

GULSHAN SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	Share Capital	RESERVE		Fair Value Reserve	Unappropriated Profit	TOTAL
		Share Premium	General Reserve			
Balance as at 30 September, 2004	126,500,000	66,000,000	206,000,000	-	132,246,783	530,746,783
Effect of change in accounting policy	-	-	-	282,452	(282,452)	-
Elimination of fair value reserve related to associated company as result of change in accounting policy	-	-	-	-	25,940,000	25,940,000
Share of post acquisition profits and dividends of Associated Company- net	-	-	-	-	7,108,377	7,108,377
Balance as at 30 September, 2004-Restated	126,500,000	66,000,000	206,000,000	282,452	165,012,708	563,795,160
Profit for the period	-	-	-	-	4,120,848	4,120,848
Fair value gain during the period	-	-	-	3,885,925	-	3,885,925
Balance as at 31 December, 2004	126,500,000	66,000,000	206,000,000	4,168,377	169,133,556	571,801,933
Profit for the period	-	-	-	-	35,932,687	35,932,687
Fair value loss during the period	-	-	-	(1,335,363)	-	(1,335,363)
Dividend for the year 2004	-	-	-	-	(9,487,500)	(9,487,500)
Balance as at 30 June, 2005	126,500,000	66,000,000	206,000,000	2,833,014	195,578,743	596,911,757
Profit for the period	-	-	-	-	(1,335,575)	(1,335,575)
Fair value gain during the period	-	-	-	7,999,982	-	7,999,982
Balance as at 31 December, 2005	126,500,000	66,000,000	206,000,000	10,832,996	194,243,168	603,576,164

The annexed notes form an integral part of these financial statements .

CHIEF EXECUTIVE

DIRECTOR