



ASX and Media Announcement

**APPENDIX 4C - Quarterly Report
for entities admitted on the basis of commitments**

FOR THE QUARTER ENDED 30 June 2010

The Board and Management of Treyo Leisure and Entertainment Limited (ASX: TYO) are pleased to submit the Appendix 4C for the June 2010 quarter and year-to-date.

The company is happy to report cash reserves have been maintained at over A\$32 million. This has been in the face of difficult global conditions and increasing competition. Despite these pressures, the company continues to maintain its position as market leader and its commitment to ongoing development of and enhancement to its suite of products.

The first half of 2010 and, in particular the quarter ended June 2010, has seen the expansion of the Company's product offering with the introduction of new lines which have entered into production after extensive research and development activities by the Company. With the new product introductions has come a concerted marketing programme including the establishment of Treyo's first on-line store. The on-line store was opened in late April giving unprecedented product access to an increasingly more sophisticated consumer base. The on-line store has already garnered much interest with consumers and the new product lines have been very successful, with sales to the end of June totalling 13,100 units. Older product lines are being gradually phased out as the new lines, and their new technology, gain traction in the market.

These developments are part of the Board's and Management's concerted efforts to keep Treyo at the forefront of Mahjong machine technology and are part of the ongoing development activities the Company undertakes.

New lines and new production techniques have incurred higher production and marketing costs although these costs will ease as production increases and the products are embraced by consumers. To offset these higher costs, management has embarked on a successful cost containment programme which has resulted in overheads on other parts of the business being maintained or significantly reduced.

The half-year accounts are in the process of being audited and final results are expected to be released towards the end of August 2010. Early indications are that sales revenues of A\$23,117,969 have been achieved (2009: A\$34,758,099) with net profit before tax circa A\$1,262,702 (2009: A\$3,795,149), including the impact of variations in foreign currency translations year on year. Whilst the results to June 2010 are below those of the same period last year, the investments into new products and the associated marketing programmes to support their introduction to the market are anticipated to drive sales and profit growth for the future. This is in the face of a global economy facing crisis, increasing local competition and fluctuating currencies. Despite all of this the Board and Management are confident Treyo will continue to grow and are committed to delivering positive results to the Company's shareholders.

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Treyo Leisure and Entertainment Ltd (ASX: TYO) listed on the Australian Stock Exchange on 2 January 2009. Prior to Treyo's listing, the Company operated as Matsuoka Mechatronics (China) Co. 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 holds approximately 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 and manufacturing processes, commitment to quality, outstanding customer service and ongoing brand development.

For further information please contact:

Jo-Anne Dal Santo
Company Secretary
Level 2, 371 Spencer Street
Melbourne Victoria 3000
Australia
P: 03 9948 3300
F: 03 9948 3348
Email: jo@redconsulting.net.au

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Treyo Leisure and Entertainment Limited

ABN

93 131 129 489

Quarter ended "current quarter"

30 June 2010

Consolidated statement of cash flows

Cash flows related to operating activities

1.1 Receipts from customers

1.2 Payments for

(a) staff costs

(b) advertising and marketing

(c) research and development

(d) leased assets

(e) other working capital

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income taxes

1.7 Other (provide details if material)

Net operating cash flows

Current quarter	Year to date (6months)
\$A'000	\$A'000
10,748	23,933
(951)	(1,934)
(161)	(266)
(74)	(418)
-	-
(10,270)	(21,284)
-	-
148	275
(56)	(84)
(67)	(268)
-	9
(683)	(37)

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	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(683)	(37)
Cash flows related to investing activities	-	-
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investment	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(342)	(809)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	7	7
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	26	26
1.13 Other	(10,316)	(10,316)
Net investing cash flows	(10,625)	(11,092)
1.14 Total operating and investing cash flows	(11,308)	(11,129)
Cash flows related to financing activities	-	-
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	10,316	10,316
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material) IPO costs	-	-
Net financing cash flows	10,316	10,316
Net increase (decrease) in cash held	(992)	(813)
1.21 Cash at beginning of quarter/year to date	31,418	31,892
1.22 Exchange rate adjustments to item 1.20	1,848	1,195
1.23 Cash at end of quarter	32,274	32,274

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Payments to directors of the entity and associates of the directors	Current
Payments to related entities of the entity and associates of the related entities	Quarter
	\$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	361
1.25 Aggregate amount of loans to the parties included in item 1.11	nil

1.26 Explanation necessary for an understanding of the transactions

	\$A'000
- Fees and salaries to directors	38
- Purchases from related parties	323
<p>The related party debtors and creditors are shown as part of the Net Operating cash flows (items 1.8 and 1.13).</p>	

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not Applicable

Financing facilities available

	Amount available	Amount Used
	\$A'000	\$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	20,631	10,316

At 30 June 2010 notes payable of A\$5,259m are guaranteed against interest bearing short term bank deposit of A\$2,742m. Refer to item 4.2 below.

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

	Current Quarter \$A '000	Previous Quarter \$A '000
4.1 Cash on hand and at bank	29,532	28,900
4.2 Deposits at call	2,742	2,518
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	32,274	31,418

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration	Not	Not
5.3 Consideration for acquisition or disposal	Applicable	Applicable
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Jo-Anne Dal Santo
 Company Secretary

29 July 2010

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