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30 November 2007

Dear Shareholder

Please find enclosed the 2006 Annual Report and Accounts, and June 2007 Interims for Betex Group plc.

It has been a difficult last twelve months for the company. In the summer of 2006 global gaming share prices were rocked by events in the United States and, despite the fact that our business is Asia focused, we suffered the consequences as institutional shareholders reappraised their exposure to AIM and the gaming sector in general. Then in April of this year we suffered a further, more damaging setback when two of our senior Beijing employees were arrested without warning.

Having taken the only responsible step we could in suspending our shares, I and my fellow directors have worked very hard at clarifying the legal situation and its potential impact, protecting the primary China operations and key relationships, and working with our advisors to bring the company back to market. Unfortunately, despite our best efforts, the company was delisted in October.

I am acutely aware of the disappointment and frustration that this, and the lack of information and feedback, has caused. Whilst we have wanted to inform you of developments on a regular basis, we have not done so for two key reasons. Firstly, on professional advice we have not wanted inadvertently to publish any statement that may affect or implicate the company in the legal enquiry in China. Secondly, and more significantly from a shareholder perspective, we have not wanted to jeopardise our China licences and core investments by making statements that may be misinterpreted by Chinese officials and partners. I hope you understand that our silence has been in your best interests.

Whilst we remain wholly confident that the legal investigation will not implicate the extended operations of the company, the case itself is not yet resolved. The Prosecutor has returned the evidence to the police for a second and final time, and charges will either be brought or dropped by the middle of January 2008. If there is to be a court case it will in all likelihood follow the Chinese New Year holiday in February.

Obviously the events of 2007 have had a negative impact on stakeholder confidence in the business and shareholder value. Additional costs and losses associated with the legal investigation have also put the company under considerable financial pressure. Although the company has funds in China, additional short-term working capital is required in the UK. We are optimistic that this will be secured in the near future and the Board intends subsequently to explore a return to the market in 2008.

Despite our recent difficulties, the future remains bright and the potential of our foothold in China should not be underestimated. Our core investments are performing well and give us a strong revenue base on which to build, and we continue to explore new investment opportunities across the region. Furthermore, we have used the period since suspension to review internal controls and operational procedures to ensure we have a stronger infrastructure going forward.

Finally I would like to thank all our advisors and employees for their support and efforts, and shareholders for their continuing patience, in what has been a turbulent year. I remain committed to working with the Board to restore confidence and value in Betex for all concerned as soon as possible.

Yours faithfully

Dr Johnny Hon
Chairman