

FORMOSAN RUBBER GROUP INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007
(Expressed in Thousands of New Taiwan Dollars)

DESCRIPTION	Capital stock	Capital surplus	Retained earnings				Other equity			Treasury stock	Total shareholders' 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, 2007	\$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
Legal reserve	-	-	25,041	-	(25,041)	-	-	-	-	-	-
Special reserve	-	-	-	26,748	(26,748)	-	-	-	-	-	-
Bonus to employees	-	-	-	-	(2,000)	(2,000)	-	-	-	-	(2,000)
Bonus to directors and supervisors	-	-	-	-	(2,000)	(2,000)	-	-	-	-	(2,000)
Cash dividends	-	-	-	-	(183,154)	(183,154)	-	-	-	-	(183,154)
Acquisition and retirement of treasury stock	(204,300)	(21,808)	-	-	(37,792)	(37,792)	-	-	-	11,770	(252,130)
Unrealized loss on financial assets	-	-	-	-	-	-	-	(375,923)	-	-	(375,923)
Adjustment in stockholders' equity of investee company	-	-	-	-	-	-	-	(170,747)	-	-	(170,747)
Recognition on unrealized revaluation increment by disposal of land	-	-	-	-	-	-	-	-	(71,562)	-	(71,562)
Net loss not recognized as pension cost	-	-	-	-	-	-	(474)	-	-	-	(474)
Net income for 2008	-	-	-	-	916,097	916,097	-	-	-	-	916,097
BALANCE, DECEMBER 31, 2008	\$5,036,524	\$ 542,505	\$ 224,211	\$ 65,240	\$ 895,265	\$ 1,184,716	\$ (4,632)	\$ (607,753)	\$1,059,894	\$ -	\$7,211,254