

15th April 2005

Cynotech Holdings Limited
PO Box 9846
Newmarket
Auckland

PROPOSED SHAREHOLDERS RESOLUTIONS ALLOTING 7,975,286 SHARES

We refer to the proposed resolution of shareholders of Cynotech Holdings Limited (the Company) approving the allotment of 7,975,286 shares to Cynotech Securities Limited (CSL) arising from conversion of 7,975,286 Convertible Notes issued by the Company and held by CSL.

Pursuant to Rule 16 (g) of the Takeovers Code, we advise that – apart from the agreement between CSL and the Company in respect of the matters referred to in paragraphs (a) to (e) of Rule 16 of the Takeovers Code and as set out in the general and specific explanatory notes to the Resolution contained in the Notice – particulars of the agreement(s) or arrangement(s) (whether legally enforceable or not) which have been, or are intended to be, entered into between CSL and any other person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting right in the Company are as follows:

CSL has loaned monies to R. Guy and Cleveland Trust to assist the financing of the shares and convertible notes issued to them in the December 2004 rights issue. Mr Guy and Cleveland Trust have given CSL security over their holding of convertible notes and shares in Cynotech Holdings Ltd

It is noted however that because of the commonality in the directorship and shareholding of Cynotech and Newmarket Securities Limited, it is probable that in many situations they will act in the same way in relation to their respective shareholdings in the company.

Cynotech Securities Limited

Director

