



2 February 2010

Dear Shareholder

## **TAKEOVER OFFER**

Enclosed are documents in connection with the takeover offer by Cynotech Securities Group Limited (CSGL) for Cynotech Holdings Limited (CHL).

The Offer is on the following terms:

- For each Ordinary Share in CHL – 1 Preference Share in CSGL
- For each Convertible Preference Share in CHL – 1 Preference Share in CSGL
- For each 33.75 Warrants in CHL – 1 Preference Share in CSGL.

Each CSGL Preference Share has an attributed value of 13.5 cents.

Holders of CHL Equity Securities will be asked to exchange them for Preference Shares in CSGL.

The establishment of CSGL is to give a mechanism so that the CHL Group can be cashed up and its assets realised in an orderly way. It is intended that CHL will use the initial proceeds of asset realisations to repay debt and will then begin capital distributions to CSGL.

CSGL will use the capital distributions it receives to redeem the Preference Shares.

**To accept the offer you need to sign the green form included with the combined prospectus and investment statement.**

**The offer closes on 19<sup>th</sup> March 2010.**

The Takeover Offer does not include an offer for the Cynotech Capital Securities issued by CHL in 2009.

Allan Hawkins