

NZAX RELEASE

7 December 2007

CYNOTECH HOLDINGS MOVES TO MAIN NZSX BOARD

Cynotech Holdings intends to move up to the main (NZSX) board of the New Zealand Exchange on 14th Dec 2007. This follows approval from shareholders at a Special Meeting in late November. At that meeting shareholders also agreed for the company to raise up to \$66 million through the issue of Convertible Preference Shares, and Perpetual Preference shares.

CHL Directors advise that the Cynotech business has been performing well, and shareholders are expected to receive better recognition of the value in their Shares through being on the more commonly watched and quoted, NZSX Board of the Exchange. The NZAX has served us well to date, and we are now a company with in excess of \$20 million in Total Assets, and over \$30 million of Finance Receivables under management. It seems appropriate to make the step at this time. It is acknowledged we will be at the small end of the market.

The existing shareholders are very loyal, and we would also like to expand our shareholder base.

The business of Cynotech is principally focused in the finance sector, and has not been hit by recent finance company collapses. This is because it does not have a Debenture issue to the public, and does not have any public or institutional funding lines. The new Preference shares will be able to be traded on the NZSX market by holders, and it is expected that the Convertible Preference shares will be quoted on the NZSX from Dec 24th.

After that date the following securities of Cynotech Holdings will be listed on NZSX

CYT	Ordinary Shares
CYTPA	Convertible Preference Shares
CYTWA	Warrants

NZX Markets Development Manager, Geoff Brown said, "It is positive to see another company successfully use the NZAX Market as a platform to raise capital to fund growth. We have seen a number of companies grow on the NZAX then move to the NZSX including Comvita late last year, NZ Windfarms in June and now Cynotech Holdings. An NZAX listing enables companies to gain exposure to the listed environment before switching to the NZSX Market. The NZAX has some structural and regulatory distinctions that were implemented with the purpose of making a listing experience easier for companies that are focused on growth."

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For further information please contact

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