



Treyo Leisure and Entertainment Ltd
Level 2, 371 Spencer Street
Melbourne Vic 3000
Australia

Commentary on Half-Year Results to 30 June 2015

For the information of Shareholders and the general market, the Board of Treyo Leisure and Entertainment Limited have authorised the release of details of the Company's results for the half-year to 30 June 2015. It should be noted that, in accordance with Chinese accounting practices, Treyo's financial year runs January to December. Through this Commentary, the Treyo Board seeks to provide a brief update to its Shareholders and the market, on the results achieved for the first half of 2015.

Due to a number of market challenges, the Board advises that for the period 1 January – 30 June 2015 the Company has suffered decrease both in revenue and profit compared to the same period for the previous year. Through its wholly owned China based subsidiary Matsuoka Mechatronics, Treyo has a 14% decrease in net profit from continuing operations to \$A1,670,316 and revenues for the six month period of \$A32,077,790 down 0.1% on the corresponding period in 2014.

In another challenging period, Treyo management has focussed on continuing its aggressive marketing and R&D activities, on cost reduction and on manufacturing efficiencies.

A detailed summary of the half-year results is contained in the Company's Appendix 4D and Half-Year Financial Report, which is attached to this Commentary.

The Company continues to look for new markets and opportunities for growth. Treyo retains its dominance of the high end of the market and remains the most recognised brand of automatic mahjong tables, worldwide.

As always, the Treyo Board, will continue to look to the future for innovation, growth and opportunities to maximise Shareholder value.

About Treyo Leisure and Entertainment Limited

Treyo Leisure and Entertainment Ltd (Treyo) was listed on the Australian Stock Exchange (ASX) on 2 January 2009. Prior to Treyo's listing, the Company operated as Matsuoka Mechatronics (China) Co., Ltd ("Matsuoka"). Founded in March 2003, Matsuoka, now a wholly owned subsidiary of Treyo, is a wholly foreign-owned limited liability company incorporated in the People's Republic of China.

From its modern, purpose built, production facility ideally located in the Xiaoshan Business District near Shanghai, Matsuoka designs, manufactures and markets automatic mahjong tables under the trademark "Treyo".

Treyo through its subsidiary Matsuoka is an industry leader. With China as its major market, the Company has grown rapidly to become the largest automated mahjong table manufacturer in the world. Treyo holds over 70% of the premium end of the market for automated mahjong tables. The Company's success is a result of its innovation, technical excellence, environmental standards, investment in advanced production lines, manufacturing processes, commitment to quality, outstanding customer service and brand development.

For further information please contact:

Jo-Anne Dal Santo
Company Secretary

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Melbourne Victoria 3000
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Name of Entity **Treyo Leisure and Entertainment Ltd**

ABN **93 131 129 489**

Reporting Period **Half Year ended 30 June 2015**

Previous Corresponding Period Half Year ended 30 June 2014

The following information is given to ASX under listing rule 4.2A.3.

1 The Reporting period is the half year ended 30 June 2015 including comparative information for the half year ended 30 June 2014.

2 Results for announcement to the market

		%	Change \$		30-Jun-15 \$		30-Jun-14 \$
2.1	The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.	down by 0.1%	(32,430)	to	32,077,790	from	32,110,220
2.2	The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.	down by 14%	(265,590)	to	1,670,316	from	1,935,906
2.3	The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.	down by 14%	(265,590)	to	1,670,316	from	1,935,906
2.4	The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.	Nil					
2.5	The record date for determining entitlements to the dividends (if any).						
2.6	A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.						

Review of principal business activities

A review of the significant developments in the operating units of the consolidated entity is detailed on page 1 of the Appendix 4D.

3	Net tangible assets per security with the comparative figure for the previous corresponding period.	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">30 June 2015 Cents per share</th> <th style="text-align: center;">30 June 2014 Cents per share</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">24.58</td> <td style="text-align: center;">18.41</td> </tr> </tbody> </table>	30 June 2015 Cents per share	30 June 2014 Cents per share	24.58	18.41
30 June 2015 Cents per share	30 June 2014 Cents per share					
24.58	18.41					
	Net tangible assets per security in cents					
4	Details of entities over which control has been gained or lost during the period, including the following.	n/a				
4.1	Name of the entity.	n/a				
4.2	The date of the gain/loss of control.	n/a				
4.3	Where material to an understanding of the report – the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.	n/a				
5	Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.	No dividends or distributions were made during the period and none are planned.				
6	Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.	Not applicable				
7	Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity’s percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.	Shenzhen Shangzuo Asset Management (Limited Partnership) established and entered into by the reporting entity in April 2013 <ul style="list-style-type: none"> - Percentage held – 99% - Contribution to net profit for the period ended 30 June 2015 - \$1,115,710 				

- 8 For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

The half year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with international accounting standards

Chinese Accounting Standards have been adopted for PRC incorporated subsidiary and Hong Kong Financial Reporting Standards have been adopted for Hong Kong incorporated subsidiary.

- 9 For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

Not applicable

Dated this 31st day of August 2015



Ling (Allan) Mao
Executive Chairman



**TREYO LEISURE AND ENTERTAINMENT LTD
AND ITS CONTROLLED ENTITIES**

ABN 93 131 129 489

HALF YEAR FINANCIAL REPORT

**FOR THE SIX MONTHS ENDED
30 JUNE 2015**

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Corporate Information

ABN 93 131 129 489

Directors

Ling (Allan) Mao (Chair)
Roger Smeed (Deputy Chair)
Guohua Wei
Kwong Fat Tse
Edward Byrt
Zhongliang Zheng
Minghua Yu

Company Secretary

Jo-Anne Dal Santo

Registered Office

Level 2, 371 Spencer Street
Melbourne, Victoria 3000, Australia

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnstone Street
Abbotsford, Victoria 3067, Australia
Phone: 1300 850 505

Treyo Leisure and Entertainment Limited Shares are listed on the Australian Securities Exchange (ASX)

ASX Code: TYO

Bankers

Westpac Banking Corporation Limited
360 Collins Street
Melbourne, Victoria 3000

Auditors

Grant Thornton Audit Pty Ltd
Level 1, 67 Greenhill Road
Wayville, South Australia 5034

Legal Advisors

Norton Rose
RACV Tower, 485 Bourke Street
Melbourne, Victoria 3000

Website Address

www.treyo.com.au

All monetary amounts in this Report are in Australian dollars unless stated otherwise.
The financial year begins on 1 January and ends on 31 December each year

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 30 June 2015.

This half-year report covers the consolidated entity comprising Treyo Leisure and Entertainment Ltd ('Treyo') and its subsidiaries (the Group). Treyo's functional currency is Australian dollars (\$AUD) and the Group's presentation currency is AUD(\$). The functional currency of the operating subsidiary Matsuoka Mechatronics (China) Co., Ltd is Chinese Renminbi ("RMB").

DIRECTORS

The names of directors who held office during or since the end of the half-year:

Mr Ling (Allan) Mao (Executive Chairman)	Mr Roger Smeed (Deputy Chairman, Independent, Non-Executive)
Mr Guohua Wei (Executive)	Mr Edward Byrt (Independent, Non-Executive)
Mr Zhongliang Zheng (Executive)	Mr Kwong Fat Tse (Non-Executive)
Mr Minghua Yu (Independent, Non-Executive)	

COMPANY SECRETARY

Jo-Anne Dal Santo

REVIEW AND RESULTS OF OPERATIONS

The Board and Management of Treyo Leisure and Entertainment Ltd ('Treyo') are pleased to announce that the Company has delivered a positive net profit result for the half-year period.

Due to a number of market challenges, the Board advises that for the period 1 January – 30 June 2015 the Company has suffered decrease both in revenue and profit over the previous year. Through its wholly owned China based subsidiary Matsuoka Mechatronics, Treyo has a 14% decrease in net profit from continuing operations to \$A1,670,316 and revenues for the six month period of \$A32,077,790 down 0.1% on the corresponding period in 2014.

Nature of operation and principal activity

The principal activity of the Group during the course of the financial year was the manufacture of automatic Mahjong tables.

The Group currently operates in one business segment with all goods being manufactured and distributed from a single facility in China.

There was no other significant changes in the nature of the Consolidated Group's principal activities during the interim period.

AUDITOR'S DECLARATION

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 5 for the half-year ended 30 June 2015.

This report is signed in accordance with a resolution of the Board of Directors.



A handwritten signature in black ink, appearing to be 'Ling Mao' in Chinese characters, with a small mark below it.

Ling (Allan) Mao
Director
Executive Chairman

Dated this 31st day of August 2015

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF TREYO LEISURE AND ENTERTAINMENT LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Treyo Leisure and Entertainment Limited for the half-year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 31 August 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF YEAR ENDED 30 JUNE 2015

	Notes	Consolidated Group 30June2015 \$	30June2014 \$
Revenue		32,077,790	32,110,220
Cost of goods sold		(25,840,065)	(25,470,399)
Gross Profit		6,237,725	6,639,821
Interest income		259,998	280,632
Other income	2	61,366	193,667
Share of Partnership result using the equity method	6	1,115,710	951,588
Distribution and selling expenses		(1,549,556)	(2,280,257)
Administration expenses		(4,010,703)	(3,443,685)
Finance gain/(costs)	2	833	(125,479)
Profit before income tax		2,115,373	2,216,287
Income tax (expense)/benefit		(445,057)	(280,381)
Profit for the year		1,670,316	1,935,906
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		5,051,566	(4,014,710)
Total comprehensive income for the period		6,721,882	(2,078,804)
 Earnings per share from continuing operations (on profit attributable to ordinary equity holders)			
Basic profitper share (cents per share)	11	0.54	0.64
Diluted profitper share (cents per share)	11	0.54	0.64

Consolidated Statement of Financial Position

AS AT 30 JUNE 2015

	Notes	Consolidated Group	
		30June2015	31December2014
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	27,608,076	30,052,250
Trade and other receivables		1,560,289	1,003,998
Prepayments and other current receivables		2,516,887	1,215,889
Inventories		6,897,430	6,903,782
TOTAL CURRENT ASSETS		38,582,682	39,175,919
NON-CURRENT ASSETS			
Investments accounted for using the equity method	6	47,198,654	42,953,707
Property, plant and equipment	7	14,121,717	13,591,302
Intangible assets		113,262	126,058
TOTAL NON-CURRENT ASSETS		61,433,633	56,671,067
TOTAL ASSETS		100,016,315	95,846,986
CURRENT LIABILITIES			
Trade and other payables		18,443,217	19,676,936
Notes payable		4,201,811	5,483,500
Current tax liabilities		93,628	339,835
TOTAL CURRENT LIABILITIES		22,738,656	25,500,271
NON-CURRENT LIABILITIES			
Deferred tax liability		729,938	520,876
TOTAL LIABILITIES		23,468,594	26,021,147
NET ASSETS		76,547,721	69,825,839
EQUITY			
Issued capital	8	23,302,770	23,302,770
Foreign exchange translation reserve		12,593,100	7,541,534
Statutory general reserve		1,132,522	1,132,522
Retained earnings		39,519,329	37,849,013
TOTAL EQUITY		76,547,721	69,825,839

Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 30 JUNE 2015

	Notes	Consolidated Group	
		30June2015	30June2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		32,686,681	32,994,180
Payments to suppliers and employees		(36,820,898)	(38,292,971)
Interest received		260,831	280,632
Interest paid		-	(125,479)
Income taxes paid		(544,359)	(521,703)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		(4,417,745)	(5,665,341)
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(191,718)	(59,203)
Consideration received on disposal of plant and equipment		13,315	-
Cash receipts from the repayment of advances made to other parties		-	13,220
Cash advance made to non - related parties		-	(110,958)
Redemption of short-term investment		-	7,052,000
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(178,403)	6,895,059
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(8,600,000)
Proceeds of borrowings		-	6,880,000
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		-	(1,720,000)
NET DECREASE IN CASH HELD		(4,596,148)	(490,282)
Cash and cash equivalents at beginning of period		30,052,250	24,228,920
Effect of exchange rates on cash holdings in foreign currencies		2,151,974	(1,664,362)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	27,608,076	22,074,276

Consolidated Statement of Changes in Equity FOR THE HALF YEAR ENDED 30 JUNE 2015

	Issued Capital \$	Retained Earnings \$	Foreign Exchange Reserve \$	Statutory General Reserves \$	Total \$
Balance at 1 January 2014	23,302,770	32,887,290	2,148,743	1,132,522	59,471,325
Total profit or loss	-	1,935,906	-	-	1,935,906
Total other comprehensive income	-	-	(4,014,710)	-	(4,014,710)
Balance at 30 June 2014	23,302,770	34,823,196	(1,865,967)	1,132,522	57,392,521
Balance at 1 January 2015	23,302,770	37,849,013	7,541,534	1,132,522	69,825,839
Total profit or loss	-	1,670,316	-	-	1,670,316
Total comprehensive income	-	-	5,051,566	-	5,051,566
Balance at 30 June 2015	23,302,770	39,519,329	12,593,100	1,132,522	76,547,721

NOTE 1: BASIS OF PREPARATION

The condensed interim consolidated financial statements ('the interim financial statements') of Treyo Leisure and Entertainment Ltd and its controlled entities (referred to as the Consolidated Group or the Group) are for the six (6) months ended 30 June 2015 and are presented in Australian Dollars (\$AUD), which is the presentation currency of the Group. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The principal activity of the Group is the manufacturing of automated mahjong tables.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 31st August 2015.

Significant Accounting Policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2014. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2014. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

NOTE 2: REVENUE AND EXPENSES

Consolidated Group	
30 June 2015	30 June 2014
\$	\$

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

(i) Other Revenue

Government subsidies	10,372	165,540
Miscellaneous income	50,994	28,127
	61,366	193,667

(ii) Finance costs

Finance costs	5,295	125,479
Foreign exchange (gain)/loss	(4,462)	-
	833	125,479

(iii) Depreciation and amortisation included in statement of profit or loss and other comprehensive income

Depreciation of fixed assets charged to Cost of goods sold	269,761	214,104
Depreciation of fixed assets charged to Administration	392,160	312,639
Amortisation of intangible assets	-	15,349
Total depreciation and amortisation	661,921	542,092

NOTE 3: OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Executive Directors (chief operating decision makers) in accessing performance and determining the allocation of resources.

Similar to the last reporting period ended 31 December 2014; the Group is currently managed primarily on the basis of geographical region as each geographical region has notably different risk profiles and performance assessment criteria. The reportable geographical segments relate to three different regions of:

- China, the segment which all goods are manufactured and sold in;
- Australia, the segment which manages all ASX related activities; and
- Hong Kong, the segment which manages all other corporate activities.

Segment information provided to executive directors

	China	Australia	Hong Kong	Total
	\$	\$	\$	\$
For the six months ended 30 June 2015				
REVENUE				
Total revenue -external sales	32,077,790	-	-	32,077,790
RESULT				
Segment result	2,364,669	(56,787)	(193,342)	2,114,540
Finance gain /(costs)	954	10	(131)	833
Profit/(loss) before income tax	2,365,623	(56,777)	(193,473)	2,115,373
Income tax expense	(445,057)	-	-	(445,057)
Profit after income tax from continuing operations	1,920,566	(56,777)	(193,473)	1,670,316
ASSETS				
Segment assets	98,529,703	1,437,773	48,839	100,016,315
LIABILITIES				
Segment liabilities	23,386,843	2,418	79,336	23,468,597
OTHER				
Depreciation and amortisation of segment assets	661,921	-	-	661,921

NOTE 3: OPERATING SEGMENTS (CONTINUED)

	China \$	Australia \$	Hong Kong \$	Total \$
For the six months ended 30 June 2014				
REVENUE				
Total revenue - external sales	32,110,220	-	-	32,110,220
RESULT				
Segment result	2,562,212	(56,817)	(163,629)	2,341,766
Finance costs	(125,178)	(194)	(107)	(125,479)
Profit/(loss) before income tax	2,437,034	(57,011)	(163,736)	2,216,287
Income tax expense	(280,381)	-	-	(280,381)
Profit after income tax from continuing operations	2,156,653	(57,011)	(163,736)	1,935,906
31 December 2014				
ASSETS				
Segment assets	94,176,993	77,233	1,592,760	95,846,986
LIABILITIES				
Segment liabilities	25,895,382	124,220	1,545	26,021,147
OTHER				
Depreciation and amortisation of segment assets	1,099,875	-	-	1,099,875

Segment revenues and expenses are those directly attributable to the segments. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings.

NOTE 4: DIVIDENDS

Treyo Leisure and Entertainment Pty Ltd's Board has not recommended the payment of any dividend for the half year ended 30 June 2015.

NOTE 5: CASH AND CASH EQUIVALENTS

Consolidated Group	
30 June 2015	31 December 2014
\$	\$

For the purpose of the half-year cash flow statement, cash and cash equivalents are comprised of the following:

Cash at bank and on hand	27,608,076	30,052,250
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At 30 June 2015, \$3,506,009 (31 December 2014: \$1,645,449) was held in an interest bearing short term deposit as a guarantee for notes payable.

NOTE 6: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated Group	
	30 June 2015	31 December 2014
	\$	\$
NON-CURRENT		
Investment in the Partnership	47,198,654	42,953,707
Movements are reconciled as follows:		
Opening balance	42,953,707	37,730,408
Group's share of net profits for period	1,115,710	1,930,975
Exchange difference on translation	3,129,237	3,292,324
Investment in partnership	47,198,654	42,953,707

a.	Investment in Associate / Partnership	Country of Incorporation	Percentage Owned	
			30 June 2015	31 December 2014
	Shangzuo Asset Management Centre [Limited Partnership] (the Partnership)	Peoples Republic of China	99%	99%

In 2013 Matsuoka (the wholly owned Chinese subsidiary of Treyo) entered into a limited Chinese partnership (Shangzuo Asset Management Centre [Limited Partnership] ("the Partnership")) with a professional investment advisor Shenzhen Shangzuo Investment Management Co. Ltd (the partnership manager) based in Shenzhen, Guangdong Province, China.

The activities of the Partnership are solely for the investment of the funds in various Chinese investment opportunities to achieve better than average and tax effective returns.

Under the partnership agreement, Matsuoka is entitled to a preference return on the capital of 5.4% per annum of the initial partnership contribution (RMB 198 million) and does not share any earnings of the Partnership over this level. Matsuoka is capped in terms of its return on investment interest in the underlying partnership to a maximum of 5.4% per annum.

Matsuoka contributed 99% of the partnership interest (RMB 198 million) in the Partnership and Shenzhen Shangzuo Investment Management Co. Ltd (the partnership manager) the remaining 1% (RMB 2 million).

The partnership manager was instrumental in the design of the partnership including in determining the scope of the decision making authority. The level of the partnership manager's authority and involvement indicated that as the asset manager they had the opportunity and rights that result in the asset manager having the ability to control the relevant activities. As a result, the partnership manager has broad decision making discretion under the partnership agreement. Under this agreement, Matsuoka is prohibited to participate in the investment decision making.

NOTE 6: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Matsuoka is not involved in the investment decisions of the Partnership as this is undertaken wholly by the partnership manager as a professional investment advisor. In addition, Matsuoka only has the power to remove the partnership manager as asset manager in the event of fraud or neglect, but not for any other reason under the partnership agreement.

Based on the requirements of AASB 10 the directors of the Company have formed the view that Matsuoka does not control the Partnership, despite its significant capital investment.

On the basis that the Partnership was assessed to not be controlled by the Company, a decision was made to recognise the investment as an associate because of the significance of the Company's interest in the Partnership. As a consequence of Matsuoka's share of profit and loss has been accounted for using the equity accounting method in accordance with the partnership agreement.

Information relating to the Partnership is set out below:

Under the Partnership Agreement, the Company has priority interest to partnership profits of up to 5.4% of original partnership contribution. During the period \$1,115,710 (RMB 5,346,000) (June 2014: \$951,588 (RMB 5,346,000)) of profits were distributable to the Company.

b. Financial Performance

	30 June 2015	30 June 2014
	\$	\$
Interest revenue from borrower	1,108,573	1,511,813
Interest revenue from bank	214,447	27,159
Total profit for the period	<u>1,260,940</u>	<u>1,497,107</u>
Group's share of profits for the period	<u>1,115,710</u>	<u>951,588</u>

c. Details of assets and liabilities

The following financial information for the Partnership reflects the amounts presented in the financial statements of the Partnership:

	30 June 2015	31 December 2014
	\$	\$
Total current assets	16,381,184	14,212,192
Total non-current assets	32,711,400	30,508,200
Total assets	<u>49,092,584</u>	<u>44,720,392</u>
Other payables	86,121	26,062
Total current liabilities	<u>86,121</u>	<u>26,062</u>
Net Assets	<u>49,006,463</u>	<u>44,694,330</u>
Group's share of net assets	<u>47,198,654</u>	<u>42,953,707</u>

d. The Partnership has no commitments for expenditure or contingent liabilities.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the half-year ended 30 June 2015, the Group acquired assets with a cost of \$191,718 (30 June 2014: \$59,203). Disposal of assets totalling \$13,315 has been made by the Group during the half year ended 30 June 2015 (30 June 2014: \$0)

NOTE 8: CONTRIBUTED EQUITY

	30 June 2015	31 December 2014
	\$	\$
Ordinary shares		
Issued and fully paid	23,302,770	23,302,770
	Number of Shares	\$
Movements in ordinary shares on issue		
At 1 January 2015	311,008,000	23,302,770
Shares issued during the period	-	-
At 30 June 2015	311,008,000	23,302,770

NOTE 9: RELATED PARTY DISCLOSURES

a. Related parties

	30 June 2015	30 June 2014
	\$	\$
Transactions		
Purchase from related party – Hangzhou Guoshi Advertising Co. Ltd (Entity related to Director Guo Hua Wei)	6,261	-
Purchases from related party- Shenzhen Southern Huayin Investment Ltd (Entity related to Director Guo Hua Wei)	36,472	31,191
	30 June 2015	30 June 2014
	\$	\$
Balances		
Zhejiang ZhongrongZhengyang Investment Management Ltd ⁽¹⁾	3,323,029	
Receivable from Hangzhou Guoshi Advertising Co. Ltd(Entity related to Director Guo Hua Wei)	88,121	76,074
Receivable from Zhong Liang Zheng (Director)	59,775	48,963

⁽¹⁾Shenzhen Shangzuo Investment Management Co. Ltd partnership has loaned an amount to Zhejiang ZhongrongZhengyang Investment Management Ltd, a Company in which Guohua Wei has a beneficial interest. The loan has expired subsequent to the period end and both the principal and interest components have been fully received.

NOTE 10: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)
- Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The Group's financial assets and financial liabilities are assumed to approximate their fair value due to their short term nature as at 30 June 2015

The Group does not hold any financial assets or liabilities carried at fair value as at 30 June 2015. All financial assets and liabilities are carried at amortised cost.

The carrying amounts of current receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities approximates the carrying amount as the impact of discounting is not significant.

NOTE 11: EARNINGS PER SHARE

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Group as the numerator, ie no adjustments to profits were necessary during the six (6) months period to 30 June 2015 and 30 June 2014.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Six (6) months to 30 June 2015 \$'000s	Six (6) months to 30 June 2014 \$'000s
Weighted average number of shares used in basic earnings per share	311,008,000	311,008,000
Weighted average number of shares used in diluted earnings per share	311,008,000	311,008,000

NOTE 12: CONTINGENT LIABILITIES

As at 30 June 2015, the group is not aware of any other contingent assets or liabilities that should be disclosed in accordance with AASB 137.

NOTE 13: EVENTS AFTER THE END OF THE INTERIM PERIOD

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of Treyo Leisure and Entertainment Limited to affect the operations of the consolidated entity, the results of these operations or the state of affairs of the consolidated entity in subsequent years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Ling Mao' in Chinese characters, written in a cursive style.

Ling (Allan) Mao – Executive Chairman

Dated this 31st day of August 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TREYO LEISURE AND ENTERTAINMENT LIMITED

We have reviewed the accompanying half-year financial report of Treyo Leisure and Entertainment Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Treyo Leisure and Entertainment Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Treyo Leisure and Entertainment Limited consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Treyo Leisure and Entertainment Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Grant Thornton Audit Pty Ltd ACN 130 913 594
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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Treyo Leisure and Entertainment Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J. L. Humphrey
Partner – Audit & Assurance

Adelaide, 31 August 2015