



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

COMMENTARY ON HALF-YEAR RESULTS TO 30 JUNE 2010

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 2010. It should be noted that, in accordance with Chinese accounting practices, the Treyo's financial year runs January to December each year. Through this Commentary, the Board seeks to provide a brief update to its Shareholders and the market, on the results achieved for the first half of 2010.

For the period 1 January – 30 June 2010, Treyo, through its wholly owned China based subsidiary, Matsuoka Mechatronics has recorded sales revenues for the period of \$AUD23,117,969 and an NPAT of \$AUD1,110,383. A detailed summary of the half- year results is contained in the Company's Appendix 4D which is attached to this Commentary.

Even though these results are disappointing and a reduction on the corresponding period of the prior year, this result should also be seen as a positive one for Treyo.

The last six months have presented significant market challenges for the Company. To increase its leadership in the premium sector of the automatic mahjong table market, Treyo has transited its product range to a new operating platform, developed in-house by the Treyo Research and Development Division. This platform, exclusive to Treyo products, and implemented into a recently released new range of models, are now recognised in the industry as world-class technology and leading edge design, which is now available to the massive Chinese market.

To compete with the introduction of the new Treyo product range and technology, there has been a concerted campaign by competitors to recover lost market share by price cutting and other promotional activities. While these competitor products are of a significantly inferior quality, there is an initial impact on the market as a whole, until consumers realise that a lower price brings with it poor quality and consumer disappointment.

In addition, Chinese labour costs have increased by an average of 10% due to recent changes by the Chinese Government to employee wage structures.

The Chinese economy continues to be strong and out-perform most other world economies. The Chinese domestic market, which is Treyo's primary market, has not suffered from an economic crisis to the extent of many other countries.

As the world's largest manufacturer of automatic mahjong tables, Treyo's continued focus for its products, in the short to medium term, is on the premium sector of the domestic Chinese automatic mahjong table market.

With the release of the new product range and technology platform and a continuing focus on reducing costs, the Treyo Board is confident of a return to improving sales revenue and increased profitability in the near future.

COMMENTARY ON HALF-YEAR RESULTS TO 30 JUNE 2010

(continued)

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. The Company has grown rapidly to become the largest automatic mahjong table manufacturer in China.

Treyo holds over 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:

Jo-Anne Dal Santo

Company Secretary

Level 2, 371 Spencer Street
Melbourne Victoria 3000

Mobile: 0438 949 009

Email: jo@redconsulting.net.au

Name of Entity Treyo Leisure and Entertainment Ltd

ABN 93 131 129 489

Reporting Period Half Year ended 30 June 2010

Previous Corresponding Period Half Year ended 30 June 2009

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

1 The Reporting period is the half year ended 30 June 2010 including comparative information for the half year ended 30 June 2009.

2 Results for announcement to the market

2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

	%	Change \$	30-Jun-10 \$	30-Jun-09 \$
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 -33%	(11,640,130)	to 23,117,969	from 34,758,099
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 -68%	(2,320,334)	to 1,110,385	from 3,430,719
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.	No interim or final dividend has been declared			
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.

Net tangible assets per security in cents

30-Jun-10 Cents per share	30-Jun-09 Cents per share
11.84	10.92

4 Details of entities over which control has been gained or lost during the period, including the following.

4.1 Name of the entity.

4.2 The date of the gain of control.

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.

Not applicable

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 31st day of August 2010



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 2010**

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Corporate Information

ABN 93 131 129 489

Directors

Ling (Allan) Mao (Chair)
Roger Smeed (Deputy Chair)
Guohua Wei
Weiyun Chen
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](http://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 their report for the half year ended 30 June 2010.

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 and details of the Company's directors in office during the financial period and until the date of this report are as follows (Directors were in office for this entire period unless otherwise stated):

Directors

Ling (Allan) Mao	Chairman (Executive)	
Roger Smeed	Deputy Chairman (Independent, Non-Executive)	
Guohua Wei	Director (Executive)	
Weiyun Chen	Director (Executive)	
Kwong Fat Tse	Director (Non-Executive)	
Edward Michael Byrt	Director (Independent, Non-Executive)	
Zhongliang Zheng	Director (Executive)	<i>appointed 1 June 2010</i>
Minghua Yu	Director (Independent, Non-Executive)	<i>appointed 1 June 2010</i>
Bin Hu	Alternate Director for Guohua Wei	<i>appointed 7 May 2010</i>

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 in spite of difficult market dynamics.

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.

Pursuant to a share purchase and sale agreement dated 31 October 2008, Treyo International Holding Ltd became a wholly owned subsidiary of Treyo Leisure and Entertainment Ltd on 31 October 2008. Through this transaction effective control of Treyo Leisure and Entertainment Ltd was passed to the existing shareholders of Treyo International Holding Ltd. The transaction is one referred to in AASB 3 "Business Combination" as a reverse acquisition, where the acquirer is Treyo International Holding Ltd (i.e. the entity whose equity interests have been acquired) and Treyo Leisure and Entertainment Ltd is seen to be acquiree (i.e. the issuing entity).

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

Directors' Report (continued)

Auditor's Independence 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 2010.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to be 'Ling (Allan) Mao', written over a faint, large, vertical watermark that reads 'For personal use only'.

Ling (Allan) Mao

Executive Chairman

Dated this 31st day of August 2010



Grant Thornton

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001


T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

**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 2010, 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 AUDIT PTY LTD
Chartered Accountants



S J Gray
Director – Audit & Assurance

Signed at Wayville on this 31st day of August 2010

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Consolidated Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 30 JUNE 2010

	Notes	Consolidated Group June 2010 \$	June 2009 \$
Revenue		23,117,969	34,758,099
Cost of goods sold		(19,031,114)	(26,779,198)
Gross Profit		4,086,856	7,978,901
Interest income		275,055	267,223
Other income	4	117,947	58,125
Distribution and selling expenses		(1,240,700)	(2,625,670)
Administration expenses		(1,332,795)	(1,583,745)
Depreciation and amortisation	4	(559,664)	(288,047)
Finance costs	4	(83,996)	(11,638)
Profit before income tax		1,262,702	3,795,149
Income tax (expense)/benefit		(152,317)	(364,430)
Profit for the half year attributable to ordinary equity holders		1,110,385	3,430,719
Other comprehensive income			
Exchange differences on translation of foreign operations		1,809,303	(5,374,791)
Total comprehensive income for the half year		2,919,688	(1,944,072)
Earnings per share (on profit attributable to ordinary equity holders)			
Basic profit/(loss) per share (cents per share)		0.36	1.10
Diluted profit/(loss) per share (cents per share)		0.36	1.10

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2010

		Consolidated Group	
	Notes	June 2010 \$	December 2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	32,274,243	31,892,398
Trade and other receivables		5,499,420	3,914,396
Inventories		4,968,693	4,083,982
Held to maturity financial asset	7	10,315,516	-
TOTAL CURRENT ASSETS		53,057,872	39,890,776
NON-CURRENT ASSETS			
Property, plant and equipment		10,850,642	10,033,027
Intangible assets		144,804	173,040
Deferred tax asset		397,784	397,784
TOTAL NON-CURRENT ASSETS		11,393,230	10,603,851
TOTAL ASSETS		64,451,102	50,494,627
CURRENT LIABILITIES			
Trade and other payables		11,409,619	11,356,519
Notes payable		5,259,194	4,475,077
Short term borrowing	9	10,315,516	-
Current tax liabilities		86,636	202,581
TOTAL CURRENT LIABILITIES		27,070,963	16,034,177
TOTAL NON CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		27,070,963	16,034,177
NET ASSETS		37,380,138	34,460,450
EQUITY			
Issued capital	10	23,302,770	23,302,770
Foreign exchange translation reserve		(2,972,944)	(4,782,247)
Statutory general reserve		1,132,522	1,132,522
Retained earnings		15,917,790	14,807,405
TOTAL EQUITY		37,380,138	34,460,450

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 30 JUNE 2010

	Notes	Consolidated Group June 2010 \$	June 2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		23,933,292	42,270,454
Payments to suppliers and employees		(23,893,711)	(40,400,048)
Interest paid		(83,996)	(11,638)
Income taxes paid		(268,263)	(427,857)
Interest received		275,055	267,223
NET CASH FLOWS FROM OPERATING ACTIVITIES		(37,623)	1,698,134
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(808,607)	(70,553)
Consideration received on disposal of plant and equipment		7,096	-
Placement of funds in financial assets		(10,315,516)	-
Repayment of advances / (advances made)		25,780	(1,713,000)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(11,091,247)	(1,783,553)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction costs from issue of shares		-	(154,666)
Proceeds of borrowings		10,315,516	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES		10,315,516	(154,666)
NET DECREASE IN CASH HELD		(813,354)	(240,085)
Cash and cash equivalents at beginning of period		31,892,398	40,265,989
Effect of exchange rates on cash holdings in foreign currencies		1,195,199	(4,293,672)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	32,274,243	35,732,232

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity FOR THE HALF YEAR ENDED 30 JUNE 2010

	Issued Capital \$	Retained Earnings \$	Foreign Exchange Reserve \$	Statutory General Reserves \$	Total \$
Balance at 1 January 2009	23,302,770	7,617,475	4,083,988	1,132,522	36,136,755
Total comprehensive income	-	3,430,719	(5,374,791)	-	(1,944,072)
Balance at 30 June 2009	23,302,770	11,048,194	(1,290,803)	1,132,522	34,192,683
Balance at 1 January 2010	23,302,770	14,807,405	(4,782,247)	1,132,522	34,460,450
Total comprehensive income	-	1,110,385	1,809,303	-	2,919,688
Balance at 30 June 2010	23,302,770	15,917,790	(2,972,944)	1,132,522	37,380,138

The accompanying notes form part of these financial statements.

Notes to the Half Year Financial Statements FOR THE HALF YEAR ENDED 30 JUNE 2010

1 BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 30 June 2010 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Treyo Leisure and Entertainment Ltd ("Treyo" or "the Company") and its controlled entities ("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 2009, together with any public announcements made during the 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 for the adoption of the following new and revised Accounting Standards.

2 IMPACT OF STANDARDS ISSUED BUT NOT YET APPLIED BY THE GROUP

In December 2009, the AASB issued AASB 9 Financial Instruments which addresses the classification and measurement of financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group opined that the standard will not have a material impact on the group's financial statement. The Group decided not early adopt the standard.

Notes to the Half Year Financial Statements (continued)

FOR THE HALF YEAR ENDED 30 JUNE 2010

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 2009, the Group is currently managed primarily on the basis of geographical segments as the Group only has one business segment, being the business of manufacturing automatic Mahjong tables. The geographical segments relate to three different countries, being China, Australia and Hong Kong.

Segment information provided to executive directors

	China \$	Australia \$	Hong Kong \$	Total \$
For the six months ended 30 June 2010				
REVENUE				
Total revenue -external sales	23,117,969	-	-	23,117,969
RESULT				
Segment result	1,561,808	(200,425)	(14,684)	1,346,698
Finance costs	(83,834)	(163)	-	(83,996)
Profit/(loss) before income tax	1,477,974	(200,588)	(14,684)	1,262,702
Income tax expense	(152,317)	-	-	(152,317)
Profit after income tax	1,325,657	(200,588)	(14,684)	1,110,385
ASSETS				
Segment assets	60,077,769	840,387	3,532,944	64,451,100
LIABILITIES				
Segment liabilities	26,951,421	119,543	-	27,070,963
OTHER				
Depreciation and amortisation of segment	559,664	-	-	559,664
For the six months ended 30 June 2009				
REVENUE				
Total revenue -external sales	34,758,099	-	-	34,758,099
RESULT				
Segment result	3,730,391	155,496	(79,100)	3,806,787
Finance costs	(11,350)	(175)	(113)	(11,638)
Profit/(loss) before income tax	3,719,041	155,321	(79,213)	3,795,149
Income tax expense	(364,430)	-	-	(364,430)
Profit after income tax	3,354,611	155,321	(79,213)	3,430,719
ASSETS				
Segment assets	51,595,036	1,273,140	3,730,253	56,598,429
LIABILITIES				
Segment liabilities	22,344,573	61,173	-	22,405,746
OTHER				
Depreciation and amortisation of segment	288,047	-	-	288,047

Notes to the Half Year Financial Statements (continued)

FOR THE HALF YEAR ENDED 30 JUNE 2010

3 OPERATING SEGMENTS (CONTINUED)

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.

	30 June 2010 \$	30 June 2009 \$
4 REVENUE AND EXPENSES		
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)	117,947	58,125
	<u>117,947</u>	<u>58,125</u>
(ii) Finance costs		
Finance costs	83,996	11,638
	<u>83,996</u>	<u>11,638</u>
(iii) Depreciation and amortisation included in income statement		
Depreciation of fixed assets	524,529	202,580
Amortisation of intangible assets	35,135	85,467
Total depreciation and amortisation	<u>559,664</u>	<u>288,047</u>

5 DIVIDENDS

Treyo Leisure and Entertainment Pty Ltd's Board has not recommended the payment of any dividend for the half year ended 30 June 2010.

Notes to the Half Year Financial Statements (continued)

FOR THE HALF YEAR ENDED 30 JUNE 2010

	30 June 2010 \$	31 December 2009 \$
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6 CASH AND CASH EQUIVALENTS

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	32,274,243	31,892,398
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At 30 June 2010, \$2,629,211 [31 December 2009: \$2,237,484] was held in an interest bearing short term deposit as guarantees.

7 HELD TO MATURITY FINANCIAL ASSETS

During the half year ended 30 June 2010, the Group placed a sum of \$10,315,516 to be held to maturity with Agriculture Bank of China for the bank to lend to other parties. The term of the placement is one year ending on 3 June 2011 and earns interest at 6.8% per annum.

8 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the half-year ended 30 June 2010, the Group acquired assets with a cost of \$808,607 [30 June 2009: \$70,553].

A loss of \$1,571 was made from disposal of assets by the Group during the half year ended 30 June 2010 [30 June 2009: \$nil].

9 SHORT TERM BORROWINGS

During the half year ended 30 June 2010, the Group obtained a short term borrowings of \$10,315,516 with Bank of China for a term of one year ending on 28 May 2011. The borrowing is secured over the group's land-use rights and building. Interest is payable at 5.31% per annum.

	30 June 2010 \$	31 December 2009 \$
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10 CONTRIBUTED EQUITY

Ordinary shares

Issued and fully paid

23,302,770	23,302,770
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Number of Shares	\$
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Movements in ordinary shares on issue

At 1 January 2010

311,008,000	23,302,770
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Shares issued during the period

-	-
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At 30 June 2010

311,008,000	23,302,770
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Notes to the Half Year Financial Statements (continued)

FOR THE HALF YEAR ENDED 30 JUNE 2010

	30 June 2010 \$	30 June 2009 \$
11 RELATED PARTY DISCLOSURES		
Related parties		
Transactions		
Purchase from related parties	90,586	2,099,980
Management fees paid to related parties	196,744	-
Sales to related parties	6,117	-
Rental received from related parties	29,512	-
	30 June 2010 \$	31 December 2009 \$
Balances		
Trade and other receivables	1,557,433	1,319,851
Trade and other payables	103,155	204,286

12 CONTINGENT LIABILITIES

As at 30 June 2010, the group is not aware of any other contingent assets or liabilities that should be disclosed in accordance with AASB 137.

13 EVENTS AFTER BALANCE SHEET DATE

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

Directors' Declaration

The directors of the company declare that:

- (a) the financial statements and notes, as set out on pages 6 to 14 are in accordance with the *Corporations Act 2001*, including:
- (i) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (ii) give a true and fair view of the financial position as at 30 June 2010 and the performance for the half year ended on that date.
- (b) 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 31st day of August 2010



Grant Thornton

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

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 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement 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 the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 2010 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.

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

Cont

Auditor's responsibility Cont

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 2010 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



S J Gray
Director – Audit & Assurance

Signed at Wayville on this 31st day of August 2010