

CHINA MOTOR CORPORATION

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
YEARS ENDED DECEMBER 31, 2007 AND 2006

(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	<u>Capital Stock Issued and Outstanding</u>		Capital Surplus (Notes 2 and 16)	<u>Retained Earnings (Notes 2 and 16)</u>			Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Unrealized Valuation Gain (Loss) on Financial Instruments	Unrealized Revaluation Increments	Treasury Stock	Total Stockholders' Equity
	Shares	Amount		Legal Reserve	Special Reserve	Unappropriated						
	(Thousands)											
BALANCE, JANUARY 1, 2006	1,359,902	\$ 13,599,016	\$ 7,781,579	\$ 5,482,419	\$ 341,356	\$ 15,729,345	\$ (84,302)	\$ (166,559)	\$ (47,623)	\$ 746,912	\$ (453,414)	\$ 42,928,729
Effect of accounting changes (Note 3)	-	-	-	-	-	-	-	-	122,554	-	-	122,554
Reversal of special reserve	-	-	-	-	(42,872)	42,872	-	-	-	-	-	-
Appropriation of the 2005 earnings												
Legal reserve	-	-	-	457,140	-	(457,140)	-	-	-	-	-	-
Cash dividends - NT\$1.50 per share	-	-	-	-	-	(2,024,852)	-	-	-	-	-	(2,024,852)
Stock dividends - 1.5%	20,248	202,485	-	-	-	(202,485)	-	-	-	-	-	-
Remuneration to directors and supervisors and bonus to employees	-	-	-	-	-	(226,284)	-	-	-	-	-	(226,284)
Net income in 2006	-	-	-	-	-	3,217,346	-	-	-	-	-	3,217,346
Change in the unrealized valuation gain (loss) on financial instruments	-	-	-	-	-	-	-	-	46,391	-	-	46,391
Change in the unrealized gain (loss) on cash flow hedge	-	-	-	-	-	-	-	-	(2,097)	-	-	(2,097)
Change in translation adjustments	-	-	-	-	-	-	(76,209)	-	-	-	-	(76,209)
Adjustment due to change in equity interest in investee	-	-	72,622	-	-	-	45,817	(32,978)	225,020	(5,164)	-	305,317
BALANCE, DECEMBER 31, 2006	1,380,150	13,801,501	7,854,201	5,939,559	298,484	16,078,802	(114,694)	(199,537)	344,245	741,748	(453,414)	44,290,895
Reversal of special reserve	-	-	-	-	(298,484)	298,484	-	-	-	-	-	-
Appropriation of the 2006 earnings												
Legal reserve	-	-	-	321,735	-	(321,735)	-	-	-	-	-	-
Cash dividends - NT\$0.95 per share	-	-	-	-	-	(1,301,643)	-	-	-	-	-	(1,301,643)
Stock dividends - 0.5%	6,851	68,507	-	-	-	(68,507)	-	-	-	-	-	-
Remuneration to directors and supervisors and bonus to employees	14,300	143,000	-	-	-	(159,259)	-	-	-	-	-	(16,259)
Net income in 2007	-	-	-	-	-	1,867,286	-	-	-	-	-	1,867,286
Change in the unrealized valuation gain (loss) on financial instruments	-	-	-	-	-	-	-	-	(148,205)	-	-	(148,205)
Change in the unrealized gain (loss) on cash flow hedge	-	-	-	-	-	-	-	-	18,275	-	-	18,275
Change in translation adjustments	-	-	-	-	-	-	172,037	-	-	-	-	172,037
Reversal of unrealized revaluation increment	-	-	-	-	-	-	-	-	-	(27,325)	-	(27,325)
Adjustment due to change in equity interest in investee	-	-	38,023	-	-	(4,308)	180,565	24,712	765,238	(2,791)	-	1,001,439
Adjustment to capital surplus due to nonproportional investment in investee's newly issued shares	-	-	11,757	-	-	-	-	-	-	-	-	11,757
Acquisition of treasury stock - 7,250 thousand shares	-	-	-	-	-	-	-	-	-	-	(216,835)	(216,835)
Retirement of treasury stock - 10,000 thousand shares	(10,000)	(100,000)	(46,700)	-	-	(306,714)	-	-	-	-	453,414	-
BALANCE, DECEMBER 31, 2007	1,391,301	\$ 13,913,008	\$ 7,857,281	\$ 6,261,294	\$ -	\$ 16,082,406	\$ 237,908	\$ (174,825)	\$ 979,553	\$ 711,632	\$ (216,835)	\$ 45,651,422

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated March 12, 2008)