

# CYNOTECH HOLDINGS LIMITED

## Terms Sheet for Quotation of Cynotech Capital Securities and related Bonus Issue

### *Terms of the Cynotech Capital Securities*

Company Name:	Cynotech Holdings Limited (CYT)
Details of Offer:	An offer of up to \$10,000,000 of Cynotech Capital Securities with the ability to accept unlimited oversubscriptions at its discretion.
Term of the Securities:	Perpetual, redeemable at the election of the Company.
Subscription Price:	\$1 for each Cynotech Capital Security.
Return:	Interest of 9.25% per annum payable quarterly in arrears on the last days of March, June, September and December.
Minimum Holding:	NZX has determined that in relation to the Cynotech Capital Securities the Minimum Holdings is 500 Cynotech Capital Securities.
Record Dates for Return Payments:	5 Business Days before Payment Date.
Opening of Offer:	Monday 29 May 2009
Initial Allotment Date:	Monday 15 June 2009
Quotation and Trading Date:	Monday 15 June 2009
Closing of Offer:	Friday 25 June 2010
Allotment and Quotation Process:	Allotment of the Cynotech Capital Securities is expected to take place progressively as applications are received and approved. Each allotment will be made within 5 Business Days of approval. Interest will accrue at 9.25% per annum from the date of allotment. The Cynotech Capital Securities so allotted will be held for the balance of the quarter on a non-tradeable subregister and will quote and be fully tradeable on NZDX from the first Business Day following the next Payment Date, but

are able to be sold off market at any time following allotment. Any purchaser of a Cynotech Capital Security allotted before a Quotation Date will receive the Return from the date of allotment to the next Payment Date.

**Ranking of the Securities:** The Cynotech Capital Securities rank behind all secured and unsecured creditors of the Company. Payment of the return on the Cynotech Capital Securities ranks in priority to dividend payments or other distributions on ordinary shares and behind the dividend on the Existing Convertible Preference Shares and any other shares ranking in priority to the Cynotech Capital Securities. Further information on the Existing Convertible Preference Shares can be found on page 13 of the Prospectus under the heading “Existing Prior Ranking Securities”.

### ***Bonus Issue***

**Bonus Issue:** Bonus issue of Cynotech Capital Securities to all holders of Cynotech Ordinary Shares and Cynotech Convertible Preference Shares.

The Cynotech Capital Securities so issued will accrue the Return at the interest rate of 9.25% per annum from the Allotment Date and which will be payable on the first Payment Date (30 June 2009) to the holders on the register at the Record Date for that payment (23 June 2009). The Cynotech Capital Securities will not be quoted ITOS.

**Entitlement:** 1 Cynotech Capital Security for every 75 Ordinary Shares or Convertible Preferences Shares held on the record date with no minimum holding requirement.

**Record Date:** Friday 12 June 2009

**Allotment Date:** Monday 15 June 2009

**Quotation Date:** Monday 15 June 2009