



Good morning 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 2013 – our sixth AGM since Treyo listed on the Australian Securities Exchange in January 2009.

We are particularly pleased to be again holding Treyo's AGM in Adelaide. This is the third AGM that we have held in this beautiful city, and we thank you again for making us feel so welcome.

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

I am very pleased to advise that, despite a challenging market, the Treyo Group, through its wholly owned China based subsidiary, Matsuoka Mechatronics (China) Co., realised an after-tax profit of \$AUD5.2 million for the 2013 financial year which, on a direct like-for-like comparison basis, represents an **increase** of 7% on the previous year.

The "**Treyo**" brand of automated mahjong tables is now the most recognised brand by consumers, and the clear market leader. We have achieved this high standing by continuously providing high quality products, and new technology and design innovation. Treyo has become the industry standard for quality and service.

Some relevant statistics for the 2013 year include:

- Sales revenue for the year (excluding interest received) was **up by 12%** to \$AUD76.2 million compared to 2012 revenue of \$AUD68.3 million;
- Unit sales of "**Treyo**" mahjong tables **increased by 2.6%** over 2012. This was as a result of continuing solid sales growth by "**Treyo**" branded products in the marketplace, despite strong competition;
- As I have previously mentioned, the Treyo Group achieved an NPAT of \$AUD5.2 million. An **increase of 7%** over the previous year;
- The Company has continuing **strong cash reserves** of \$AUD24.2 million; and
- **Strong working capital** of \$AUD8.4 million at 31 December 2013.

I urge you to read the Treyo 2013 Annual Report, which provides further details of the Company's operations.

Throughout the year, Treyo has been presented with a number of market challenges. These include, price competition and continuing attempts to copy the "**Treyo**" brand and technology.

The Chinese Government, both National and Provincial, are very conscious of the need to protect the brands and technology of prominent China based companies. Treyo has been strongly supported and assisted by the Chinese authorities in taking action against companies that infringe our patents and copyright.

As a result, Treyo has continued to be successful in the Chinese courts in defending our brand and intellectual property. These actions have had a positive effect on Treyo's market.

Treyo continues to be the world's largest manufacturer of automated mahjong tables, with interest in our products coming from across the globe.

The Company experiences high brand recognition with consumers and continues to grow its market share and expand its already extensive distributor network throughout China.

Despite a small contraction in the Chinese economy, China continues to experience solid growth and is recognised as the world's fastest growing, and second largest, economy. With our primary market still in China, the Treyo Board expects continuing growth for the Company.

As in previous years, I would like to thank my Board, all of the staff and management of the Treyo Group, and our distributors and suppliers, for their outstanding efforts on behalf of the Group over the last year.

Finally, I would like to thank you, our Shareholders, for your continuing belief in Treyo and our future. I can assure you that your Board will continue to focus on identifying growth opportunities, and growing the Company's market share and profitability.

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

Thank You.