

FORMOSAN RUBBER GROUP INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Expressed in Thousands of New Taiwan Dollars)

DESCRIPTION	Capital stock	Capital surplus	Retained earnings				Other equity			Treasury stock	Total shareholder's equity
			Legal reserve	Special reserve	Unappropriated earnings	Total	Net loss not recognized as pension cost	Unrealized gain (loss) on financial instruments	Unrealized revaluation increment		
BALANCE, JANUARY 1, 2006	\$4,558,280	\$ 295,251	\$ 177,904	\$ 35,895	\$ 16,779	\$ 230,578	\$ (31,852)	\$ (18,720)	\$1,167,626	\$ (33,569)	\$6,167,594
Conversion of convertible bonds	632,931	230,671	—	—	—	—	—	—	—	—	863,602
Special reserve	—	—	—	14,677	(14,677)	—	—	—	—	—	—
Acquisition and retirement of treasury stock	(65,950)	(4,910)	—	—	(12,837)	(12,837)	—	—	—	33,569	(50,128)
Unrealized gain on financial assets	—	—	—	—	—	—	—	43,953	—	—	43,953
Adjustment in stockholders' equity of investee company	—	—	—	—	—	—	—	43,950	—	—	43,950
Effect of first adoption of SFAS	—	—	—	—	—	—	—	103,038	—	—	103,038
Net loss not recognized as pension cost	—	—	—	—	—	—	(6,640)	—	—	—	(6,640)
Net income for 2006	—	—	—	—	212,667	212,667	—	—	—	—	212,667
BALANCE, DECEMBER 31, 2006	5,125,261	521,012	177,904	50,572	201,932	430,408	(38,492)	172,221	1,167,626	—	7,378,036
Special reserve	—	—	—	(12,080)	12,080	—	—	—	—	—	—
Legal reserve	—	—	21,266	—	(21,266)	—	—	—	—	—	—
Bonus to employees	—	—	—	—	(1,914)	(1,914)	—	—	—	—	(1,914)
Bonus to directors and supervisors	—	—	—	—	(1,914)	(1,914)	—	—	—	—	(1,914)
Cash dividends	—	—	—	—	(183,429)	(183,429)	—	—	—	—	(183,429)
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	(11,770)	(11,770)
Conversion of convertible bonds	115,563	43,301	—	—	—	—	—	—	—	—	158,864
Unrealized loss on financial assets	—	—	—	—	—	—	—	(145,594)	—	—	(145,594)
Adjustment in stockholders' equity of investee company	—	—	—	—	—	—	—	(87,710)	—	—	(87,710)
Recognition on unrealized revaluation increment by disposal of land	—	—	—	—	—	—	—	—	(36,170)	—	(36,170)
Net loss not recognized as pension cost	—	—	—	—	—	—	34,334	—	—	—	34,334
Net income for 2007	—	—	—	—	250,414	250,414	—	—	—	—	250,414
BALANCE, DECEMBER 31, 2007	\$5,240,824	\$ 564,313	\$ 199,170	\$ 38,492	\$ 255,903	\$ 493,565	\$ (4,158)	\$ (61,083)	\$1,131,456	\$ (11,770)	\$7,353,147