

GULISTAN SPINNING MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2005 (UNAUDITED)

	Share capital	Reserves	Unappropriated profit	Total	Surplus on revaluation of property, plant and equipment
NoteRupees.....				
Balance as at June 30, 2004	100,000,000	25,000,000	91,651,529	216,651,529	-
Profit for the half year ended December 31, 2004	-	-	2,461,845	2,461,845	-
Balance as at December 31, 2004	100,000,000	25,000,000	94,113,374	219,113,374	-
Profit for the half year ended June 30, 2005	-	-	6,100,787	6,100,787	-
Balance as at June 30, 2005	100,000,000	25,000,000	100,214,161	225,214,161	-
Net effect due to the change in accounting policy	-	-	10,980,544	10,980,544	-
Balance as at June 30, 2005 - restated	100,000,000	25,000,000	111,194,705	236,194,705	-
Surplus on revaluation of property, plant and equipment	-	-	-	-	72,785,068
Profit for the half year ended December 31, 2005	-	-	4,321,555	4,321,555	-
Balance as at December 31, 2005	100,000,000	25,000,000	115,516,260	240,516,260	72,785,068

The annexed notes from 1 to 17 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR