



Good Afternoon 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 2011 – our fourth AGM since Treyo listed on the Australian Securities Exchange in January 2009. We are very proud to be listed on the ASX. We are particularly pleased to be having this year's AGM in the beautiful Australian city of Adelaide.

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

Over the past few years, the Treyo Group has been presented with a number of market challenges. Most particularly, through intense price competition and attempts to copy the "Treyo" brand and our world-class technology. I am very pleased to advise that these challenges have been faced and successfully overcome by the Company.

Over the last year, consumers have more focused on quality and brand recognition, adding value to the nationally renowned Treyo brand. Successful actions taken in Chinese courts by the Treyo Group have enforced the protection of the Company's brands and technology platforms. As a company, Treyo has emerged from these challenges stronger and more vibrant, and has consolidated our market leadership.

As we have previously announced to the market, the Treyo Group realised an after tax profit of \$A5.08 million for the 2011 financial year. This represents an increase of \$A2.15 million or 73% on the previous year. Group revenue for the year was up by 29% to \$A71.29 million.

Unit sales of Treyo products increased by 21.9% over the previous year. This was as a result of solid sales growth by "Treyo" branded products, with the brand now clear market leader and being much sought after by consumers. It is expected that prices and profitability in the industry will now stabilise.

As announced to the market on 23 April, Treyo has sold its wholly owned subsidiary Hangzhou Shouken Electric Co. Ltd realising a profit of \$A353,000 to the Company on the original acquisition price. The Treyo Board will continue to look for opportunities to maximise profit and diversify its business portfolio, with both short-term and long-term investments.

Through prudent management and controls, Treyo's working capital at the end of the financial year was a very healthy \$A25.60 million. The Company's cash and cash equivalents reserves remain strong at \$A33.72 million. As always, the Company continues to maintain diligent control of costs.

Treyo holds approximately 70% of the premium end of the market for automatic mahjong tables – a market with total annual sales in China of over \$AUD1.2 billion. With a forecast growth in China's GDP of 7.5% for 2012, China, Treyo's major market, continues to experience solid growth and is now recognised as the world's fastest growing and second largest economy.

To grow our market leadership, Treyo will continue to focus on innovation, technical excellence, and our commitment to quality, outstanding customer service and brand development.

I would like to thank all of the staff and management of the Treyo Group, our distributors and our suppliers, for their outstanding efforts on behalf of the Group over the last year. I would also like to thank my fellow Board members for their tireless efforts over the last 12 months. Their wisdom, advice and support have been a great help to me.

Finally, I would like to thank you, our Shareholders, for your continuing belief in Treyo and what we do. I can assure you that your Board will continue to focus on identifying growth opportunities, and most importantly, improving the Company's profitability and shareholder value.

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

Thank You.