



29 April 2009

ASX and Media Announcement

APPENDIX 4C - Quarterly Report for entities admitted on the basis of commitments

FOR THE QUARTER ENDED 31 MARCH 2009

Highlights

Treyo Leisure and Entertainment Ltd's ("Treyo") listed on the ASX in early January 2009 and since then Treyo has enjoyed a competitive and prosperous Chinese Spring; a seasonal feature of the mahjong table industry.

The highlights for Treyo's first quarter of 2009 are as follows:

- Gross profit margins for the quarter have exceeded forecast expectations and prior year results due to improved distribution arrangements, increased marketing activities and strong controls over manufacturing overheads and raw material costs.
- Sales and net profit for the quarter were below forecast. However, management has reasonable expectations of achieving the full year forecast results due to:
 - ✓ advertising campaigns launched in major Chinese cities to promote the mahjong culture and the Treyo brand;
 - ✓ the introduction of new design technology and "second generation" Treyo products which have received positive feedback and acceptance in the market; and
 - ✓ improved overheads cost controls.
- During the quarter ended 31 March 2009 an interest bearing loan of AU\$4.8 million (RMB 20 million) was issued to a third party, of which AU\$4.3 million (RMB 17 million) was repaid. At the date of this report the loan had been repaid in full.

Cash at 31 March 2009

Cash and cash equivalents as at 31 March 2009 amounted to AUD\$33,758,786.

Appendix 4C

The attached Appendix 4C shows the consolidated statement of cashflows for the period from 1 January 2009 to 31 March 2009. The year-to-date figures are also for the period from 1 January 2009 to 31 March 2009 as the group has a 31 December financial reporting year end.

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. ("Matsuoka"). 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 trade mark "Treyo".

Treyo, through its subsidiary Matsuoka, is an industry leader. The Company has grown rapidly to become the largest automatic mahjong table manufacturer in China. Matsuoka was founded in March 2003 and carries on the business of manufacturing Treyo automatic mahjong tables.

Treyo holds approximately 65% of the premium end of the market for automatic 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:

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Appendix 4C
Quarterly report
for entities admitted
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Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

Treyo Leisure and Entertainment Limited

ABN

93 131 129 489

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

	Current quarter	Year to date (3 months)
Cash flows related to operating activities	\$A'000	\$A'000
1.1 Receipts from customers	17,440	17,440
1.2 Payments for		
(a) staff costs	(1,437)	(1,437)
(b) advertising and marketing	(1,521)	(1,521)
(c) research and development	(98)	(98)
(d) leased assets	-	-
(e) other working capital	(19,106)	(19,106)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	170	170
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes	(336)	(336)
1.7 Other (provide details if material)		
IPO costs expensed	(434)	(434)
Reimbursement of executive directors' expenses including IPO expenses paid by a director in the prior year.	(752)	(752)
Net operating cash flows	(6,074)	(6,074)

+ See chapter 19 for defined terms.

Appendix 4C
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	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(6,074)	(6,074)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(37)	(37)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	(4,931)	(4,931)
1.12 Loans repaid by other entities	4,288	4,288
1.13 Other	-	-
Net investing cash flows	(680)	(680)
1.14 Total operating and investing cash flows	(6,754)	(6,754)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material) IPO costs	(151)	(151)
Net financing cash flows	(151)	(151)
Net increase (decrease) in cash held	(6,905)	(6,905)
1.21 Cash at beginning of quarter/year to date	40,266	40,266
1.22 Exchange rate adjustments to item 1.20	398	398
1.23 Cash at end of quarter	33,759	33,759

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	1,527
1.25	Aggregate amount of loans to the parties included in item 1.11	nil

1.26 Explanation necessary for an understanding of the transactions

Consists of:		
		\$A'000
•	fees and salaries to directors	38
•	purchases from related parties	737
•	reimbursement of executive directors' expenses (including IPO expenses paid by a director in the prior year)	752
The related party debtors and creditors are shown as part of the Net Operating cash flows (item 1.8).		

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not Applicable

Financing facilities available

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-
		At 31 March 2009 notes payable of \$7,014 (in \$A'000s) are guaranteed against interest bearing short term bank deposit of \$3,243 (in \$A'000s). Refer to item 4.2 below.	

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	30,496	36,708
4.2 Deposits at call	3,243	3,558
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	33,739	40,266

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Not Applicable	Not Applicable
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Jo-Anne Dal Santo
 Company Secretary

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