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TAIWAN FUND INC
Form N-Q
July 29, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-4893

THE TAIWAN FUND, INC.
(Exact name of registrant as specified in charter)

2 AVENUE DE LAFAYETTE
BOSTON, MA 02111
(Address of principal executive offices) (Zip code)

(Name and Address of Agent for Service)

Copy to:

The Taiwan Fund, Inc.
c/o State Street Bank and Trust Company
Attention: Mary Moran Zeven,
Assistant Secretary
2 Avenue De Lafayette
P.O. Box 5049
Boston, MA 02206-5049

Leonard B. Mackey, Jr., Esq.
Clifford Chance U.S. LLP
31 West 52nd Street
New York, New York 10019

Registrant's telephone number, including area code: (800) 636-9242

Date of fiscal year end: August 31, 2008

Date of reporting period: May 31, 2008

ITEM 1: SCHEDULE OF INVESTMENTS

THE TAIWAN FUND, INC.
Investments/May 31, 2008 (Showing Percentage of Net Assets) (unaudited)

	SHARES	US\$ VALUE (NOTE b)
	-----	-----
COMMON STOCKS - 93.0%		
BASIC INDUSTRIES -- 24.8%		
AUTOMOBILES, TIRES & ACCESSORIES -- 4.1%		
Cheng Shin Rubber Industry Co., Ltd.	3,000,000	\$ 5,129,470
China Motor Corp.	6,000,000	4,705,302

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Yulon Motor Co., Ltd.	4,000,000	4,794,081

		14,628,853

CHEMICALS -- 0.9%		
Sesoda Corp.	1,500,000	3,329,223

CONSTRUCTION-- 0.9%		
Taiwan Cement Corp.	2,000,000	3,353,884

FOOD-- 1.6%		
Uni-President Enterprises Corp.	4,000,000	5,648,993

GLASS -- 2.2%		
Taiwan Glass Industrial Corp.	6,500,000	8,078,915

IRON & STEEL -- 2.4%		
China Steel Corp.	5,000,000	8,549,116

PAPER -- 1.5%		
Chung Hwa Pulp Corp.	7,000,000	5,501,028

PETROLEUM SERVICES -- 1.6%		
Formosa Petrochemical Corp.	2,000,000	5,721,332

PLASTICS -- 1.0%		
Formosa Plastics Corp.	1,300,000	3,667,571

REAL ESTATE -- 1.6%		
Prince Housing Development Corp.	7,000,000	5,823,264

RETAIL -- 2.7%		
Far Eastern Department Stores Co., Ltd.	1,500,000	2,254,007
President Chain Store Corp.	2,000,000	7,562,680

		9,816,687

TEXTILE -- 4.3%		
Far Eastern Textile Co., Ltd.	4,500,500	6,999,545
Ruentex Industries, Ltd.	8,500,000	8,664,200

		15,663,745

TOTAL BASIC INDUSTRIES		89,782,611

FINANCE -- 13.9%		
BANKS -- 1.9%		
Far Eastern International Bank *	18,000,000	6,776,819

FINANCIAL SERVICES -- 12.0%		
Cathay Financial Holding Co., Ltd.	2,800,593	7,155,153
First Financial Holding Co., Ltd.	6,300,000	7,467,817
Fubon Financial Holding Co., Ltd.	7,500,000	8,927,250
Hua Nan Financial Holdings Co., Ltd.	1,000,000	920,674
Mega Financial Holding Co., Ltd.	5,000,000	3,912,865
Shin Kong Financial Holding Co., Ltd.	2,005,279	1,737,414
Taishin Financial Holdings Co., Ltd. *	15,000,000	7,003,699
Yuanta Financial Holding Co., Ltd. *	6,500,000	6,048,500

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	SHARES	US\$ VALUE (NOTE b)
	-----	-----
		\$ 43,173,372

TOTAL FINANCE		49,950,191

MISCELLANEOUS -- 2.2%		
ATHLETIC FOOTWEAR -- 2.2%		
Pou Chen Corp.	8,000,531	7,799,942

TECHNOLOGY -- 52.1%		
ELECTRONIC COMPONENTS -- 6.9%		
Everlight Electronics Co., Ltd.	1,500,920	5,305,348
Kinsus Interconnect Technology Corp.	1,800,029	4,705,378
Nan Ya Printed Circuit Board Corp.	1,330,401	7,414,812
Pixart Imaging, Inc.	250,000	1,833,128
Unimicron Technology Corp.	4,000,000	5,491,163

		24,749,829

ELECTRONICS -- 2.2%		
Synnex Technology International Corp.	3,000,000	7,842,170

IC DESIGN -- 6.5%		
MediaTek, Inc.	800,000	9,995,890
Novatek Microelectronics Corp., Ltd.	1,700,703	6,598,700
Orise Technology Co., Ltd. *	1,600,000	4,471,845
RichTek Technology Corp.	250,000	2,342,787

		23,409,222

MEMORY IC -- 1.5%		
Inotera Memories, Inc.	8,000,000	5,445,129

PC & PERIPHERALS -- 11.0%		
Asustek Computer, Inc.	3,700,363	10,670,673
Clevo Co. *	1,619,000	2,677,705
Foxconn Technology Co., Ltd.	1,000,000	5,803,535
GeoVision, Inc.	450,000	3,166,461
Hon Hai Precision Industry Co., Ltd.	2,300,760	13,012,107
Inventec Co., Ltd.	3,000,000	1,854,501
Quanta Computer, Inc.	1,500,000	2,367,447

		39,552,429

SEMICONDUCTOR MANUFACTURING -- 7.7%		
Siliconware Precision Industries Co.	3,000,074	5,030,950
Sino-American Silicon Products, Inc.	250,000	1,368,681
Taiwan Semiconductor Manufacturing Co., Ltd.	9,200,009	19,844,491
Wafer Works Corp.	340,000	1,565,146

		27,809,268

TELECOMMUNICATIONS -- 8.3%		
Chunghwa Telecom Co., Ltd.	6,500,454	16,116,210
High Tech Computer Corp.	300,000	7,980,271
Merry Electronics Co., Ltd.	2,500,866	5,928,892

		30,025,373

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TFT-LCD -- 8.0%		
Au Optronics Corp.	6,500,674	12,483,004

See Notes to Schedule of Investments.

1

INVESTMENTS/ MAY 31, 2008 (unaudited) (continued)

	SHARES	US\$ VALUE (NOTE b)
	-----	-----
Chi Mei Optoelectronics Corp.	3,000,000	\$ 4,088,779
InnoLux Display Corp.	3,000,840	8,387,058
Wintek Corp. *	4,500,000	3,684,341

		28,643,182

TOTAL TECHNOLOGY		187,476,602

TOTAL COMMON STOCKS		
(Identified Cost -- \$270,523,880)		335,009,346

	PRINCIPAL AMOUNT NT\$	US\$ VALUE (NOTE b)
	-----	-----
COMMERCIAL PAPER - 6.8%		
C S Aluminium Corp.(a)	299,771,842	9,856,863
First Taisec Securities (a)	113,822,332	3,742,617
Formica Taiwan Corp. (a)	29,954,593	984,943
Hong Ching Investments (a)	54,916,557	1,805,723
Mercuries & Associates (a)	49,842,522	1,638,883
Sampo (a)	99,677,911	3,277,531
Sinopac Card Services (a)	99,848,604	3,283,144

TOTAL COMMERCIAL PAPER		
(Identified Cost -- \$24,543,346)		24,589,704

	MATURITY AMOUNT US\$	US\$ VALUE (NOTE b)
	-----	-----

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REPURCHASE AGREEMENT - 0.1%		
State Street Bank and Trust Co.		
0.35% dated 5/27/08 due 6/2/08		
(collateralized by U.S. Treasury Bill		
1.92%, 11/6/08, market value		
\$426,302) (c)	415,000	415,000

TOTAL INVESTMENTS -- 99.9%		
(Cost -- \$295,482,226) **		\$360,014,050
		=====
OTHER ASSETS AND LIABILITIES, NET - 0.1%		\$ 415,556

NET ASSETS -- 100.0%		\$360,429,606

See Notes to Schedule of Investments.

2

NOTES TO SCHEDULE OF INVESTMENTS

NT\$ New Taiwan Dollar

US\$ United States Dollar

* Non-income producing

- (a) Certificates of Deposit and Commercial Paper that are traded through Bills Finance Corporations must be guaranteed by either a bank, a trust company or a Bills Finance Corporation. Since there is no recognized credit rating system in the Republic of China, the guarantee may not be comparable to a guarantee issued by a U.S. institution.
- (b) All securities, including those traded over-the-counter for which market quotations are readily available, are valued at the last sales price prior to the time of determination of the Fund's net asset value per share or, if there were no sales on such date, at the closing price quoted for such securities (but if bid and asked quotations are available, at the mean between the last current bid and asked prices, rather than such quoted closing price). In certain instances where the price determined above may not represent fair market value, the value is determined in such manner as the Board of Directors may prescribe. Short-term investments, having a maturity of 60 days or less, are valued at amortized cost, which approximates market value, with accrued interest or discount earned included in interest receivable.
- (c) In connection with transactions in repurchase agreements, it is the Fund's policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Fund may be delayed or limited by legal proceedings.

** At May 31, 2008, aggregate gross unrealized appreciation for all securities for which there was an excess of value over financial reporting cost was \$85,121,883 and aggregate gross unrealized depreciation for all securities for which there was an excess of financial reporting cost over value was

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\$20,590,059 and net appreciation for financial reporting purposes was \$64,531,824. At May 31, 2008, aggregate cost for financial reporting purposes was \$295,482,226.

ITEM 2. CONTROLS AND PROCEDURES

- (a) The registrant's principal executive and principal financial officers have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this Form N-Q that includes the disclosure required by this paragraph based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS

The certifications required by Rule 30a-2(a) of the Investment Company Act of 1940 (17 CFR 270.30a-2(a)), as amended, are attached as exhibits to this filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE TAIWAN FUND, INC.

By: /s/ Andrew Chen
Andrew Chen
President of The Taiwan Fund, Inc.

Date: July 23, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Adelina Louie
Adelina Louie
Treasurer of The Taiwan Fund, Inc.

Date: July 18, 2008

By: /s/ Andrew Chen
Andrew Chen
President of The Taiwan Fund, Inc.

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Date: July 23, 2008