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CYNOTECH GROUP RELEASES HALF YEAR RESULTS TO 30th June 2007.

The Directors of Cynotech Holdings Ltd announce a net surplus of \$1,039,339 (unaudited) for the six month period to the end of June 2007. This is an increase of 382% over the result announced for the June 2006 half year. The half year profit achieved to June 2007 also compares favourably with the net surplus of \$1,508,221 reported for the full year to 31st December 2006.

Directors report that the Cynotech Finance Group, which includes the operations of Budget Loans Ltd and the loans acquired from National Finance 2000 Ltd (in Receivership), has performed very positively.

The Group's manufacturing operations have not been so successful and continue to grapple with an economic environment and an industry sector which are not conducive to producing reasonable levels of profit from this business.

A number of warrant holders exercised their warrants at 27th June. Cynotech Holdings Ltd now has 82,013,275 shares on issue and Group consolidated shareholders' equity totals \$8,345,029 which is 40% of the total consolidated assets figure of \$20,799,853.

The Cynotech Group continues to be very conservatively financed and the Group is well placed to weather a period of rather high borrowing costs brought about by Reserve Bank policy.

Receivables in the Cynotech Finance Group have increased to \$12,778,944 (2006 \$4,119,405)

The Directors expect that the second half of the financial year to December 2007 will produce continuing satisfactory results to build on the achievements of the first half.

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