



Good morning ladies and gentlemen

My name is Allan Mao. I have the honour to be the Executive Chairman and Managing Director of Treyo Leisure and Entertainment Limited.

I would like to welcome you to Treyo's Annual General Meeting for the Financial Year 2014 – our seventh AGM since Treyo listed on the ASX.

We are particularly pleased to be holding Treyo's AGM in Sydney. This is the first AGM that we have held in this beautiful city.

As in previous years, it should be noted that, in accordance with Chinese accounting practices, Treyo's financial year runs January to December each year.

As we have previously announced to the market, I advise that the Treyo Group realised an after tax profit of \$AUD5 million for the 2014 financial year.

Unfortunately, due to difficult market conditions, this represents a decrease of 5% on the previous year.

As at 31 December 2014, Treyo's working capital remains strong at \$AUD13.7 million. The Company's cash and cash equivalents reserves also remain substantial at \$AUD30.1 million.

During the past year, Treyo has been presented with a number of market challenges. Economic growth in China is still the envy of the world, however the Chinese Government has forecast a slight slowing of growth to around 7%, in 2015. This has resulted in a marginal tightening of the consumer market in China. In addition, as market leader, Treyo is subject to constant competitor activities, including price competition and attempts to copy the Treyo technology.

Here is a short summary of the 2014 results achieved by the Treyo Group, through its wholly owned China based subsidiary, Matsuoka Mechatronics (China) Co.:

- Sales revenue for the year decreased by 7.5% to \$AUD70.4 million;
- Group NPAT of \$AUD5 million. A decrease of 5% from the previous year;
- Continuing strong cash reserves of AUD30.1 million;
- Strong working capital of \$AUD13.7 million at 31 December 2014 an increase of 62% compared to 2013; and
- Foreign exchange translation gain impacting on other comprehensive income of \$AUD5.4 million.

The Company maintains its diligent cost control and the strong brand recognition of Treyo. The "**Treyo**" brand of automated mahjong tables remains the most recognised brand of automated mahjong tables in the world, and continues to lead the premium end of the market in China. In addition, the Company continues to expand its extensive distributor network to recently having reached almost 600 distributors throughout the country - the largest network in China.

It is encouraging to the Board that Treyo is receiving increased interest from new export customers, including from here in Australia. The Crown Casino in Melbourne recently took delivery of a large number of Treyo tables.

Treyo has become the industry standard worldwide, for quality and service. We remain the industry leader, and have grown rapidly over recent years to become the largest automated mahjong table manufacturer in the world.

The Treyo Group's continuing success is a result of our innovation, technical excellence, advanced R&D and manufacturing processes. The Company continues its commitment to quality, outstanding customer service and continuing brand development. This will assist in the future prosperity of our Company.

As in previous years, I would like to thank my Board, all of the staff and management of the Treyo Group, and our distributors and suppliers, for their outstanding efforts on behalf of the Group over the last year.

Finally, I would like to thank you, our Shareholders, for your continuing belief in Treyo and our future. I can assure you that your Board will continue to focus on identifying growth opportunities, and growing the Company's market share and profitability.

I urge you to read the Treyo Annual Report for 2014, which will provide you with greater detail on the Company's performance.

I now hand over the meeting to our Deputy Chairman Roger Smeed, who will Chair the rest of the AGM.

Thank You.