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

Appendix 4D

Commentary on Half-Year Results to 30 June 2013

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 2013. 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 2013.

The Board advises that, despite a challenging half year, Treyo through its wholly owned China based subsidiary Matsuoka Mechatronics, has recorded revenues for the six month period - 1 January - 30 June 2013 of $32,545,723 representing a 4% increase on the previous corresponding period. However, due to the effect of recent Chinese Government mandated salary increases, along with higher R&D and marketing and distribution expenses, the Company has achieved a profit for the half-year of $1,652,870, down 35% on the previous corresponding period.

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.

Treyo is a company that relies on leading edge technology and innovation and a stable and experienced workforce. The Board is satisfied that these increased costs are necessary to continuing the growth and dominance of the Treyo brand in China's domestic market, which is the core of Treyo's future growth.

China's domestic economy is still growing and relatively stable by world standards. The Chinese middle-income sector is rapidly growing, along with the consequential increase in discretionary expenditure. This is good for Treyo's future asthe Company's concentration on R&D, market development and increased distribution throughout China, will ensure Treyo's growth and reinforce Treyo as the brand and product of choice.

The Board is always conscious of the profitable and secure use of the Company's surplus cash. The half-year results also show an investment of $35,167,272 in Shenzhen Shangzuo Asset Management Centre (Limited Partnership). Shangzuo Asset Management Centre, which is 99% owned by Treyo, has been established under the relevant Chinese law to enable Treyo funds to be loaned to third party borrowers facilitated through Chinese banks. Interest received on these investments will be of the order of 8% per annum and is seen by the Board as a prudent method of using the Company's excess funds.

These half-year results show that, by the use of prudent cost management 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 pleased with the first half results, it realises that there is no room for complacency. The Chinese domestic 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 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

Level 2, 371SpencerStreet
Melbourne Victoria 3000
Mobile: 0438 949 009
Email: jo@redconsulting.net.au

Appendix 4D

Half year report

Rule 4.2A.3

Name of Entity	**Treyo Leisure and Entertainment Ltd**
ABN	**93 131 129 489**
Reporting Period	**Half Year ended 30 June 2013**
Previous Corresponding Period	Half Year ended 30 June 2012

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

1 The Reporting period is the half year ended 30 June 2013 including comparative information for the half year ended 30 June 2012.

2 Results for announcement to the market

			%	Change $		30-Jun-13 $		30-Jun-12 $
2.1	The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.	up by	4%	1,267,628	to	32,545,723	from	31,278,095
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	35%	(864,274)	to	1,652,870	from	2,517,144
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	35%	(864,274)	to	1,652,870	from	2,517,144
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 June 2013 Cents per share	**30 June 2012 Cents per share**
Net tangible assets per security in cents	17.18	13.85

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 Centre (Limited Partnership) was entered into the partnership by the reporting entity during the reporting period

- Percentage held – 99%
- Contribution to net profit for the period ended 30 June 2013 - $161,449

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 2013

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 2013

Contents

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

Your directors submit the financial report of the consolidated group for the half-year ended 30 June 2013.

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 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.

The Board is pleased to advise that for the period 1 January – 30 June 2013 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 $A32,545,723 up 4.05% on the corresponding period in 2012 and a 35% decrease in net profit from continuing operations to $A1,652,870.

Nature of operation and principal activity

The Company was listed on the Australian Securities 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.

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

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 2013.

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

Ling (Allan) Mao
Director
Executive Chairman
Dated this 29th day of August 2013

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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 2013, 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

J L Humphrey
Director – Audit & Assurance

Adelaide, 29 August 2013

Consolidated Statement of Profit or Loss and Other Comprehensive Income
FOR THE HALF YEAR ENDED 30 JUNE 2013

	Notes	Consolidated Group 30 June 2013 $	30 June 2012 $
Revenue		32,545,723	31,278,095
Cost of goods sold		(25,506,310)	(24,945,557)
Gross Profit		7,039,413	6,332,538
Interest income		894,345	607,737
Other income	2	33,566	305,460
Distribution and selling expenses		(1,981,594)	(1,339,589)
Administration expenses		(3,380,902)	(2,457,364)
Finance costs	2	(175,114)	(188,203)
Loss from the sale of subsidiary	13	-	(234,679)
Profit before income tax		**2,429,714**	**3,025,900**
Income tax (expense)/benefit		(776,844)	(475,417)
Profit from continuing operations		1,652,870	2,550,483
Loss from discontinued operation	13	-	(33,339)
Profit for the year		1,652,870	2,517,144
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		7,098,789	218,327
Total comprehensive income for the period		**8,751,659**	**2,735,471**
Profit attributable to members of the parent entity		1,652,870	2,517,144

Earnings per share from continuing operations (on profit attributable to ordinary equity holders)

Basic profit/(loss) per share (cents per share)	0.53	0.85
Diluted profit/(loss) per share (cents per share)	0.53	0.85

Consolidated Statement of Financial Position
AS AT 30 JUNE 2013

	Notes	Consolidated Group	
		30 June 2013	31 December 2012
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**5**	16,904,800	38,861,335
Trade and other receivables		1,343,328	1,717,257
Prepayments and other current receivables		583,468	5,195,992
Inventories		4,775,662	3,702,475
Held to maturity financial asset		7,951,500	9,156,000
TOTAL CURRENT ASSETS		31,558,758	58,633,059
NON-CURRENT ASSETS			
Deposit – land acquisition		-	1,153,198
Investments accounted for using the equity method	**11**	35,167,272	-
Property, plant and equipment	**6**	13,131,973	11,748,131
Intangible assets		121,977	117,429
Deferred tax asset		-	397,784
TOTAL NON-CURRENT ASSETS		48,421,222	13,416,542
TOTAL ASSETS		79,979,980	72,049,601
CURRENT LIABILITIES			
Trade and other payables		14,645,732	17,192,423
Notes payable		6,371,803	5,325,740
Short term borrowing	**7**	5,301,000	4,578,000
Current tax liabilities		216,930	260,582
TOTAL CURRENT LIABILITIES		26,535,465	27,356,745
TOTAL NON CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		26,535,465	27,356,745
NET ASSETS		**53,444,515**	**44,692,856**
EQUITY			
Issued capital	**8**	23,302,770	23,302,770
Foreign exchange translation reserve		(302,803)	(7,401,592)
Statutory general reserve		1,132,522	1,132,522
Retained earnings		29,312,026	27,659,156
TOTAL EQUITY		**53,444,515**	**44,692,856**

Consolidated Statement of Cash Flows
FOR THE HALF YEAR ENDED 30 JUNE 2013

	Notes	Consolidated Group	
		30-June-2013	30-June-2012
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		29,797,630	28,599,152
Payments to suppliers and employees		(27,533,079)	(32,287,567)
Interest received		732,896	607,737
Interest paid		(175,114)	(188,203)
Income taxes paid		(519,363)	(239,762)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		2,302,970	(3,508,643)
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(99,096)	(288,171)
Consideration received on disposal of plant and equipment		9,492	-
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		1,944,779	-
Cash advance made to non - related parties		-	(761,337)
Redemption of short-term investment		2,650,500	-
Purchase of held-to-maturity investment		(35,005,823)	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(30,500,148)	(4,341,982)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Proceeds of borrowings		-	-
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		-	-
NET DECREASE IN CASH HELD		(28,197,178)	(7,850,625)
Cash and cash equivalents at beginning of period		38,861,335	33,723,184
Effect of exchange rates on cash holdings in foreign currencies		6,240,643	70,358
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**5**	**16,904,800**	**25,942,917**

Consolidated Statement of Changes in Equity
FOR THE HALF YEAR ENDED 30 JUNE 2013

	Issued Capital $	Retained Earnings $	Foreign Exchange Reserve $	Statutory General Reserves $	Total $
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**
Balance at 1 January 2013	23,302,770	27,659,156	(7,401,592)	1,132,522	44,692,856
Total comprehensive income	-	1,652,870	7,098,789	-	8,751,659
Balance at 30 June 2013	**23,302,770**	**29,312,026**	**(302,803)**	**1,132,522**	**53,444,515**

NOTE 1: BASIS OF PREPARATION

These general purpose interim financial statements for half-year reporting period ended 30 June 2013 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 2012, 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.

The interim financial statements have been approved and authorised for issue by the Board of Directors on the 29th August 2013.

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

The Group had to change accounting policies as the result of new and amended accounting standards which became effective for the first time on 1 January 2013. AASB 10 Consolidated Financial Statements affected the Group's principles of consolidation and AASB 11 Joint Arrangements resulted in the Group changing its accounting for joint ventures from proportionate consolidation to the equity method.

Other new and amended accounting standards that apply for the first time to the 30 June 2013 interim period include AASB 12 Disclosure of Interests in Other Entities, AASB 13 Fair Value Measurement, AASB 119 Employee Benefits (September 2011), AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13, AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities and AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle. While these standards introduced new disclosure requirements, they did not affect the Group's accounting policies or any of the amounts recognised in the financial statements.

Basis of consolidation

AASB 10 establishes a revised control model that applies to all entities. It replaces the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements and AASB Interpretation 112 Consolidation – Special Purpose Entities. The revised control model broadens the situations when an entity is considered to be controlled by another entity and includes additional application guidance.

Under AASB 10, the group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The group has reassessed its consolidation conclusions in light of the new control principles in AASB 10 and concluded that no changes are required. Accordingly, the adoption of AASB 10 has not resulted in any adjustments to the carrying amounts in the financial statements.

NOTE 1: BASIS OF PREPARATION

Investments in joint ventures

AASB 11 replaces AASB 131 Interests in Joint Ventures and AASB Interpretation 113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition, AASB 11 removes the option to account for jointly-controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.

The adoption of AASB 11 has not resulted in any changes to the group's accounting for joint operations. The group continues to account for its right to the underlying assets and obligations for liabilities by recognising the share of those assets and liabilities.

The adoption of AASB 11 has resulted in the group changing its accounting policy for joint ventures from proportionate consolidation to the equity method. Under the equity method, the interests are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

As required by AASB 11, the change in policy has been applied retrospectively and, as a consequence, adjustments were recognised in the statement of financial position as of 1 January 2012.

The effect of the change in accounting policy on individual line items in the statement of profit or loss and other comprehensive income and the statement of financial position is shown in the tables below. The subtotals and totals disclosed cannot be recalculated from the numbers provided as the line items that were not affected by the change have not been included in these tables.

The group recognised its investment in the joint venture at the beginning of the earliest period presented (i.e., 1 January 2012) as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated, including any goodwill arising from the acquisition of the investment. This is the deemed cost of the group's investments in the joint venture for applying equity accounting. As a consequence, the change in policy had no impact on the group's net assets, items of equity, profit for the period and earnings per share.

NOTE 2: REVENUE AND EXPENSES

	Consolidated Group	
	30 June 2013	30 June 2012
	$	$
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
Other	33,566	293,127
	33,566	305,460
(ii) Finance costs		
Finance costs	175,114	188,203
	175,114	188,203
(iii) Depreciation and amortisation included in statement of profit or loss and other comprehensive income		
Depreciation of fixed assets charged to COGS	171,240	187,192
Depreciation of fixed assets charged to Administration	321,657	303,867
Amortisation of intangible assets	25,193	16,587
Total depreciation and amortisation	518,090	507,646
(iv) From discontinue operations (NOTE 13)		
Sales Revenue	-	7,665,510

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 2012; 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 2013				
REVENUE				
Total revenue - external sales	32,545,723	-	-	32,545,723
RESULT				
Segment result	2,806,272	(182,695)	(19,749)	2,603,828
Finance costs	(174,745)	(148)	(221)	(175,114)
Profit/(loss) before income tax	2,631,527	(182,843)	(19,970)	2,429,714
Income tax expense	(379,060)	(397,784)	-	(776,844)
Profit after income tax from continuing operations	2,253,467	(580,627)	(19,970)	1,652,870
Loss from sale of subsidiary				-
Loss from discontinuing operations				-
Profit after income tax				1,652,870
ASSETS				
Segment assets	77,163,121	111,952	2,704,907	79,979,980
LIABILITIES				
Segment liabilities	26,430,582	103,866	1,017	26,535,465
Reconciliation of segmental assets to group assets:				
Inter-segment eliminations	-	-	-	
Total group assets from continuing operations				53,444,515
OTHER				
Depreciation and amortisation of segment assets	518,090	-	-	518,090

NOTE 3: OPERATING SEGMENTS (CONTINUED)

	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	(49,932)	(249,834)	3,530,657
Finance costs	(188,087)	-	(116)	(188,203)
Profit/(loss) before income tax	3,638,336	(45,932)	(249,950)	3,342,454
Income tax expense	(475,417)	-	-	(475,417)
Profit after income tax from continuing operations	3,162,919	(45,932)	(249,950)	2,867,037
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	496,200	6,095,761	60,700,567
LIABILITIES				
Segment liabilities	17,365,373	111,268	2,448	17,479,089
Reconciliation of segmental assets to group assets: Inter-segment eliminations				
Total group net assets from continuing operations				43,221,478
OTHER				
Depreciation and amortisation of segment assets	592,836	-	-	592,836

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 2013.

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	30 June 2013	31 December 2012
	$	$
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	16,904,800	38,861,335

At 30 June 2013, $1,911,541 (31 December 2012: $3,849,625) 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 2013, the Group acquired assets with a cost of $99,096 (30 June 2012: $283,544).

A gain of $3,652 was made from disposal of assets by the Group during the half year ended 30 June 2013 (30 June 2012: Nil)

NOTE 7: SHORT TERM BORROWINGS

The Group currently has short term borrowings of $5,301,000 (31 December 2012: $4,578,000) with the Agricultural Bank of China maturing within 12 months of balance date. Interest rate on short-term borrowings is 6.6% a year.

NOTE 8: CONTRIBUTED EQUITY

	30 June 2013	31 December 2012
	$	$
Ordinary shares		
Issued and fully paid	23,302,770	23,302,770

	Number of Shares	$
Movements in ordinary shares on issue		
At 1 January 2013	311,008,000	23,302,770
Shares issued during the period	-	-
At 30 June 2013	311,008,000	23,302,770

NOTE 9: RELATED PARTY DISCLOSURES

a. Related parties

	30 June 2013	30 June 2012
Transactions	$	$
Purchase from related parties	28,422	2,274,842
Management fees paid to related parties	-	-

	30 June 2013	30 June 2012
	$	$
Balances		
Trade and other receivables	135,848	1,288,630
Trade and other payables	2,130	1,731,026

NOTE 10: CONTINGENT LIABILITIES

As at 30 June 2013, the group is not aware of any other contingent assets or liabilities that should be disclosed in accordance with AASB 137.

NOTE 11: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The subsidiary of the parent entity, Matsuoka Mechatronics (China) Co., Ltd has a 99% interest in the Shenzhen Shangzuo Asset Management Limited Partnership (Shangzuo), which is resident in China and the principle activity of which is to invest in financial products through financial institutions.

The interest in Shangzuo is accounted for in the financial statements using the equity method of accounting. Information relating to Shangzuo is set out below:

	30 June 2013	31 December 2012
Share of partnership's assets and liabilities	**$**	**$**
Current assets	-	-
Non-current assets	34,986,600	-
Total assets	34,986,600	-
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Share of partnership's revenue, expenses and results		
Revenue	161,449	-
Expenses	-	-
Profit before income tax	161,449	-
Share of partnership assets and liabilities	34,986,600	
Share of partnership's revenue, expenses and results	161,449	
Foreign currency exchange differences	19,223	
	35,167,272	

NOTE 12: 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 13: 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 June 2013	30 June 2012
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 June 2013	30 June 2012
Cash and cash equivalent	-	3,292,395
Trade and other receivables	-	1,249,763
Inventory	-	1,602,540
Plant and equipment	-	721,930
Intangible assets	-	29,042
Long term investments	-	49,824
Total Assets	-	6,945,494
Trade and other payables	-	(4,497,084)
Short-term loan		-
Total net assets disposed	-	2,448,410

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 2013 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

Ling (Allan) Mao – Executive Chairman

Dated this 29th day of August 2013

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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 2013, 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 or description 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 2013 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.

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 2013 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Director – Audit & Assurance

Adelaide, 29 August 2013