

February 17, 2010

Dear Shareholder,

You will have recently received from Cynotech Securities Group Ltd (CSGL) a Takeover Offer for 100% of the equity in Cynotech Holdings Ltd (CHL) (ordinary shares, convertible preference shares, and warrants).

The offer **does not** extend to Cynotech Capital Securities issued by Cynotech Holdings Ltd, and listed on the NZDX market.

Cynotech Securities Group Ltd is a subsidiary of Cynotech Securities Ltd, both companies have as their sole Director Mr. Allan Hawkins.

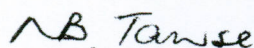
Cynotech Securities Ltd holds all of the shares in Cynotech Securities Group Ltd.

With this letter there are the following four key documents:

- a) A copy of the Cynotech Holdings Target Company Statement
The report is required to be supplied to all shareholders in terms of the Takeovers Code, rule 46.
This report is prepared by a Directors Committee of the Board of CHL (not including Mr. Hawkins) formed to deal with matters relating to the offer.
- b) A copy of the Independent Adviser's report prepared by Campbell Macpherson
CHL commissioned Campbell Macpherson, Corporate Advisors, to prepare a report on the merits of the offer.
- c) A copy of the last published 2009 Mid Year Cynotech Holdings accounts (unaudited)
The company also intends to send you details of the unaudited result for 12 months ended 31 December 2009, before the end of February.
- d) A copy of an Independent report by Simmons Corporate Finance Ltd
CSGL commissioned this report to express an opinion on whether the consideration of the CSGL offer for Cynotech preference shares and the Warrants are fair and reasonable in comparison with the offer for the Ordinary shares, and between the Convertible Preference shares and Warrants. It is not a report on the merits of the offer. Nicole

While recognising all the documents are important, we draw your attention particularly to clauses 15, 18 and 24 of the Target Company Statement, and also encourage you to read the Campbell Macpherson Independent Advisers report. All the above information is intended to allow you to make an informed decision as to whether you should accept or decline the offer.

If you are not clear on what to do after considering this information you should contact your financial advisor/s.

A handwritten signature in black ink that reads 'NB. Tawse'.

Brett Tawse
Managing Director
Cynotech Holdings Group