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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

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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\$<br>VALUE<br>(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\$<br>VALUE<br>(NOTE b) |
|--|-----------|---------------------------|
|  | -----     | -----                     |
|  |           | \$ 43,173,372             |
|  |           | -----                     |
| TOTAL FINANCE                                |           | 49,950,191                |
|  |           | -----                     |
| MISCELLANEOUS -- 2.2%                        |           |                           |
| ATHLETIC FOOTWARE -- 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.

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

|                                    | SHARES    | US\$<br>VALUE<br>(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<br>AMOUNT<br>NT\$ | US\$<br>VALUE<br>(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<br>AMOUNT<br>US\$ | US\$<br>VALUE<br>(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.

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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