into the country, the Company still monitors the production to ensure the product quality and safety for consumers. Therefore, the Company's product has long held the highest market share.

The Company is now planning to invest in new businesses for the sustainably highest benefit of the Company's shareholders. Finally, I would like to express my gratitude and sincere appreciation to all of the shareholders, the businesses partners, the employees and the people concerned for your kind supports to the Company.

In the name of the Executive Chairman

Lou Chen Chung
Chairman

Board of Directors



Mr. Lou Jen Chung

Position Director & President

Nationality Taiwanese

Age 59 years

Education Ph.D, The Electrical Engineering Department and Computer Sciences, University of California at Berkeley, USA
The Master of Physics Institute National Tsing Hua University, Taiwan The Bachelor of Physics Department National Tsing Hua University, Taiwan



Number of Share - Share

Percentage of Shareholding - %

Working Experiences

Aug 1979 - Jul 1983 The Electrical Engineering Department of National Tsing Hua University, Lecturer

Jul 1983 - Dec 1989 Electrical Engineering Department of National Tsing Hua University, Associate professor

Jan 1986 - Jul 1987 Livermore Laboratory of Berkeley, University of California, Assistant Researcher

Aug 1988 - Aug 1991 Silicon Valley AMER Corporation, Cooperation Research

Sep 1988 - Jun 1991 UTIC Semiconductor Company, Ltd., Technical Development Consultant

Aug 1991 - Present Institute of Electronics, National Chiao Tung University, Associate Professor

Oct 1996 - Present United Microelectronics Corp., Technical and Education Training

Sep 1996 - Present Winbond Electronics Corp., Technical and Education Training

Feb 1997 - Present Taiwan Semiconductor Manufacturing Co.,Ltd., Technical and Education Training

Jul 1995 - Present Macronix International Co., and Education Training Ltd., Technical and Education Training

Sep 1995 - Present The Submicron Training Program, Hsinchu Science and Industrial Park, Lecturer

Jun 1998 - Present Semiconductor College, Industrial Development Bureau, Ministry of Economic Affairs, Coordination Executive

1997 - 2001 Applied Materials, Instructor

1999 - 2001 Technical Consultant

1996 - Present Industrial Technology and Institute, Consultant

1999 - Present Research Institute, Consultant

1999 - Present Wafer Resources Agency Ministry of Economic Affairs, Consultant

Mr. Tai Dann Sheng

Position Director

Nationality Taiwanese

Age 55 years

Education Bachelor Degree of Taipei Commercial College,
Taiwan Military University

Number of Share - Share

Percentage of Shareholding - %

Working Experiences

1978 - 1979 Quality Control Product Commander Electric Mfg Co., Ltd. Taichung, Taiwan
1980 - 1985 Engineer / Standard Electric Co., Ltd. Miami, Florida, USA
1986 - 1989 General Manager Chung - Ito Electric Co., Ltd. Taichung, Taiwan
1989 - 2000 General Manager Compass East Industry (Thailand) Public Co., Ltd.



Miss Dai Wen-Lee

Position Director & Vice President

Nationality Taiwanese

Age 52 years

Education Science (Chemical) Tan Chiang University, Taiwan /
MBA Beijing Economic Management College

Number of Share 3,555,560 Shares

Percentage of Shareholding 1.89%

Working Experiences

1978 - 1983 Marketing Manager Standard Electric MFG. (USA)
1984 - 1989 Chairman, Greenview National (USA)
1993 - 1996 Vice President, Tri Star Electric, (Taiwan)
1993 - Present Vice President, Shi Chen Electric MFG. Works (Taiwan)



Miss Dai Juan Ming

Position	Director
Nationality	Chinese
Age	35 years
Education	Bachelor Degree of Market Sales Zhejiang Broadcasting and Television University, China MBA Economy Beijing Economic Management College
Number of Share	- Share
Percentage of Shareholding	- %
Working Experiences	Industrious Employee The Plastic Company Limited Ui-Chow City, China



Mrs. Tai Yang Duen Chen

Position	Director
Nationality	Taiwanese
Age	54 years
Education	National Taichung Institute of Commerce Faculty of International Trade in Taiwan
Number of Share	- Share
Percentage of Shareholding	- %
Working Experiences	1982 - 1989 Business Manager Yai Chi Enterprise Co., Ltd., Taiwan 1989 - Present Director of Wimberly Hill Co., Ltd. (Bangkok, Thailand) 1990 - Present Director of Compass East Land & Development Co., Ltd. (Bangkok, Thailand)



Miss. Chen, Shu - Jiuci

Position	Independent Director / Audit Committee Chairman
Nationality	Taiwanese
Age	56 years
Education	Bachelor Degree of Business Dann Chiang University of Taiwan
Number of Share	- Share
Percentage of Shareholding	- %
Working Experiences	1988 - 1997 Sales Manager Chiamei canned foods Co., Ltd. (Taipei, Taiwan) 2540 - Present President of Thai Soon Food Products Co., Ltd. (Bangkok, Thailand)



Mr. Yang Chien Jen

Position	Independent Director / Audit Committee Secretary
Nationality	Taiwanese
Age	45 years
Education	Bachelor Degree of IE&M Van-Neag College, Taiwan
Number of Share	- Share
Percentage of Shareholding	- %
Working Experiences	
1990 - 1996	Manager Yang Sun Co., Ltd.
1996 - 2005	General Manager United Product International Co., Ltd.
2001 - 2005	General Manager Farcent Enterprise (Thailand) Co., Ltd.

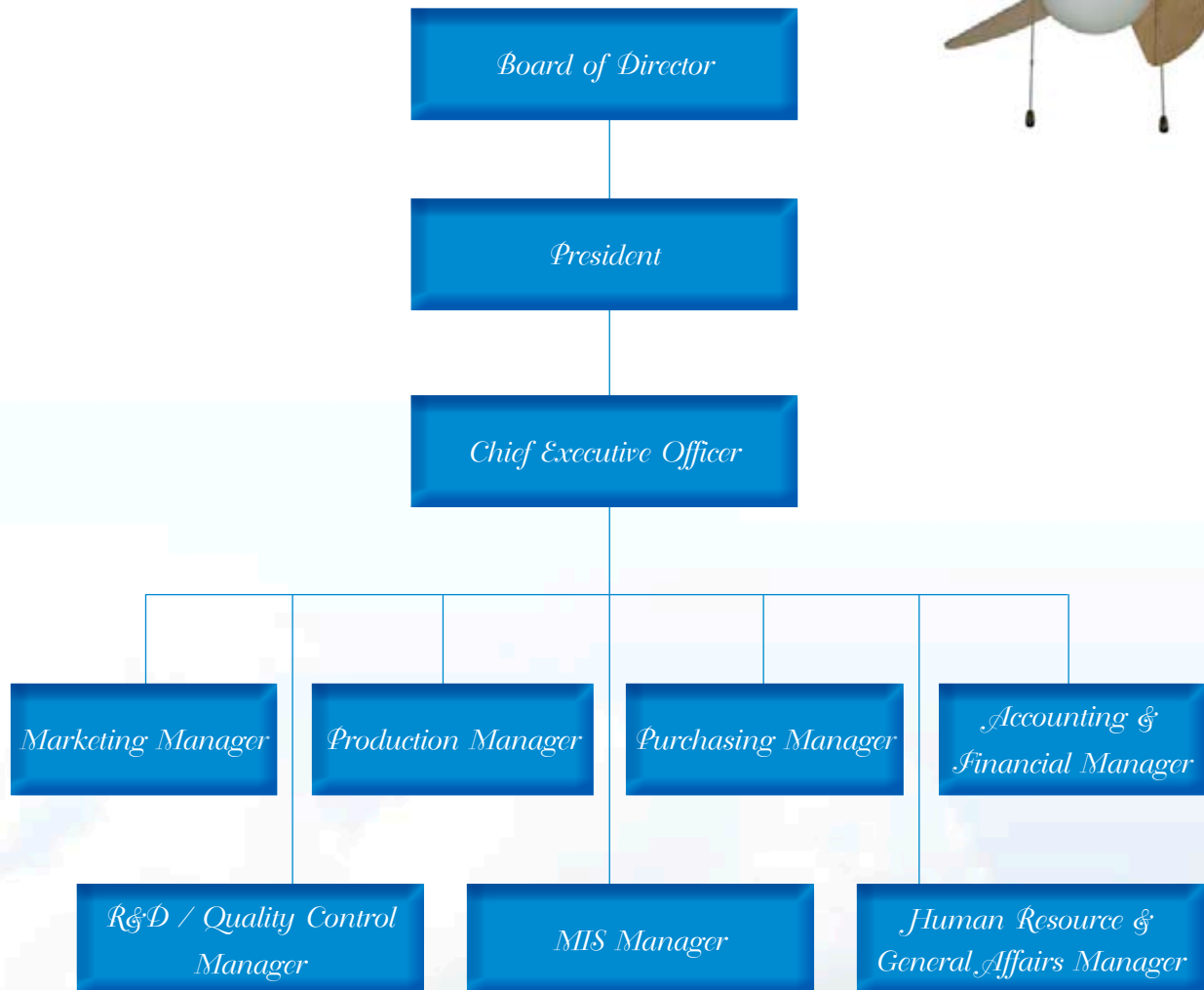


Mr. Chen Tai Heng

Position	Independent Director / Audit Committee
Nationality	Taiwanese
Age	59 years
Education	Bachelor Degree of National Cheng Hsing University, Taiwan
Number of Share	- Share
Percentage of Shareholding	- %
Working Experiences	President Minson Enterprises (Thailand) Co., Ltd.



Organization Chart





Shareholders and Management

Major Shareholder As of November 20, 2009

Shareholders Name	Number of Share	Equity Stake (%)
1. SUMMAX INVESTMENT LIMITED*	96,033,000	51.00
2. Thai N V D R Co., Ltd.	17,292,400	9.18
3. CREDIT SUISSE S SINGAPORE BRACH	13,814,000	7.34
4. Ms. Suphattra Phalboonphanupong	12,972,800	6.89
5. Ms. Yuhua Yan	4,456,934	2.37
6. Ms. Dai Wen-Lee*	3,555,560	1.89
7. Mr. Pisit Plukphalboon	3,530,000	1.87
8. Mr. Choovit Jitrsakul	1,120,000	0.59
9. Mr. Suwit Ratrawewong	1,050,000	0.56
10. Mr. Viroj Mamanee	941,000	0.50

Remark : 1.* Foreign Shareholders

Board of Directors

1. Mr. Lou Chen Chun	Chairman
2. Ms. Dai Wen-Lee	Vice Chairman
3. Mr. Tai Dann-Sheng	Director
4. Miss. Dai Juan Ming	Director
5. Mrs. Tai Yang Duen-Chen	Director
6. Miss. Chen, Shu - Hui	Independent Director / Audit Committee Chairman
7. Mr. Yang Chien Jen	Independent Director / Audit Committee Secretary
8. Mr. Chen Tai - Heng	Independent Director / Audit Committee

Board of Executive Directors

1. Mr. Lou Chen Chun	President
2. Ms. Dai Wen-Lee	Vice President / Chief Executive Officer
3. Mr. Tai Dann-Sheng	Vice President

Executive Officers

- | | |
|--|--|
| 1. Mr. Liang Chen-Tien | Production Manager |
| 2. Mr. Thanaseth Nantachockchaowaphunt | Quality Control Manager and R & D Manager |
| 3. Mr. Kajornsak Sinwattanakasem | Account Manager |
| 4. Mrs. Lin Kuan Hui | Sales Marketing Manager |
| 5. Ms. Dai Juan-Ming | Purchasing Manager |
| 6. Mrs. Jenjira Sock | Human Resources and General Affair Manager |
| 7. Mr. Lertchai Kitthavornarchep | M I S Manager |

Report of the Audit Committee



The Board of Audit Committee of Compass East Industry (Thailand) PLC, had appointed Audit Committee to control and supervise financial statement of the company in order to comply to the accounting standard suitably to the business operation and to review to the company to report financial statement correctly and sufficiently with suitable internal control and efficiency to perform according to the law of securities as well as other related law. The information has been disclosed sufficiently, risk management, selection consideration and to propose to appoint the auditor of the company as well as giving importance to the performance to the principle of good governance, ethics, transparency and able to be inspected.

The Audit Committee consists of 3 independent directors of Miss Chen, Shu-Huei, as a chairman of audit committee, Mr. Yang Chien Jen, a secretary of audit committee, and Mr. Chen Tai-Heng, as audit committee, each person is not the administration directors or the employee of the company. The Inspection Directors have their performance and duties and responsibilities according to the charter of inspection committee approved by the meeting of Board of Committee according to the requirements of the Stock Exchange of Thailand and to report to the Board of Director of the company.

The Audit Committee acts as administer the business according to the scope of responsibilities assigned by the Board of Company with 7 times meeting and also the Audit Committee entered the meeting at 100%, the important matters of performance could be summarized as follows:

1.) Review the Financial Statement by reviewing quarter financial statement and for 2010 of Compass East Industry (Thailand) PCL., and the total financial statement of the company.

2.) To supervise and to develop internal control system by planning that the inspection shall have review with suitability with internal inspection division and related administration division in order to improve fort more efficiency to internal control.

3.) To review to risk administration system and other factor may be effected significantly to business operation of the company such as compliance to the related laws according to the principles of good governance in order to consult and exchange opinion on quality evaluation inspection in various aspects and efficiency of internal control system.

4.) To consider of appointment the auditor for 2011 with suggestions name of auditor as well as review to the auditor's qualification correctly according to the notice of SEC and SET, and also determination remuneration for 2011 to the committee in order to propose to the shareholders' meeting of the company for the resolution of appointment further.

The Audit Committee had performed duties independently from the Board of Company and Management Department with the report of meeting and report of performance to the Board of Company already.

For and on behalf of the Audit Committee

Miss Chen Su Hui
The President of Audit committee

General Information



NAME	Compass East Industry (Thailand) Public Company Limited
TYPE OF BUSINESS	Manufacturer and exporter of Ceiling Fan.
HEAD OFFICE	225/324 Country Complex Tower B, 16 TH Floor, Sanpavut Road Kwaeng Bangna, Khet Bangna, Bangkok 10260 Tel : 0-2361-2051 Fax : 0-2361-2062 www.ceifan.com
FACTORY	290-1 Moo 4 Sukhumvit Road, Tumbol Prakkasa, Amphur Muang Samutprakarn, Samutprakarn 10280 Tel : 0-2324-0527, 29, 31, 33-34 Fax : 0-2324-0587
AUTHORIZED SHARE CAPITAL	240,000,000 Baht (Two hundred forty million Baht)
PAID-UP CAPITAL	188,300,000 Baht (One hundred and eighty eight million three hundred thousand Baht)
PAR VALUE PER SHARE	Share Capital-common share Baht 1 par value (One Baht)
SHARE REGISTRAR	Thailand Securities Depository Company Limited 2/7 Moo 4 The Stock Exchange of Thailand Building Floor 2, North Park Viparvaderangsit Road, Thongsonghong Laksi, Bangkok 10210 Tel : (662) 596-9000 Fax : (662) 832-4994
AUDITOR	Mr. Jadesada Hungsapruet Karin Audit Company Limited 6 th Floor, Room B 1, Boonmitr Building, 138 Silom Road, Bangrak, Bangkok 10500 Tel : 0-2634-2484-6 Fax : 0-2634-2668
LAWER	Mr. Thoedtham Biarabicharana 377/49 Sathupradit Rd., Chongnoonsee, Yannawa, Bangkok 10120 Tel : 08-1668-6281
BANKER	Bangkok Bank Public Company Limited Bangkok Branch Bangkok Bank Public Company Limited Bangna Branch The International Commercial Bank of China Head Office The International Commercial Bank of China Bangna Branch Krungthai Bang Public Company Limited Sanpavuth Branch

Nature of the Business



Compass East Industry (Thailand) PLC, (CEI), in the past produced the domestic ceiling lamp fan. Currently, the company imports parts of fan for assembly and distribute in Thailand. The fans of the company are emphasized to loveliness with capability of accessory and for decoration to the houses as well as office building. The large market is USA with total sales growing continuously all the time.

Production of the company divided into 2 types in order to support the customers' needs:

- OEM (Original Equipment Manufacture), the company shall produce products as per style and requirements of customers under the customers' brand names.
- ODM (Original Design Manufacture), the company shall be a designer and product to customers. The product development department of the company shall design and develop the products all the time in order for modernity with the time changing under the trademark of the company such as Sunlight, Airy Royale and currently the company has launched the products of the company to the markets under the new brand name of "Compass East" in order to be known by those general customers.

From last year, the company had changed strategies as the followings.

- Production, the company has cancelled production line of the company by emphasized to design and control to the quality of the products ordered from both domestic and overseas by importing parts to assemble in order to reduce cost, production to the small production-size. While Horizontal Plating Machines which are used to produce electronic circuit for general electrical appliance, any customers without the investment or expansion business, so the company needs to wait for the trend to look the condition and marketing when will be grow up.
- Marketing, the company has appointed the sole distributor in Thailand; that is Culminate Airy Co., Ltd., since the company is expert on the sample of products very well with large amount of marketing channels and more customers in hand, so the Culminate Airy Co., Ltd. has maximum market shares in this product. While the company has assisted to the representative with capability to develop markets and expand customer base to increase more.

Changing in the past year

On 23 August 2002, the Tai family as the promoter of the company had bought the shares in Hunter CEI (Asia) Co., Ltd., while the directors appointed by Hunter Fan Co., Ltd., resigned from director position since 30 September 2002, therefore, the power of control of the Hunter Fan Co., Ltd., ended.

On October 2003, Air Royal Industry Co., Ltd., had dissolved its business and liquidated already. The company has expanded to Australia and in Europe by using the brand of Honey Well designed and marketed by the company.

On 13 January 2004, the company had entered to invest in Air Breeze Co., Ltd., located in People's Republic of China via Van Guard Corporation Co., Ltd., situated in Cayman Island with investment value of 3 million US Dollars. The investment is 100% of registered capital of both companies, which is equally to 3 million US Dollars.

On 4 January 2005, big customer had prosecuted for damages to the company with the accuse that the company did not follow the Purchasing Contract with calling for damages of 2.3 Million US Dollars, the results from negotiation were as follows:

- Purchasing Contract as of 31 March 2005, (The old contract due of 31 October 2005), caused the company lost this big customers.
- The company had to pay the fee, cost of prosecution as of 750,000 US\$ by subtracting from total debts unpaid by the big customer to the company.
- The company has to deliver mould and some equipment machinery, while the big customer paid at the price of 68,570 US\$.

In April 2007, the company had imported new machine to support new production line of the company, But now the company is still pending for decision as to whether to keep on running operations or cancel the project, because the economic conditions is at not suitable for any investment, so need to the time to wait for the chance.

In January 2009, the company decided to sell subsidiary in China, Cause of The subsidiary is short both of the liquidity and current capital, so the subsidiary need to layoff any employees and sale any assets for debt repayments. This situation is beyond company's control power, the executive resolved to sell the subsidiary for reduce the effects of damage in the future, and the executive believe in this way would solve CEI lose situation within short term and can to fast revive from the expansion in new business lines which can make better profits.

In May 2009, CEI imported floor tiles from China for domestic sale, for the purpose to make up the ceiling fan's volume sale which diminished by the economic crisis, for push up the product sale increase in the future.

In August 2009, CEI has invested in 450,000 ordinary shares of Siam Water Resource Co., Ltd. At Baht 100 per value, totaling Baht 49.95 million, representing 10% of registered share capital of that company. The company paid the ordinary shares Bath 33.75 million, indicate the remainder Baht 16.20 million payment within September 2009 and the share certificate had transfer to CEI on August 2009 already.

In April 2010, CEI returned the Horizontal Plating Machine in order to use in electronic circuit boards for general electrical, the all expenses of returned machine paid by supplier.





Explanation and Analysis of the Management Operational Performance

According to the company submitted the balance sheet of its company in yearly 2010 ending on July 31, 2010 found that the performance of company in year 2010 for year having the net profit of 13.08 million baht whilst in the same period of year before having loss profit equivalent to 57.22 million baht, the company profit which compared with last year is decreased 70.30 million baht or 122.86%. The company would like to give statements as follows;

1. Overall profit of the company is decreased by 30.54 million baht or 22.71% when comparing with the same period of year due to following causes;

1.1) The net sales was decreased by 6.94 million baht or 9.60%.

1.2) The rental income is decreased by 12.21 million baht or 42.67%.

1.3) The other income is decreased by 11.39 million baht or 33.89%.

2. Cost of goods sold of the company decreased by 3.54 million baht or 5.78 % due to the sales is increased.

3. The company had sale and management expenses and other expenses decreased by 97.16 million baht or 74.61% due to following causes;

3.1) Sale and operating expense decreased by 14.56 million baht or 32.51%.

3.2) Loss on sale of current investment decreased by 9.60 million baht or 100%.

3.3) Loss on sale of assets decreased by 9.25 million bath or 100%

3.4) Cost of finance decreased by 0.136 million baht or 65.54%.

Financial Ratio

Highlight of Financial Ratio Based on 2010 Statements:

Return on Equity Ratio (%)	0.07
Return on Asset (%)	0.02
Assets to Total Liabilities Ratio (Times)	16.48
Debt to Equity Ratio (Times)	0.06
Asset Turnover (Times)	0.09

Trend in the future

In the future, the company is still seeking new business for the investment in the country and the foreign countries. In last year the company has entered to invest in Siam Water Resource Co. Ltd., the amount of capital invests is 49.95 million baht, the asset management should to make the most profit

Industrial and Competition Situations

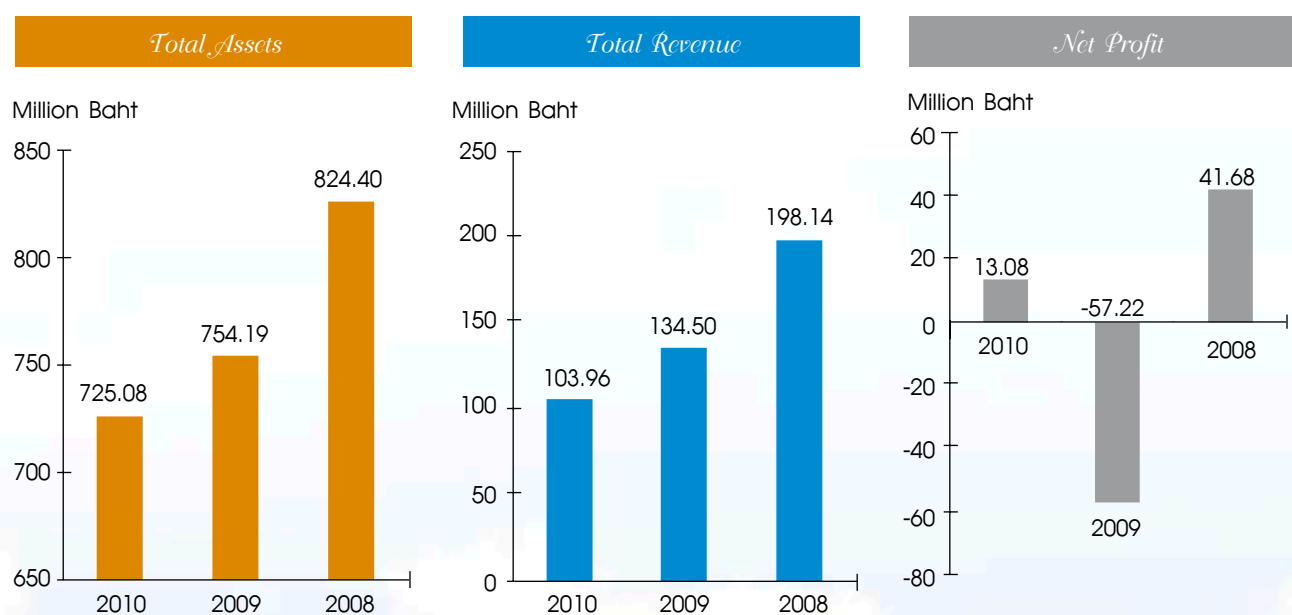
The effect from the economic crisis still continual to 2010, since the last year the red shirt group calling the democracy, also affect to whole business wide area, the people is serious and slow down to pay in not necessity item, so affect to the sale quantity in this year is decreased, in last year have the competitor is increased, use pricing strategy to catch the market share, but the company try to fight, using the better quality and warranty systematic to approached, until the product of company is prevailed over the competitor.

Risk Factors



The Company is exposed to normal business risks from changes interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

The Company's financial assets comprise cash and cash equivalents, current investments, trade accounts receivable and inventories which are liquid and able to sell at close to this fair value.



Income Structure

	2010		2009		2008	
	Million Baht	%	Million Baht	%	Million Baht	%
Net Sales	65,339	62.85	72,280	53.74	66,871	33.75
Other Income	38,619	37.15	62,217	46.26	131,272	66.25
Total	103,959	100.00	134,497	100.00	198,143	100.00

Interest rate risk

The interest rate risk is the risk that future movements in market interest rate will affect the results of the Company's operations and its cash flows. The Company's exposure to interest rate risk relates primarily to its deposits and bills of exchange with financial institutions. Since the majority of these financial assets are short term, the Company does not use derivative financial instruments to hedge such risk.

Foreign currency risk

The Company has the foreign currency exchange rate risk related to assets and liabilities denominated in foreign currencies which have not made foreign currency exchange rate risk hedging.

As at July 31, 2010 and 2009, assets and liabilities denominated in foreign currencies which have not been hedged against foreign exchange rate risk, are summarized as follows:

(Unit : Baht)

	2010		2009	
	Assets	Liabilities	Assets	Liabilities
US Dollar	5,547,896	1,838,887	5,755,582	1,597,072

Credit risk

The Company is exposed to credit risk primarily with respect to a few of trade accounts receivable. The management of the Company believes that the maximum exposure to credit risk is limited to the net book value as stated in the balance sheet.

Fair value

The significant carrying values of financial assets and liabilities approximate to their fair values.

Power and Duties of the Board of Directors

1. To carry out its duties in accordance with the Company's laws, objectives and regulations, including resolutions of shareholders' meeting, in accordance with the law, with integrity, ethically, prudently and with due regard to the Company's best benefits.
2. To arrange for a shareholders' meeting to held at least once a year, to report to shareholders on the Company's performance and to seek shareholders' approval for matters which exceed the authority or duties of the board of directors.
3. To hold a meeting of the Board of Director at least once every three months.
4. To take all necessary steps to ensure that financial and other information provided to shareholders is at all times correct, complete and transparent.
5. To ensure that the Company has efficient internal control and audit systems in place.
6. To consider and make decisions on important matters such as policies, business plans, administrative powers, large investment projects, related party transactions, acquisitions or disposals of assets of the listed company as covered by the regulations of the Stock Exchange of Thailand, and any other matters stipulated by law.
7. To ensure that the Company's business dealings are carried out in an ethical manner.
8. The board of Directors may delegate its power and duties to one of more Directors or to other individual(s) as it sees fit, authorizing such persons to act on its behalf with whatever power and duties it may chose to assign.



9. The Board of Directors has the power to appoint and to change authorized signatories empowered legally to bind the Company on its behalf.

Power and Duties of the Executive Board

1. The Executive Board is designated with the authority to operate in accordance with the Board of Director's policies, which in turn defer to Laws, the conditions, rules and regulations of the Company, with the exception of issues which the Law specifies as requiring the authorization of Shareholders' Meetings.

2. The Executive Board has the right to formulate, propose and determine business directive policies and strategies to the Board of Directors.

3. The Board may prepare business plans; specify management powers; including annual expenditure budgets; and generally conduct activities in line with the business plans and strategies to complement the policies and directives presented to the Board of Directors.

4. Conduct business relating to the general management of the Company, with the exception of related transactions and the acquisition / divestiture of significant public listed company assets, which are to be conducted in accordance with the regulations of the Stock Exchange of Thailand.

5. The Board of Director who has any related transaction may be conflict of the Company or Subsidiary company's benefit or other, the Board of Director who related in which issue, he or her will without the privilege to vote in the issue and also cannot vote in the issue too.

Powers and Duties of the Audit Committee

1. The Audit Committee has the duty to review that the Company's financial reportage is accurate and discloses sufficient Information, by coordinating the viewpoints of the corporate auditors, the Board of Directors and the Internal Audit Office into a unified direction.

2. The selection and proposal of appointment of the Company's auditors, including the annual audit fees for authorization by the Shareholders Meeting.

3. Determine the level of significant risk and measures for reducing such risk, from management, the internal audit office and auditors.

4. Conduct a joint review in association with the auditors and Internal Audit Office as to the sufficiency of internal controls systems.

5. Oversee that the Company's operations comply with predetermined policies, or Laws relating to securities and the Stock Exchange, announcements of the Stock Exchange or regulations of other governing bodies.

6. Review the financial statements and notes to the financial statements together with the management team, the auditors and the Internal Audit Office prior to submission to the relevant governing body.

7. The Preparation of a report acknowledging the responsibility and operations of the Audit Committee presented to the Board of Directors and included in the Company's Annual Report.

8. Additional duties to those mentioned may be assigned in accordance with the corporate regulations, law or instructions of the Board of Directors.

Nomination of Directors and Executives

The nomination of candidates for the positions of Director in the Company is not processed by a Nomination Committee, since the Company has not yet established such a committee. Nonetheless, the Board of Directors selects candidates with the requisite qualifications, knowledge, skills and relevant experience for the benefit of the Company. The selection process takes into account the candidates' qualifications with respect to Measure 68 of the Public Companies Act to 1992 and announcements of the Securities Exchange of Thailand relating to the nomination of Company Directors.

The appointment of candidates is conducted at the shareholders' Meetings as follows.

- Each shareholder shall have one vote for one share.
- Each shareholder may exercise all the votes he or she elect one or several persons as director(s) but the shareholder may not Allot his or her vote to any director more or less than the others notwithstanding any other provisions under the Articles of Association which are contrary to these Articles. Any provisions under this Articles of Association shall not be construed as entitling the shareholders to elect the directors by cumulative voting.
- The persons who received highest votes in order appointed to be the directors are equivalent the number of elect director(s) at that time. In case of the persons who received inferior votes are equivalent and more than the number of elect directors, Assign the Chairmen should issue the decisive vote.

Remuneration for the Executive

Directors have the privilege to receive the remuneration in type of reward, meeting allowance, pension, bonus or other benefits with the regulations of the company or resolution of shareholder's meeting. At all events the remuneration may be fixed amount or Indicate to the regulations for the consideration per time or along time until to have the transformation. Furthermore, the Executives have the privilege to get the regulations allowance and other welfare from the company.



Report on 15 Principles of Good Corporate Governance



1. Policy on Corporate Governance

The board of directors recognizes the importance of good corporate governance. In order to increase clarity, ability of corporate competition, shareholders, investors and all parties' confidence, the company has established policies of corporate governance, which include main principles as follows.

- Rights and equitable treatments shareholders and various groups of stakeholders.
- The board of directors is determined to increase significant value-added to the company in long term. The board will manage the company with sufficient efficiency in order to increase maximum benefit to the shareholders. The board is responsible to prevent conflict of interest and take full responsibility in all actions and its decisions made.
- Manage the business with clarity and is always ready to go through audit check. The board of directors must have information disclosure and transparency.
- Manage the business with risk management in mind as well as controlling system.
- The company maintains business ethics for the board of directors and staffs to follow

2. Shareholders : Rights and Equitable Treatment

In 2010, the company held a shareholders meeting on November 19, 2010, on the company's premises. The company sent out a meeting notice as well as the agenda attached for the meeting. For each meeting, the shareholders must acknowledge the meeting 7 working days prior to each meeting there is an attachment of the board of director's feedback as well as the meeting minutes. The company has prepared a power of attorney letter as per the Department of Business Development and the Ministry of Commerce for the shareholders who would like to assign replacements to attend the meeting in their regards in case the shareholders are unable to attend the meeting.

3. Various Group of Stakeholders

In its pursuit for sustainable growth and financial returns for its shareholders, the company strives to become a role model corporate citizen. It respects the rights of all its stakeholders and conducts its operations fairly and strictly in compliance with all laws, rules and regulations.

4. Shareholders' Meetings

In 2010 the Company held one Shareholders' Meeting which is the Annual General Meeting. In the conduct of the meeting the Chairman encouraged shareholders to express their opinions or raise questions if they has any. Ample time was set-aside for these sessions so that all shareholders present were given opportunities to address the meeting.

5. Leadership and Vision

The Board of Directors oversees the business affairs of the Company by reviewing and approving the Company's strategic plans, key operation initiatives, major investments, funding decisions and financial performance. These functions are carried through various executive and board committees as well as by means of a system of delegation of authority to senior management.

The Board of Directors has put in place internal control policies in which financial, operations, compliance controls and risk management are effectively and effectively incorporated in the Company's operations. The Internal Audit Department monitors, reviews and checks that such policies are adhered to and reports its findings and recommendations directly to the Audit committee who in turn discusses such matters at Board meetings.

6. Conflict of Interests

The boards of directors prevents conflict of interests by establishing policies that object the management and people concerned to take the company's information to be used for their personal interests as follows.

- List of possible conflict of interests - the board acknowledges the possible conflict of interests and all related possibilities and has considered appropriate way to prevent it by following the rules and regulations of the Securities and Exchange Commission, with conditions and prices similar to outsiders transactions and has exhibited the information and the value of the contract in the annual report and the form 56-1
- Supervision of the use of internal information
 - The management has to report any change of stock ownership to the Office of the Securities and Exchange Commission as per to clause 59 of SEC act 1992.
 - The management and people concerned who receive insider information are forbidden to expose information to outsiders prior to the public release of the financial statement

7. Business Ethics

The company maintains the company's rules according the management and employee's corporate code of conduct so that all people involved maintain this code as direction in performing their duties with loyalty, honestly, fairness, to the company and to the stakeholders, community and the society. All people concerned acknowledge and agree to follow this code. The company keeps regularly communication with the employees and follows up there actions towards this direction, including establishing disciplinary actions.

8. Balance of Power for Non-Executive Directors

The Board of Director of the Company is made up of nine persons: four executive directors and three independent directors. The number of independent directors sitting in the board accounts for one-third of the board and thus strikes a fair balance in the board 's composition. Names and number of directors



empowered to sign on behalf of the Company are Miss Dai Wen-Lee or Mr. Tai Dann-Sheng or Miss Dai Juan Ming together two person with the Company's seal affixed.

9. Aggregation or Segregation of Positions

Although the Company finds it appropriate for the Chief Executive Officer to also be appointed as Chairman of the Board, the Company is sensitive in giving excessive power and authority to a single individual and therefore requires all strategic decisions to approved by the Board of Directors.

10. Remuneration for Directors and the Management

The Company is careful in giving competitive, but not excessive, remuneration to its directors and management so as to attract and retain highly qualified personnel and has consistently used the industry practice as a guideline.

Remuneration for Directors is approved by shareholders at each annual general meeting. Independent directors / director who take on the additional responsibility of being a member of the Audit Committee and/or Remuneration Committee are each paid an additional fee.

Annual review of management remuneration is based on the performance of the Company and performance of the individual employee.

Remuneration paid to individual directors of the Board and management is disclosed in this 2010 annual report under the topic "Remuneration & Other Benefits of the Directors and Shareholdings of Directors and Executives" and "Management Remuneration"

11. Board of Directors' Meeting

The Board of Directors' meet at least 4 times annually and additional meetings are called as and when necessary. Notices for meetings are sent well in advance along with the agenda and necessary information to give directors ample time to prepare themselves for productive discussions. A typical meeting lasts one to two hours. Minutes of all meetings are meticulously documented and are given to all directors for their approval. All minutes are systematically filed by the company secretary and can be easily retrieved whenever required.

12. Committees

The Board of Directors sets top priority to good governance to meet the international standard and compliance with the policy of the Stock Exchange of Thailand by establishing Audit Committee, Remuneration Committee and Nomination Committee to oversee the management of the company. The Audit Committee is an important component of good governance policy comprising of 3 independent directors who meet the qualifications of the Stock Exchange of Thailand. The duty of the Audit Committee are to perform according to the Audit Committee regulations and to the direction of the Board of Directors, including auditing financial statement for their accuracy and transparency.

13. Control and Internal Audit

- Both Internal Audit and Legal Affairs Department are assigned the responsibility of monitoring the Company's operations whether it is in compliance with the laws and other requirement including the objectives of the Company.
- The Management holds regular and frequent meetings to review the Company's business performance and other problems, which arise and need corrective action.

14. Report by The Board of Directors

The Board of Directors is responsible for the Company's financial statements and other information as shown in the annual report. Such financial statements are prepared in accordance with generally - accepted accounting standards and other reporting requirements, and also significant Information to support the financial statements which are adequately provided.

The Audit Committee has been assigned to comment on the quality of financial reports and effectiveness of the control system in the Audit committee's reports which also goes into the Company's annual report.

The Board of Director thought that control and internal audit systems of the Company has proven satisfactory and hence the Consolidated and Company Financial Statement as at July 31, 2010 presented accurate and reliable information.

15. Relations With Investors

The board of directors recognizes that the company's information, financial or non-financial, both have effect to the company's investors and stakeholders' decision-making. The board of directors should ensure that the company discloses important information correctly, timely and transparently, which the management has always considered important, On the subject of relations with the investors, the company has not yet provided a special investor relations unit, as the activities in this department are still not sufficient to create a new division. However, the company has appointed the financial controller to act as the coordinator in communicating relevant information to individual investor, shareholders, stock analysts and state agencies. For more information click www.cefan.com

Report of Certified Public Accountant



To the Shareholders of Compass East Industry (Thailand) Public Company Limited

I have audited balance sheets as at July 31, 2010 and 2009, statements of income, changes in shareholders' equity and cash flows for the years ended July 31, 2010 and 2009 of Compass East Industry (Thailand) Public Company Limited and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year ended July 31, 2009 of Compass East Industry (Thailand) Public Company Limited and its subsidiaries. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions as of July 31, 2010 and 2009 and the results of operations and cash flows for the years then ended of Compass East Industry (Thailand) Public Company Limited and the results of operations and cash flows for the year ended July 31, 2009 of Compass East Industry (Thailand) Public Company Limited and its subsidiaries in accordance with generally accepted accounting principles.

I draw attention to the Note no. 2 to the financial statements that the Company has only a major customer, which is a related company. As a result, ability in continued operation of the Company is dependent on ability in profit making and ability of such major customer in the future. Such situation is reflected by uncertainty which is material that may cause substantial doubt in respect of ability in continued operation of the Company.

(Mr. Jadesada Hungsapruet)
Certified Public Accountant
Registration No. 3759

Karin Audit Company Limited
Bangkok, Thailand
September 14, 2010

Balance Sheets

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED

AS AT JULY 31, 2010 AND 2009



(Unit : Baht)

	Note	2010	2009
ASSETS			
Current Assets			
Cash and cash equivalents		361,581,716	342,545,500
Current investments, net	6	4,441,500	5,600,500
Trade accounts receivable - a related party, net	5.3	38,263,492	40,359,611
Other receivables			
- A related party, net	5.3	315,030	616,679
- Other parties		179,372	3,097,569
Short-term loans to other parties	7	76,680,908	94,237,000
Inventories, net	8	19,932,437	34,880,776
Other current assets		2,109,152	7,166,713
Total Current Assets		503,503,607	528,504,348
Non-Current Assets			
Other long-term investment	9	49,950,000	-
Property, plant and equipment, net	10	73,502,843	137,023,555
Land and buildings for rent, net		94,973,321	84,824,773
Machinery and equipment held for sale, net		25,983	113,152
Other non-current assets		3,120,791	3,726,584
Total Non-Current Assets		221,572,938	225,688,064
Total Assets		725,076,545	754,192,412

Notes to financial statement are an integral part of these financial statements

Balance Sheets

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED

AS AT JULY 31, 2010 AND 2009



(Unit : Baht)

	Note	2010	2009
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade accounts payable			
- A related party	5.3	-	22,607
- Other parties		3,043,957	6,754,624
Payable for acquisition of machinery	2	-	34,603,597
Other payables		12,966,943	13,437,424
Provision for contingent liabilities	11	21,286,994	21,286,994
Other current liabilities	5.3	6,707,338	6,803,817
Total Current Liabilities		44,005,232	82,909,063
Non-Current Liability			
Rental deposits received from customers		-	3,296,075
Total Non-Current Liability		-	3,296,075
Total Liabilities		44,005,232	86,205,138
Shareholders' Equity			
Share capital			
Authorized share capital			
240,000,000 ordinary shares, at Baht 1 par value		240,000,000	240,000,000
Issued and paid up share capital			
188,300,000 ordinary shares, at Baht 1 par value		188,300,000	188,300,000
Premium on share capital		410,350,000	410,350,000
Revaluation surplus on land		95,721,579	95,721,579
Retained earnings (deficits)			
- Appropriated - legal reserve		24,000,000	24,000,000
- Unappropriated		(37,300,266)	(50,384,305)
Total Shareholders' Equity		681,071,313	667,987,274
Total Liabilities and Shareholders' Equity		725,076,545	754,192,412

Notes to financial statement are an integral part of these financial statements

Statements of Income

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED JULY 31, 2010 AND 2009



		Consolidated	Separate financial statements	
	Note	2009	2010	2009
Sales	5.2	118,583,760	65,339,908	72,280,113
Cost of sales		106,963,326	57,738,177	61,280,558
Gross Profit		11,620,434	7,601,731	10,999,555
Rental income	5.2	28,608,846	16,401,450	28,608,846
Interest income	5.2	14,985,758	15,209,531	14,985,758
Gain on disposal of assets		-	1,088,359	-
Gain on changing in value of current investments		5,076,746	1,427,827	5,076,746
Gain on sales of current investments		-	2,309,049	-
Reversal of allowance for impairment loss on machinery and equipment held for sale		6,857,033	381,643	6,857,033
Other income	5.2	7,124,230	1,801,549	6,688,991
Profit before Expense		74,273,047	46,221,139	73,216,929
EXPENSES				
Selling expenses		2,286,623	3,579,146	758,983
Administrative expenses		56,614,094	27,403,609	44,785,338
Loss on sale of investment in a subsidiary	3	51,105,368	-	63,795,595
Loss on sales of current investments		9,605,743	-	9,605,743
Loss on sales of assets		27,428,221	-	9,255,852
Management remuneration		2,024,000	2,083,000	2,024,000
Total Expenses		149,064,049	33,065,755	130,225,511
Profit (Loss) before Financial Costs		(74,791,002)	13,155,384	(57,008,582)
Financial costs		229,888	71,345	207,016
Net Profit (Loss) for the Year		(75,020,890)	13,084,039	(57,215,598)
Basic Earnings (Loss) per Share		(0.40)	0.07	(0.30)
Weighted average number of ordinary shares (unit : shares)		188,300,000	188,300,000	188,300,000

Notes to financial statement are an integral part of these financial statements





Statements of Change in Shareholders' Equity

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED JULY 31, 2009

(Unit : Baht)

		Consolidated					
	Note	Issued and paid-up share capital	Premium on share capital	Revaluation surplus on land	Foreign currency translation	Retained earnings (deficits)	
						Appropriated - legal reserve	Unappropriated Total
Balance as at August 1, 2008		188,300,000	410,350,000	95,721,579	3,093,598	24,000,000	31,477,342 752,942,519
Foreign currency translation adjustments		-	-	-	5,129,645	-	- 5,129,645
Net loss for the year		-	-	-	-	-	(75,020,890) (75,020,890)
Dividend payment	12	-	-	-	-	-	(15,064,000) (15,064,000)
Decreasing in foreign currency translation resulting from sale of investment in a subsidiary		-	-	-	(8,223,243)	-	8,223,243 -
Balance as at July 31, 2009		188,300,000	410,350,000	95,721,579	-	24,000,000	(50,384,305) 667,987,274

Notes to financial statement are an integral part of these financial statements





Statements of Change in Shareholders' Equity

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED JULY 31, 2010 AND 2009

(Unit : Baht)

		Separate financial statements					
					Retained earnings (deficits)		
	Note	Issued and paid-up share capital	Premium on share capital	Foreign currency translation	Appropriated - legal reserve	Unappropriated	Total
Balance as at August 1, 2008		188,300,000	410,350,000	95,721,579	24,000,000	21,895,293	740,266,872
Net loss for the year		-	-	-	-	(57,215,598)	(57,215,598)
Dividend payment	12	-	-	-	-	(15,064,000)	(15,064,000)
Balance as at July 31, 2009		188,300,000	410,350,000	95,721,579	24,000,000	(50,384,305)	667,987,274
Net profit for the year		-	-	-	-	13,084,039	13,084,039
Balance as at July 31, 2010		188,300,000	410,350,000	95,721,579	24,000,000	(37,300,266)	681,071,313

Notes to financial statement are an integral part of these financial statements



Statements of Cash Flows

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED JULY 31, 2010 AND 2009



(Unit : Baht)

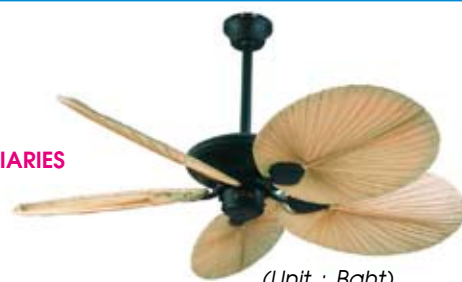
	Consolidated		Separate financial statements	
	2009	2010	2009	
Cash Flows from Operating Activities				
Net profit (loss) for the year	(75,020,890)	13,084,039	(57,215,598)	
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities :				
Depreciation and amortisation	13,249,715	8,278,274	9,641,161	
Allowance for diminution value of inventories	-	626,944	-	
Allowance for doubtful accounts	10,002,403	-	10,002,403	
Loss on foreign exchange rate from credit note for purchasing machinery	-	1,125,130	-	
Reversal of allowance for impairment loss on machinery and equipment held for sale	(6,857,033)	(381,643)	(6,857,033)	
Loss (gain) on disposal of current investments	9,605,743	(2,309,049)	9,605,743	
Gain on changing in value of current investments	(5,076,746)	(1,427,827)	(5,076,746)	
Unrealised loss (gain) on foreign exchange	2,111,082	(9,548)	2,111,082	
Loss (gain) on disposal of assets	27,428,221	(1,088,359)	9,255,852	
Loss on sale of investment in a subsidiary	51,105,368	-	63,795,595	
Interest income	(14,985,758)	(15,209,531)	(14,985,758)	
Financial costs	229,888	71,345	207,016	
Profit (loss) from operating activities before change in operating assets and liabilities	11,791,993	2,759,775	20,483,717	
(Increase) decrease in operating assets				
Current investments	4,395,503	4,895,876	4,395,503	
Trade accounts receivable				
- A related party	46,942	2,096,119	46,942	
- Other parties	(1,463,711)	-	-	
Other receivables				
- A related party	1,330,668	301,649	1,330,668	
- Other parties	8,518,549	462,807	8,518,549	

Notes to financial statement are an integral part of these financial statements

Statements of Cash Flows

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED JULY 31, 2010 AND 2009



(Unit : Baht)

	Consolidated	Separate financial statements	
	2009	2010	2009
Inventories	(4,594,496)	14,321,395	(12,342,563)
Refundable value added tax	7,719,254	-	7,277,606
Other current assets	2,044,684	1,516,544	1,403,991
Other non-current assets	(48,800)	28,800	(48,800)
Increase (decrease) in operating liabilities			
Trade accounts payable			
- Related parties	(26,789)	(22,607)	(1,661,764)
- Other parties	690,641	(1,245,728)	2,992,536
Other payables	(130,945)	(470,481)	(130,945)
Other current liabilities	(1,476,912)	253,431	(1,500,882)
Rental deposits received from customers	(93,925)	(3,296,075)	(93,925)
Income tax refunded	-	2,184,240	-
Income tax paid	(1,578,039)	(944,641)	(1,578,039)
Net Cash Flows Provided by Operating Activities	27,124,617	22,841,104	29,092,594
Cash Flows from Investing Activities			
Proceeds from short-term loans to other parties	-	50,827,460	-
Cash paid for other long-term investment	(94,237,000)	(26,590,460)	(94,237,000)
Proceeds from sale of equity securities	-	-	7,544,609
Cash paid for short-term loans to other parties	-	(49,950,000)	-
Net cash outflow on sale of investment in a subsidiary	(14,546,692)	-	-
Proceeds from disposal of fixed assets	26,733,844	12,039,671	4,251,142
Cash paid for purchase of fixed assets	(116,069)	(1,112,545)	(83,785)
Cash paid for purchase of intangible assets	-	(34,000)	-
Interest received	12,044,291	11,089,131	12,044,291
Net Cash Flows Used in Investing Activities	(70,121,626)	(3,730,743)	(70,480,743)

Notes to financial statement are an integral part of these financial statements

Statements of Cash Flows

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED JULY 31, 2010 AND 2009



(Unit : Baht)

	Consolidated	Separate financial statements	
	2009	2010	2009
Cash Flows from Financing Activities			
Financial costs paid	(229,888)	(71,345)	(207,016)
Dividend paid	(15,053,927)	(2,800)	(15,053,927)
Net Cash Flows Used in Financing Activities	(15,283,815)	(74,145)	(15,260,943)
Effects of exchange rate changes on cash and cash equivalents	250,225	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(58,030,599)	19,015,362,216	(56,649,092)
Cash and Cash Equivalents at Beginning of the Year	400,576,099	342,545,500	399,194,592
Cash and Cash Equivalents at Ending of the Year	342,545,500	361,581,716	342,545,500

Supplemental disclosures of cash flow information :

Non-cash transactions

1. During the year ended July 31, 2009, the Company has sold all of investment in its subsidiary at a price of Baht 10 million of which Baht 7.54 million has been received.
2. During the year ended July 31, 2010, the Company repaid a partial debts to a trade payable by off-set with an account receivable for purchasing investment in the Company's subsidiary of Baht 2.46 million, and returned machinery of Baht 35.73 million, which resulted to decrease in payable for acquisition of machinery of Baht 34.60 million.
3. During the year ended July 31, 2010, the Company converted accrued interest income of Baht 6.68 million to short - term loan to other party.

Notes to financial statement are an integral part of these financial statements

Notes to the Financial Statements

COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

JULY 31, 2010 AND 2009



1. General information

Compass East Industry (Thailand) Public Company Limited ("the Company") is a public limited company and is incorporated in Thailand. The Company is listed on the Stock Exchange of Thailand. The registered head office is located on 225/324 Country Complex, B Building, 16th Floor, Sanpawuth, Bangna, Bangkok, and plant is located on 290-1 Moo 4, Bangpoo Industrial Estate Soi 5, Sukhumvit Road, Prakkasa, Muang, Samutprakarn.

The principal activities of the Company and subsidiaries involve the manufacture and distribution of ceiling fan.

2. Going concern basis

A major customer ceases its joint operation due to the Company noncompliance with the contract to purchase and sell of ceiling fans at the beginning of the year 2005. The Company's management has rectified such situation by the reduction of production capacity, disposal of land and some machinery and equipment including the reduction of staff number in the ceiling fan production. During the year 2007, the Company invested in machinery which used in horizontal plating machines for the use in the electric circuit for general electric appliance. However, the management considers not be operate in this product and has returned the machines to the seller. In April 2010, the Company has received credit note from said seller in full amount. The ceasing of joint operation of the said major customer results the Company still in ceiling fans business, but has only a major customer, which is a related company. As a result, ability in continued operation of the Company is dependent on ability in profit making of the Company and distribution ability of such major customer in the future.

The financial statements have been prepared on the going concern basis, assuming that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

3. Principles of consolidation financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries, which are these entities the Company has power to govern the financial and operating policies, are consolidated.

			Percentage of holdings	
Company's name	Nature of business	Country of incorporation	2010	2009
: Held by the Company				
Vanguard Corporation	Holding company	Cayman	-	-
: Held by Vanguard Corporation				
Air Breeze Co., Ltd.	Manufacturer and distribution of ceiling fan	China	-	-

In January 2009, the Company sold all its investment in common shares of Vanguard Corporation to an outsider at a price of Baht 10 million, which resulted in loss from sale of investment for the year ended July 31, 2009, amounting to approximately Baht 51.11 million and Baht 63.80 million in the consolidated and separate financial statements, respectively.

4. Principles of financial statements and accounting policies

4.1 Basis of preparation of the financial statements

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in Thailand and the Notification of the Department of Business Development Re: Determination of Brief Entries in the Financial Statements B.E. 2551.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

As required by Thai law and regulatory requirements, the Company's financial statements have been prepared in the Thai language. They have been translated into English for the convenience of the reader.

The Federation of Accounting Professions has issued Notifications No. 17/2553 and 34/2553, regarding new accounting standards and financial reporting standards. These are not effective for the current year, except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective.

	<i>Effective date</i>
Framework for the Preparation and Presentation of Financial Statements (revised 2009)	Immediate
TAS 1 (revised 2009) Presentation of Financial Statements	January 1, 2011
TAS 2 (revised 2009) Inventories	January 1, 2011
TAS 7 (revised 2009) Statement of Cash Flows	January 1, 2011
TAS 8 (revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2011
TAS 10 (revised 2009) Events after the Reporting Period	January 1, 2011
TAS 11 (revised 2009) Construction Contracts	January 1, 2011
TAS 12 Income Taxes	January 1, 2013
TAS 17 (revised 2009) Leases	January 1, 2011
TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
TAS 23 (revised 2009) Borrowing Costs	January 1, 2011
TAS 24 (revised 2009) Related Party Disclosures	January 1, 2011
TAS 27 (revised 2009) Consolidated and Separate Financial Statements	January 1, 2011
TAS 28 (revised 2009) Investments in Associates	January 1, 2011
TAS 29 Financial Reporting in Hyperinflationary Economies	January 1, 2011
TAS 31 (revised 2009) Interests in Joint Ventures	January 1, 2011
TAS 33 (revised 2009) Earnings per Share	January 1, 2011
TAS 34 (revised 2009) Interim Financial Reporting	January 1, 2011
TAS 36 (revised 2009) Impairment of Assets	January 1, 2011
TAS 37 (revised 2009) Provisions, Contingent Liabilities and Contingent Assets	January 1, 2011
TAS 38 (revised 2009) Intangible Assets	January 1, 2011

	<i>Effective date</i>
TAS 40 (revised 2009) Investment Property	January 1, 2011
TFRS 3 (revised 2009) Business Combination	January 1, 2011
TFRS 5 (revised 2009) Non-current Assets Held for Sale and Discontinued Operations	January 1, 2011
TFRS 6 Exploration for and Evaluation of Mineral Resources	January 1, 2011

The management of the Company has assessed the effect of the accounting standards and financial reporting standards and believes that these standards will not have any significant impact on the financial statements for the year in which they are initially applied.

The preparation of financial statements in conformity with TAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Accordingly, actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Notes 5.3 and 7	Allowance for doubtful accounts
Note 8	Allowance for diminutions in value of inventories
Note 10	Depreciation- buildings and equipment

4.2 Accounting policies

4.2.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less and free from restrictions.

4.2.2 Trade accounts receivable

Trade account receivable are carried at anticipated realizable value after allowance for doubtful receivables. An allowance is estimated on the basis of management's assessment of long overdue debts which may not be collectible. Bad debts are written off during the year in which they are identified.

4.2.3 Current investments

Investments in trading securities are determined at fair value at the close of business on the balance sheet date by reference to the Stock Exchange of Thailand quote bid price. The Company recognizes the change of value is gains or losses in the statement of income.



On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. The weighted average method is used for computation of the cost of investments.

4.2.4 Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Cost of raw materials, work in process and finished goods is calculated using the weighted average.

The Company estimates the net realisable value by using the selling price in the ordinary course of business less selling expenses.

The Company makes the allowance for diminutions in the value of obsolete, defective or slow-moving inventories.

4.2.5 Property, plant and equipment

Land determined at fair value which revalue by independent appraiser, buildings and equipment are recorded at cost less accumulated depreciation and allowance for an impairment loss (if any).

The Company also has a policy to revalue of land every five years with sufficient regularity to ensure that its carrying amount does not differ materially from its fair value at the balance sheet date. During this period if there are any other factors which materially effect the value of land, the Company will arrange for new appraisal in that respective year immediately.

The differences arising from revaluation are deal with in the financial statements of the Company as follows: -

When land's carrying amount is increased as a result of the revaluation, the increase is recorded directly to equity under "Revaluation surplus on land". However, a revaluation increase is to be recognised as income to the extent that it reverses a revaluation decrease previously recognised as an expense in the statements of income.

When land's carrying amount is decreased as a result of the revaluation, the decrease is recognized as an expense in the statement of income. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on land" to the extent that the decrease does not exceed the amount held in the revaluation surplus. Any excess amount is to be recognized as expenses in the statements of income.

The Company's depreciation is calculated on the straight-line method to write off the cost of each asset, except for land and assets under construction, to their residual values over their estimated useful life as follows:

Buildings	20 years
Buildings improvement	5 years
Machinery and equipment	5 and 10 years
Furniture	5 years
Computer	3 years
Transportation equipment	5 years

Expenditure incurred for addition, renewal or betterment, which results in a substantial increase in an asset's current replacement value, is capitalized. Repair and maintenance costs are recognised as an expense when incurred.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in operating profit. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

4.2.6 Property held for sale

Properties held for sale are stated at expected selling value. Where the carrying amount of an asset is greater than its expected amount obtainable from the sale of the asset less any costs of disposal, it is written down immediately to its net realisable value. Impairment loss is charged to the statement of income.

4.2.7 Intangible asset

Intangible asset comprises cost of computer software, which is stated at historical cost less accumulated amortisation and impairment loss (if any). Cost of computer software is amortised on the straight-line method over its useful life of 5 years.

Subsequent expenditure relating to an intangible asset is added to the carrying value of the asset only when it increases the future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

4.2.8 Impairment of assets

The Company has determined the impairment of asset if there is indicator that the carrying amount of asset exceeds its recoverable amount. An impairment loss on the assets carrying at cost is recorded as expense in statements of income, while an impairment loss on revalued asset is recognized against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.2.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

4.2.10 Revenue recognition

Sales are recognised on the delivery of goods or on customer acceptance or on the performance of services. Sales are shown net of sales taxes and discounts.

The Company will recognize revenue from consignment when consignee has already delivered merchandise to clients.

Other income is recognized on an accrual basis.

4.2.11 Foreign currency transactions

The Company translates foreign currency transactions into Baht using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Baht at the exchange rate prevailing at that date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of income as incurred.

The financial statements of a subsidiary in a foreign country translates foreign currency transactions into Baht using weighted average the exchange rate through out the year for income statement transactions and items in the balance sheet statement are translated into Baht at the exchange rate by using the balance sheet date. Gains and losses resulting from the translation of foreign currency transactions are recognized under the shareholders' equity as "Foreign currency translation".

4.2.12 Income tax

The Company records income tax based on the amount currently payable under the Revenue Code.

4.2.13 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing profit (loss) for the year attributable to equity holders of the Company by weighted average number of shares outstanding during the year. The Company does not have any other equivalent common share for diluted earnings per share calculation.

4.2.14 Financial instruments

Financial assets and liabilities carried on the balance sheets include cash and cash equivalents, trade and other receivables, trade and other payables, and loan receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies stated in notes to financial statements.

5. Related party transactions

Summax Investment Limited is a major shareholder which is incorporated in Cayman, holding 51% of the share capital of the Company. The principal shareholder of the Company's major shareholder is the Tai family. Transactions related to companies in which the Tai family is the principal shareholders or directors are recognized as related parties to the Company.

5.1 The related parties and relationship

<i>Company's name</i>	<i>Relationship</i>
Subsidiaries :	
Vanguard Corporation	Directly whole owned by the Company (ceased this holding since February 2009)
Air Breeze Co., Ltd.	Indirectly whole owned by Vanguard Corporation
Related company :	
Culminate Airy Co., Ltd.	The spouse of the Company's director is a director of this related company (this director resigned from the Company in July 2010). In addition, another director joins the marketing coordination team in such company (only products that purchased from the Company)

5.2 Significant transactions for the years ended July 31, 2010 and 2009 are as follows :

(Unit : Baht)

			<i>Consolidated Separate financial statements</i>		
<i>Transactions/Company's name</i>	<i>Refers</i>	<i>Policy of pricing</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
Sales of goods	A)	Normal goods : cost plus margin 5%-10%			
Related company		Slow - moving goods : cost deduct discount 40%-50%			
Culminate Airy Co., Ltd.			72,280,113	65,261,227	72,280,113
Purchases of goods		Cost plus margin 5%-10%			
Subsidiary					
Air Breeze Co., Ltd.			-	-	12,059,000
Rental and utility income	B)	Market price			
Related company					
Culminate Airy Co., Ltd.			3,777,313	3,233,315	3,777,313
Interest income	A)	Interest at fixed deposit rate			
Related company					
Culminate Airy Co., Ltd.			997,794	347,110	997,794
Service Income		At cost			
Related company					
Culminate Airy Co., Ltd.			-	40,189	-

5.3 Significant transactions in balance sheets as at July 31, 2010 and 2009 are as follows:

		(Unit : Baht)	
	Refers	2010	2009
Trade account receivable	A)		
Related company			
Culminate Airy Co., Ltd.		53,881,992	55,978,111
<u>Less</u> allowance for doubtful debt		(15,618,500)	(15,618,500)
Net		38,263,492	40,359,611
Accrued rental income	B)		
Related company			
Culminate Airy Co., Ltd.		300,000	613,351
Other receivable			
Related company			
Culminate Airy Co., Ltd.		15,030	3,328
Total		315,030	616,679
Trade accounts payable			
Related company			
Culminate Airy Co., Ltd.		-	22,607
Unearned interest income			
Related company			
Culminate Airy Co., Ltd.		-	347,110

A) Outstanding trade account receivable- related company can be aged as follows :

		(Unit : Baht)	
		2010	2009
Outstanding receivables :			
Within credit term		23,280,965	8,491,254
Overdue			
Not over 3 months		16,815,140	13,879,638
3 months to 6 months		13,094,577	8,915,909
6 months to 12 months		691,310	24,691,310
Total		53,881,992	55,978,111
<u>Less</u> Allowance for doubtful debt		(15,618,500)	(15,618,500)
Net		38,263,492	40,359,611

On December 8, 2008, the Company and such company have entered into installment contract for the overdue outstanding balance (approximately Baht 46 million as of October 31, 2008). According the contract, the receivable agrees to make 24 monthly installments (Baht 2 million per month, including interest charged) starting from November 2008 and will complete the installments in October 2010. Up to July 31, 2010, such company repaid its debts in accordance with the contract and the amount of Baht 45.13 million has been repaid. As at July 31, 2010 and 2009, such company had an outstanding balance (including interest charged) of Baht 0.69 million and 24.69 million, respectively. Further, the Company has procedures to prevent the loss on this debt as follows:

- In January 2009, the Company received the post dated cheques identified the same date as in the payment contract totaling Baht 36.7 million.
 - The Company will closely monitor and follow up the payment from the said company. In case that such company will unable to satisfy the agreement condition, the Company will take this to the legal process.
- B) On July 25, 2008, the Company entered into building lease agreement with Culminate Airy Co., Ltd.. The leased areas are used for office and store, for the period of May 1, 2009 to April 30, 2010, with the rental fee of Baht 300,000 per month. On July 1, 2010, the Company entered into renew building lease agreement with Culminate Airy Co., Ltd.. The leased areas are used for office and store, for the period of May 1, 2010 to April 30, 2015, with the rental fee of Baht 150,000 per month.
- C) The Company has entered into the Assignment Agreement with management on December 30, 1997, which enables the rights to the use of intangible personal property, trademarks and licenses held by management to be used by the Company for its business, without compensation.

6. Current investments, net

Movements of investments in trading securities during the years are as follows:

(Unit : Baht)

	2010	2009
Net carrying value at the beginning of the year	5,600,500	14,525,000
Purchases	23,277,886	13,108,748
Disposals (at cost)	(25,864,713)	(27,109,994)
Changes in fair value of securities	1,427,827	5,076,746
Net carrying value at the end of the year	4,441,500	5,600,500

7. Short-term loans to other parties

Movements for the years ended July 31, 2010, are as follows:

(Unit : Baht)

	July 31, 2009	Increase	(Decrease)	Transfer in	July 31, 2010
First local company	70,000,000	-	-	6,680,908	76,680,908
Second local company	24,237,000	26,590,460	(50,827,460)	-	-
Total	94,237,000	26,590,460	(50,827,460)	6,680,908	76,680,908

On March 18, 2009, the Company entered into a loan agreement with the first local company with loan-to-equity conversion option in the amount of Baht 70.0 million. In case that the Company opts not to convert, the interest rate bears 15% p.a.. However, in April 2009, the Company and that company agreed to stipulate this loan to be redeemed on June 30, 2010 and its interest will be paid starting in May 2009 to June 2010. The Company had already received the post dated cheques for entitle loan principle and its interest. The loan is secured by 800,000 ordinary shares, at Baht 100 par value, of that company held by a shareholder. However, in July 2010, the Company agreed to extend the repayment to December 2010 and converted a portion of accrued interest income of Baht 6.68 million to loan principle.

The Company entered into a loan agreement with another local company in the amounting of Baht 26.59 million and 24.24 million, for the years ended July 31, 2010 and 2009, respectively, which bears interest rate at 12.00% p.a.. This loan is secured by entitle amount of post-date cheques and 12,000 tons of steel metals. In August, October 2009 and July 2010, the Company has already received the whole principle and interest from such company.

8. Inventories, net

(Unit : Baht)

	2010	2009
Finished goods	28,710,262	45,658,768
Work in process	9,292,810	11,874,626
Raw materials	5,263,826	4,074,303
Goods in transit	1,703,711	1,055,530
Total	44,970,609	62,663,227
<u>Less</u> Allowance for diminutions in value of inventories	(25,038,172)	(27,782,451)
Net	19,932,437	34,880,776

Outstanding inventories can be aged as follows:

(Unit : Baht)

	2010	2009
Inventories aged not over 1 year	19,790,009	34,529,389
Inventories aged over 1 year	25,180,600	28,133,838
Total	44,970,609	62,663,227
<u>Less</u> allowance for diminution value of inventories	(25,038,172)	(27,782,451)
Net	19,932,437	34,880,776

For the year ended July 31, 2010, the movement of allowance for diminution in value were as follows:

(Unit : Baht)

	2009
As at August 1, 2009	27,782,451
Increase	626,944
Reversal of inventory demolition	(3,371,223)
As at July 31, 2010	25,038,172

9. Other long-term investment

In August 2009, the Company has invested in 450,000 ordinary shares of Siam Water Resource Co., Ltd., at Baht 100 par value, totaling Baht 49.95 million, representing 10% of registered share capital of that company.

10. Property, plant and equipment, net

(Unit : Baht)

	Land and improvements	Buildings and improvements	Machinery and equipment	Utilities	Fixtures, fitting and office equipment	Transportation equipment	Machinery under installation	Total
Cost / Revalued:-								
At August 1, 2009	79,808,740	107,770,028	1,046,656	12,345,959	48,326,154	7,665,205	35,754,727	292,717,469
Addition	-	-	-	-	13,480	1,099,065	-	1,112,545
Disposal	(8,500,000)	(1,500,000)	-	-	(36,224)	(2,751,402)	-	(12,787,626)
Transfers net	(14,551,821)	(15,094,019)	-	-	-	-	(35,754,727)	(65,400,567)
At July 31, 2010	56,756,919	91,176,009	1,046,656	12,345,959	48,303,410	6,012,868	-	215,641,821
Accumulated depreciation:-								
At August 1, 2009	-	(88,443,376)	(980,437)	(11,525,520)	(48,000,432)	(6,744,149)	-	(155,693,914)
Depreciation for the year	-	(2,456,214)	(4,059)	(565,891)	(175,319)	(174,517)	-	(3,376,000)
Disposal	-	327,283	-	-	36,214	1,967,629	-	2,331,126
Transfers net	-	14,599,810	-	-	-	-	-	14,599,810
At July 31, 2010	-	(75,972,497)	(984,496)	(12,091,411)	(48,139,537)	(4,951,037)	-	(142,138,978)
Net book value								
At July 31, 2009	79,808,740	19,326,652	66,219	820,439	325,722	921,056	35,754,727	137,023,555
At July 31, 2010	56,756,919	15,203,512	62,160	254,548	163,873	1,061,831	-	73,502,843



11. Contingent liabilities

During the year 2000, an anonymous allegation was received that certain revenues and expenses have been underreported over the years. Following a thorough investigation, it was determined that revenues (approximately 1% of sales) and expenses had been offset and that no additional operating income resulted. In the financial year ended July 31, 2000, the relevant amounts have been included without offset in the earnings statement in "Net sales" and "Selling and administrative expenses", respectively. The Company, on the basis of expert legal advice, has provided a reserve of Baht 54 million to cover potential liabilities and contingencies related to the findings. No further investigations related to these matters are outstanding. As a result of these findings, and with the approval of the Audit Committee, remedial measures including changes in internal controls have been implemented.

During the years 2002 - 2004, the Company paid partial of income tax to Revenue Department amounting to Baht 25.4 million. Moreover, during the year ended on July 31, 2008, the Company paid partial of income tax to Revenue Department amounting to Baht 7.33 million.

12. Dividend payment

The shareholders meeting held on November 7, 2008, has approved to pay dividend for the operation for the year ended July 31, 2008, at Baht 0.08 per share, totaling of Baht 15.06 million.

13. Commitment and contingent liabilities

As at July 31, 2009, the Company has contingent liabilities in respect of letters of guarantee issued by banks for the government agencies amounting to approximately Baht 2.61 million.

14. Financial instruments

The Company is exposed to normal business risks from changes interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

The Company's financial assets comprise cash and cash equivalents, current investments, trade accounts receivable and inventories which are liquid and able to sell at close to this fair value.

Interest rate risk

The interest rate risk is the risk that future movements in market interest rate will affect the results of the Company's operations and its cash flows. The Company's exposure to interest rate risk relates primarily to its deposits and bills of exchange with financial institutions. Since the majority of these financial assets are short term, the Company does not use derivative financial instruments to hedge such risk.

Foreign currency risk

The Company has the foreign currency exchange rate risk related to assets and liabilities denominated in foreign currencies which have not made foreign currency exchange rate risk hedging.

As at July 31, 2010 and 2009, assets and liabilities denominated in foreign currencies which have not been hedged against foreign exchange rate risk, are summarized as follows:

(Unit : Baht)

	2010		2009	
	<i>Assets</i>	<i>Liabilities</i>	<i>Assets</i>	<i>Liabilities</i>
US Dollar	5,547,896	1,838,887	5,755,582	1,597,072



Credit risk

The Company is exposed to credit risk primarily with respect to a few of trade accounts receivable. The management of the Company believes that the maximum exposure to credit risk is limited to the net book value as stated in the balance sheet.

Fair value

The significant carrying values of financial assets and liabilities approximate to their fair values.

15. Expenses by nature

Significant expenses by nature for the years ended July 31, 2010 and 2009 are as follows :

(Unit : Baht)

	<i>Consolidated</i>			<i>Separate financial statements</i>	
	<i>2009</i>	<i>2010</i>	<i>2009</i>		
Salaries, wages and other employee benefits	20,893,109	8,620,852	13,650,470		
Depreciation and amortization	13,249,715	8,278,274	9,641,161		
Repair and maintenance	3,663,321	971,219	3,663,321		
Allowance for doubtful accounts	10,002,403	-	10,002,403		
Professional fees	1,396,663	2,277,585	1,396,663		
Marketing support expenses	-	3,000,000	-		

16. Segment information

16.1 The Group is manufacture ceiling fans for sales. The geography segment information of the Group presented in the consolidated financial statements for the year ended July 31, 2009 as follow :

(Unit : Baht)

	<i>Consolidated</i>				
	<i>Domestic</i>	<i>Overseas</i>	<i>Total</i>	<i>Eliminated</i>	<i>Net</i>
Sale	72,280,113	58,362,647	130,642,760	(12,059,000)	118,583,760
Cost of sales	(61,280,558)	(57,741,768)	(119,022,326)	12,059,000	(106,963,326)
Gross profit	10,999,555	620,879	11,620,434	-	11,620,434
Rental income					28,608,846
Interest income					14,985,758
Other income					19,058,009
Loss on sale of investment in a subsidiary					(51,105,368)
Loss on sales of assets					(27,428,221)
Selling and administrative expenses and others					(70,530,460)
Loss on operations					(74,791,002)
Financial costs					(229,888)
Net loss for the year					(75,020,890)
Property, plant and equipment, net					
As at July 31, 2009	137,023,555	-	137,023,555	-	137,023,555

16.2 Details of information about business segment of the Company were as follows:

(Unit : Baht)

	Separate financial statements					
	2010			2009		
	<i>Distribution of ceiling fan and equipment</i>	<i>Distribution of tile</i>	<i>Total</i>	<i>Distribution of ceiling fan and equipment</i>	<i>Distribution of tile</i>	<i>Total</i>
Sales	58,346,868	6,993,040	65,339,908	65,555,096	6,725,017	72,280,113
Cost of sales	51,778,637	5,959,540	57,738,177	55,948,312	5,332,246	61,280,558
Gross profit	6,568,231	1,033,500	7,601,731	9,606,784	1,392,771	10,999,555
Rental income			16,401,450			28,608,846
Interest income			15,209,531			14,985,758
Other income			7,008,427			18,622,770
Loss on sale of investment in a subsidiary			-			(63,795,595)
Loss on sales of assets			-			(9,255,852)
Loss on sales of current investments			-			(9,605,743)
Selling and administrative expenses and others			(33,065,755)			(47,568,321)
Profit (loss) from operations			13,155,384			(57,008,582)
Financial costs			(71,345)			(207,016)
Profit (loss) for the year			13,084,039			(57,215,598)
Property, plant and equipment, net						
as at July, 31	73,502,843	-	73,502,843	137,023,555	-	137,023,555

17. Approval of financial statements

The financial statements were approved by board of directors of Compass East Industry (Thailand) Public Company Limited on September 14, 2010.



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