



Appendix 4D

Commentary on Half-Year Results to 30 June 2012

For the information of Shareholders and the general market, the Board of Treyo Leisure and Entertainment Ltd have authorised the release of details of the Company's results for the YTD period 1 January – 30 June 2012. It should be noted that, in accordance with Chinese accounting practices, the 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 2012 and its plans for the remaining half of the year.

The Board is pleased to advise that for the period 1 January – 30 June 2012 the Company has achieved strong growth in revenue and profit over the previous year. Through its wholly owned China based subsidiary Matsuoka Mechatronics, Treyo has recorded revenues for the six month period of \$A31,278,095 **up 14.12%** on the corresponding period in 2011 and a **26.33% increase** in net profit from continuing operations to \$A2,550,483.

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

These half-year results show that, by the use of prudent management and cost controls and by product innovation and excellent customer service, Treyo is continuing to grow its business and consolidate its position as the world's leading manufacturer of automated mahjong tables. The Treyo brand is now recognised as market leader by consumers.

While the Treyo Board is very pleased with the first half results, it realises that there is no room for complacency. The Chinese economy continues to be strong, but there are always market challenges. Treyo will continue to look to the future for innovation, growth and opportunities to maximise Shareholder value. The Board remains confident for the Company's future and a strong second half.

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"). 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 trade mark "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:

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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 2012**

Previous Corresponding Period Half Year ended 30 June 2011

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

1 The Reporting period is the half year ended 30 June 2012 including comparative information for the half year ended 30 June 2011.

2 Results for announcement to the market

			Change		30-Jun-12		30-Jun-11
		%	\$		\$		\$
2.1	The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.	up by 14%	3,870,781	to	31,278,095	from	27,407,314
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.	up by 25%	498,371	to	2,517,144	from	2,018,773
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.	up by 25%	498,371	to	2,517,144	from	2,018,773
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).	Not applicable					

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.

30-Jun-12 Cents per share	30-Jun-11 Cents per share
13.85	11.04

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.

4.1 Name of the entity.

Hangzhou Shouken Electric Co. Ltd

4.2 The date of the loss of control.

30 June 2012

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.

Refer to Note 12 of the half year financial report.

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.

Not applicable

- 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

- 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 29th day of August 2012



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 2012

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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 Stock 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 2012.

This half-year report covers the consolidated entity comprising Treyo Leisure and Entertainment Ltd ('Treyo') and its subsidiaries (the Group). Treyo's functional is AUD (\$) and the Group's presentation currency is AUD(\$). The functional currency of the 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.

Nature of operation and principal activity

The Company was listed on the Australian Stock Exchange on 2 January 2009. 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. The Group currently operates in three geographical segments; refer to Note 3 for further details.

The Board is pleased to advise that for the period 1 January – 30 June 2012 the Company has achieved strong growth in revenue and profit over the previous year. Through its wholly owned China based subsidiary Matsuoka Mechatronics, Treyo has recorded revenues for the six month period of \$A31,278,095 up 14.12% on the corresponding period in 2011 and a 26.33% increase in net profit from continuing operations to \$A2,550,483.

On 30 June 2012 Treyo sold its wholly owned subsidiary, Hangzhou Shouken Electric Co. Ltd. Refer to Note 12 for more information.

There were no other significant changes in the nature of the Consolidated Group's principal activities during the financial year.

DIRECTORS' REPORT

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 2012.

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, written in a cursive style.

Ling (Allan) Mao

Director

Executive Chairman

Dated this 29th day of August 2012

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

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Treyo Leisure and Entertainment Ltd for the half-year ended 30 June 2012, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



S J Gray
Director – Audit & Assurance

Adelaide, 29 August 2012

Consolidated Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 30 JUNE 2012

	Notes	Consolidated Group 30-June-2012	30-June-2011
		\$	\$
Revenue		31,278,095	27,407,314
Cost of goods sold		(24,945,557)	(22,039,790)
Gross Profit		6,332,538	5,367,524
Interest income		607,737	415,024
Other income	2	305,460	350,973
Distribution and selling expenses		(1,339,589)	(1,322,724)
Administration expenses		(2,457,364)	(1,917,479)
Finance costs	2	(188,203)	(259,857)
Loss from the sale of subsidiary	12	(234,679)	-
Profit before income tax		3,025,900	2,633,461
Income tax (expense)/benefit		(475,417)	(614,688)
Profit from continuing operations		2,550,483	2,018,773
Loss from discontinued operation	12	(33,339)	-
Profit for the year		2,517,144	2,018,773
Other comprehensive income			
Exchange differences on translation of foreign operations		218,327	(1,273,051)
Total comprehensive income for the period		2,735,471	745,722
Profit attributable to members of the parent entity		2,517,144	2,018,773
Earnings per share from continuing operations (on profit attributable to ordinary equity holders)			
Basic profit/(loss) per share (cents per share)		0.85	0.65
Diluted profit/(loss) per share (cents per share)		0.85	0.65

Consolidated Statement of Financial Position

AS AT 30 JUNE 2012

	Notes	Consolidated Group	
		30-June-2012	31-December-2011
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	25,942,917	33,723,184
Trade and other receivables		1,320,206	917,630
Prepayments and other current receivables		5,506,678	6,473,807
Inventories		4,539,096	6,500,772
Held to maturity financial asset		9,342,000	9,295,372
Current tax receivable		-	35,587
TOTAL CURRENT ASSETS		46,650,897	56,946,352
NON-CURRENT ASSETS			
Other receivable		-	-
Deposit – land acquisition		1,176,625	1,174,432
Long term investment		-	49,405
Property, plant and equipment	6	12,343,111	13,105,979
Intangible assets		132,150	153,397
Deferred tax asset		397,784	397,784
TOTAL NON-CURRENT ASSETS	339	14,049,670	14,880,997
TOTAL ASSETS		60,700,567	71,827,349
CURRENT LIABILITIES			
Trade and other payables		7,662,615	22,278,649
Notes payable		4,960,602	4,430,993
Short term borrowing	7	4,671,000	4,631,700
Current tax liabilities		184,872	-
TOTAL CURRENT LIABILITIES		17,479,089	31,341,342
TOTAL NON CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		17,479,089	31,341,342
NET ASSETS		43,221,478	40,486,007
EQUITY			
Issued capital	8	23,302,770	23,302,770
Foreign exchange translation reserve		(6,553,903)	(6,772,230)
Statutory general reserve		1,132,522	1,132,522
Retained earnings		25,340,089	22,822,945
TOTAL EQUITY		43,221,478	40,486,007

Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 30 JUNE 2012

	Notes	Consolidated Group	
		30-June-2012	30-June-2011
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		28,599,152	27,628,197
Payments to suppliers and employees		(32,287,567)	(31,441,988)
Interest received		607,737	415,024
Interest paid		(188,203)	(259,857)
Income taxes paid		(239,762)	(353,119)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(3,508,643)	(4,011,743)
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(288,171)	(316,200)
Consideration received on disposal of plant and equipment		-	99,932
Purchase of intangible assets		(79)	-
Disposal of subsidiary, net cash disposed		(3,292,395)	-
Cash receipts from the repayment of advances made to other parties		-	3,045,472
Cash advance made to non related party		(761,337)	(2,802,594)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(4,341,982)	26,610
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(4,629,856)
Proceeds of borrowings		-	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES		-	(4,629,856)
NET DECREASE IN CASH HELD		(7,850,625)	(8,614,989)
Cash and cash equivalents at beginning of period		33,723,184	28,054,338
Effect of exchange rates on cash holdings in foreign currencies		70,358	(494,030)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	25,942,917	18,945,319

Consolidated Statement of Changes in Equity FOR THE HALF YEAR ENDED 30 JUNE 2012

	Issued Capital \$	Retained Earnings \$	Foreign Exchange Reserve \$	Statutory General Reserves \$	Total \$
Balance at 1 January 2011	23,302,770	17,739,122	(8,047,749)	1,132,522	34,126,665
Total comprehensive income	-	2,018,773	(1,273,051)	-	745,722
Balance at 30 June 2011	23,302,770	19,757,895	(9,320,800)	1,132,522	34,872,387
Balance at 1 January 2012	23,302,770	22,822,945	(6,772,230)	1,132,522	40,486,007
Total comprehensive income	-	2,517,144	218,327	-	2,735,471
Balance at 30 June 2012	23,302,770	25,340,089	(6,553,903)	1,132,522	43,221,478

NOTE 1: BASIS OF PREPARATION

These general purpose interim financial statements for half-year reporting period ended 30 June 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Treyo Leisure and Entertainment Ltd and its controlled entities (referred to as the Consolidated Group or the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2011, together with any public announcements made during the following half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

New and Revised Accounting Requirements Applicable to the Current Half-Year Reporting Period

a) Recently issued accounting standards to be applied in future accounting periods

The accounting standards that have not been early adopted for the year ended 30 June 2012, but will be applicable to the Group in future reporting periods are detailed below. Apart from these standards, we have considered other accounting standards that will be applicable in future reporting periods, however they have been considered insignificant to the Group.

i) AASB 9 Financial Instruments (effective from 1 January 2013)

The AASB aims to replace AASB 139 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (AASB 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed. Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of AASB 9 have been published and they can comprehensively assess the impact of all changes.

ii) Consolidation Standards

A package of consolidation standards are effective for annual periods beginning or after 1 January 2013. Information on these new standards is presented below. The Group's management have yet to assess the impact of these new and revised standards on the Group's consolidated financial statements.

a. AASB 10 Consolidated Financial Statements (AASB 10)

AASB 10 supersedes the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements (AASB 127) and Interpretation 112 Consolidation – Special Purpose Entities. It revised the definition of control together with accompanying guidance to identify an interest in a subsidiary. However, the requirements and mechanics of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

b. AASB 11 Joint Arrangements (AASB 11)

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AASB 131). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. It introduces two accounting categories (joint operations and joint ventures) whose applicability is determined based on the substance of the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method for joint ventures, which is currently used for investments in associates.

NOTE 1: BASIS OF PREPARATION

New and Revised Accounting Requirements Applicable to the Current Half-Year Reporting Period (Continued)

c. AASB 12 Disclosure of Interests in Other Entities (AASB 12)

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

iii) AASB 2011-9 Amendments to Australian Accounting Standards Presentation of Items of Other Comprehensive Income s (AASB 101 Amendments)

The AASB 101 Amendments require an entity to group items presented in other comprehensive income into those that, in accordance with other IFRSs:

- (a) will not be reclassified subsequently to profit or loss and
- (b) will be reclassified subsequently to profit or loss when specific conditions are met.

It is applicable for annual periods beginning on or after 1 July 2012. The Group's management expects this will change the current presentation of items in other comprehensive income; however, it will not affect the measurement or recognition of such items.

iv) Amendments to AASB 119 Employee Benefits (AASB 119 Amendments)

The AASB 119 Amendments include a number of targeted improvements throughout the Standard. The main changes relate to defined benefit plans. They:

- (a) eliminate the 'corridor method', requiring entities to recognise all gains and losses arising in the reporting period in other comprehensive income
- (b) streamline the presentation of changes in plan assets and liabilities
- (c) enhance the disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in them.

The amended version of AASB 119 is effective for financial years beginning on or after 1 January 2013. The Group's management have yet to assess the impact of this revised standard on the Group's consolidated financial statements.

v) AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (AASB 124 Amendments)

AASB 2011-4 makes amendments to AASB 124 Related Party Disclosures to remove individual key management personnel disclosure requirements, to achieve consistency with the international equivalent (which includes requirements to disclose aggregate (rather than individual) amounts of KMP compensation), and remove duplication with the Corporations Act 2011. The amendments are applicable for annual periods beginning on or after 1 July 2013. The Group's management have yet to assess the impact of these amendments.

vi) Other

In addition to the above recently issued accounting standards that are applicable in future years, we note the following new accounting standards that are applicable in future years:

- Amendments to IAS 32 "Financial Instruments: Presentation and IFRS 7 Financial Instruments: Disclosures";
- AASB Interpretation 20 "Stripping Costs in the Production Phase of a Surface Mine";
- Consequential amendments to AASB 127 Separate Financial Statements (AASB 127) and AASB 128 Investments in Associates and Joint Ventures (AASB 128); and
- AASB 13 Fair Value Measurement (AASB 13).

We do not expect these standards to materially impact our financial results upon adoption.

NOTE 2: REVENUE AND EXPENSES

Consolidated Group
30.6.2012 **30.6.2011**
 \$ \$

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

(i) Other Revenue

Sale of raw material and parts, net	12,333	350,973
Other	293,127	-
	305,460	350,973

(ii) Finance costs

Finance costs	188,203	259,857
	188,203	259,857

(iii) Depreciation and amortisation included in income statement

Depreciation of fixed assets charged to COGS	187,192	173,302
Depreciation of fixed assets charged to Administration	303,867	383,621
Amortisation of intangible assets	16,587	35,912
Total depreciation and amortisation	507,646	592,835

(iv) From discontinued operations (NOTE 12)

Sales Revenue	7,635,157	-
	7,635,157	-

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 2011; 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.
- 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 2012				
REVENUE				
Total revenue -external sales	31,278,095	-	-	31,278,095
RESULT				
Segment result	3,826,423	(249,834)	(49,932)	3,530,657
Finance costs	(188,087)	(116)	-	(188,203)
Profit/(loss) before income tax	3,638,336	(249,950)	(45,932)	3,342,454
Income tax expense	(475,417)	-	-	(475,417)
Profit after income tax from continuing operations	3,162,919	(249,950)	(45,932)	2867037
Loss from sale of subsidiary				234,679
Loss from discontinuing operations				115,213
Profit after income tax				2,517,145
ASSETS				
Segment assets	54,108,606	6,095,761	496,200	60,700,567
LIABILITIES				
Segment liabilities	17,365,373	2,448	111,268	17,479,089
Reconciliation of segmental assets to group assets:				
Inter-segment eliminations				-
Total group assets from continuing operations				43,221,478
OTHER				
Depreciation and amortisation of segment assets	592,836	-	-	592,836

NOTE 3: OPERATING SEGMENTS (CONTINUED)

For the six months ended 30 June 2011

REVENUE

Total revenue -external sales	27,407,314	-	-	27,407,314
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RESULT

Segment result	3,003,054	(90,842)	(18,894)	2,893,318
Finance costs	(259,787)	(70)	-	(259,857)
Profit/(loss) before income tax	2,743,267	(90,912)	(18,894)	2,633,461
Income tax expense	(614,688)	-	-	(614,688)
Profit after income tax	2,128,579	(90,912)	(18,894)	2,018,773

ASSETS

Segment assets	53,517,021	455,160	2,813,862	56,786,043
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LIABILITIES

Segment liabilities	21,818,264	92,292	3,100	21,913,656
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Reconciliation of segmental assets to group assets:

Inter-segment eliminations

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Total group net assets from continuing operations				34,872,387
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OTHER

Depreciation and amortisation of segment assets	592,836	-	-	592,836
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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 such 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 2012.

NOTE 5: CASH AND CASH EQUIVALENTS

Consolidated Group

30.6.2012	31.12.2011
\$	\$

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

Cash at bank and in hand	25,942,917	33,723,184
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At 30 June 2012, \$1,515,828 (31 December 2011: \$2,219,383) was held in an interest bearing short term deposit as a guarantee for notes payable.

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the half-year ended 30 June 2012, the Group acquired assets with a cost of \$283,544 (30 June 2011: \$316,200).

NOTE 7: SHORT TERM BORROWINGS

The Group currently holds short term borrowings of \$4,671,000 (31 December 2011: \$4,631,700) with the Agricultural Bank of China maturing within 12 months of balance date. Interest is payable on short-term borrowings varies from 6.63% to 6.89%

NOTE 8: CONTRIBUTED EQUITY

	30.6.2012	31.12.2011
	\$	\$
Ordinary shares		
Issued and fully paid	23,302,770	23,302,770
	Number of	\$
	Shares	
Movements in ordinary shares on issue		
At 1 January 2012	311,008,000	23,302,770
Shares issued during the period	-	-
At 30 June 2012	311,008,000	23,302,770

NOTE 9: RELATED PARTY DISCLOSURES

a. Related parties

	30.6.2012	30.6.2011
	\$	\$
Transactions		
Purchase from related parties	2,274,842	1,196,697
Management fees paid to related parties	-	71,750
Sales to related parties	-	-
Rental received from related parties	-	-
	30.6.2012	30.6.2011
	\$	\$
Balances		
Trade and other receivables	1,288,630	1,154,446
Trade and other payables	1,731,026	132,383

NOTE 10: CONTINGENT LIABILITIES

As at 30 June 2012, the group is not aware of any other contingent assets or liabilities that should be disclosed in accordance with AASB 137.

NOTE 11: 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.

NOTE 12: DISCONTINUED OPERATIONS

Pursuant to a share transfer agreement dated 23 April 2012, Hangzhou Shouken Electric Co. Ltd. ("Shouken") a wholly owned subsidiary of Treyo Leisure and Entertainment Ltd ("Treyo") was disposed on effective date of 30 June 2012. The profit and loss of Shouken has been reported in these financial statements as a discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

a. Financial Performance

	30.6.2012	30.6.2011
Revenue (Note 2)	7,665,510	-
Expenses	(7,621,206)	-
Profit before income tax	44,304	-
Income tax expense	(77,643)	-
Profit after tax of discontinued operation	(33,339)	-
Loss on sale of subsidiary	(234,679)	-
Loss from discontinued operations	268,018	-

b. Details of the sale of subsidiary

Consideration received or receivable	2,213,731	-
Carrying amount of net assets sold	(2,448,410)	-
Gain on sale of subsidiary	(234,679)	-

c. Details of assets and liabilities

	30.6.2012	31.12.2011
Cash and cash equivalent	3,292,395	3,705,558
Trade and other receivables	1,249,763	1,219,295
Inventory	1,602,540	1,963,972
Plant and equipment	721,930	645,190
Intangible assets	29,042	18,045
Long term investments	49,824	49,405
Total Assets	6,945,494	7,601,465
Trade and other payables	(4,497,084)	(5,130,775)
Short-term loan	-	-
Total net assets disposed	2,448,410	2,470,690

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 16 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 2012 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' or similar, written in a cursive style.

Ling (Allan) Mao – Executive Chairman

Dated this 29th day of August 2012

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

We have reviewed the accompanying half-year financial report of Treyo Leisure and Entertainment Ltd ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies,, other selected explanatory notes 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 Ltd are responsible for 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 financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 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 Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Electronic presentation of reviewed financial report

This auditor's review report relates to the financial report of Treyo Leisure and Entertainment Ltd for the half-year ended 30 June 2012 included on Treyo Leisure and Entertainment Ltd's web site. The Company's directors are responsible for the integrity of Treyo Leisure and Entertainment Ltd's web site. We have not been engaged to report on the integrity of Treyo Leisure and Entertainment Ltd's web site. The auditor's review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

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 Ltd 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 2012 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



SJ Gray
Director – Audit & Assurance

Adelaide, 29 August 2012