

(English Translation)
 UNION INSURANCE CO., LTD.
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2008 AND 2007
 (Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Unrealized gain (loss) on financial instruments	Unrealized revaluation increments	Total
	Common stock	Additional paid-in capital	Legal reserve	Special reserve	Accumulated deficit			
Balance, January 1, 2007	\$ 5,870,544	184,306	256,618	1,035,617	(6,642,207)	(112,459)	12,143	604,562
Legal reserve used to offset loss	-	-	(256,618)	-	256,618	-	-	-
Special reserve used to offset loss	-	-	-	#####	1,015,045	-	-	-
Recognized unrealized gain or loss on financial instruments	-	-	-	-	-	49,672	-	49,672
Decrease in capital to offset loss	(5,370,544)	-	-	-	5,370,544	-	-	-
Issuance of common stock for cash	1,500,000	-	-	-	-	-	-	1,500,000
Net loss from January 1, 2007 to December 31, 2007	-	-	-	-	(999,209)	-	-	(999,209)
Balance, December 31, 2007	2,000,000	184,306	-	20,572	(999,209)	(62,787)	12,143	1,155,025
Additional paid-in capital used to offset loss	-	(184,306)	-	-	184,306	-	-	-
Special reserve used to offset loss	-	-	-	(20,572)	20,572	-	-	-
Issuance of common stock for cash	604,595	-	-	-	(104,595)	-	-	500,000
Recognized unrealized gain or loss on financial instruments	-	-	-	-	-	(50,456)	-	(50,456)
Net loss from January 1, 2008 to December 31, 2008	-	-	-	-	(399,025)	-	-	(399,025)
Balance, December 31, 2008	\$ 2,604,595	-	-	-	(1,297,951)	(113,243)	12,143	1,205,544

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