

Stock Exchange release from Cynotech Holdings Ltd

10th March 2006

The Directors of Cynotech Holdings Ltd announce an audited net surplus of \$724,370 for the year ended 31st December 2005. This result compares with the loss of \$1,232,553 for the previous year.

Total assets have increased to \$8,405,898 from \$1,348,226 and shareholders funds are now \$4,435,097 compared to the 2004 figure of \$274,432.

Cynotech has converted to the new NZIFRS accounting format and all of the figures are based on NZIFRS accounting and the comparative figures have been restated on an NZIFRS basis.

Chairman Allan Hawkins says that the result is quite pleasing and Cynotech is now trading profitably on an ongoing basis. There is however still a recognition that the Group has to build on recent gains and produce much better results in the future. Any of the remaining problems from the old Rocom Company have now been provided for in the accounts including the potential final liability from the termination of the lease of the Viaduct premises

The Company has announced a dividend at the rate of .5 cents per share (1/2 cent per share) and there will be a dividend reinvestment scheme so that shareholders can elect to take new shares in lieu of the cash dividend.

It is proposed to introduce resolutions at the Company's annual meeting on 26th April and at a warrant holders meeting to be held on the same day to seek shareholder and warrant holder approval to a change in terms for the warrants so that the exercise prices and exercise dates are as follows

Exercise price	Exercise date
10cps	27 th June 2006
20cps	27 th June 2007
30cps	27 th June 2008

With the change in terms the Directors expect that some of the warrants will be exercised this year and thus provide for a further addition to the equity base of the Group.

Cynotech is planning to maintain a very low gearing ratio and a conservative financing structure through the 2006 reporting year in order to protect the Group from any negative economic factors particularly those that affect the Finance Company sector of the market,

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