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TAIWAN FUND INC
Form N-Q
July 30, 2007

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)

C/O STATE STREET BANK AND TRUST COMPANY
2 AVENUE DE LAFAYETTE, 6th Floor
P.O. BOX 5049
BOSTON, MA 02206-5049
(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, 2007

Date of reporting period: May 31, 2007

ITEM 1: SCHEDULE OF INVESTMENTS

THE TAIWAN FUND, INC.

Investments/May 31, 2007 (Showing Percentage of Total Value of Investment in
Securities) (unaudited)

	US\$ VALUE (NOTE C)
SHARES	
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COMMON STOCKS - 96.6%		
BASIC INDUSTRIES -- 19.3%		
CHEMICALS -- 0.5%		
Taiwan Hopax Chemicals Manufacturing Co. Ltd.	2,225,000	\$ 1,872,408

CONSTRUCTION -- 4.4%		
Cathay Real Estate Development Co. Ltd. (a)	4,250,000	2,431,512
Goldsun Development & Construction Co. Ltd.	11,271,000	5,902,476
Ruentex Development Co. Ltd.	8,500,000	6,754,200

		15,088,188

IRON & STEEL -- 4.4%		
China Steel Corp.	10,000,000	11,654,306
Feng Hsin Iron & Steel Co.	1,200,000	1,434,842
Tung Ho Steel Enterprise Corp.	1,800,000	2,007,870

		15,097,018

PAPER -- 0.9%		
Long Chen Paper Co. Ltd.	7,200,000	3,192,977

PLASTICS -- 1.9%		
Nan Ya Plastics Corp.	2,266,000	4,390,011
Taiwan Hon Chuan Enterprise Co. Ltd.	2,668,835	2,314,579

		6,704,590

TEXTILE -- 2.3%		
Formosa Taffeta Co. Ltd.	8,500,000	8,053,580

TOOLS - HAND HELD -- 2.3%		
Basso Industry Corp.	5,200,000	7,791,736

TRANSPORTATION -- 2.6%		
Sincere Navigation Corp.	479,000	735,138
U-Ming Marine Transport Corp.	3,200,000	5,695,777
Yang Ming Marine Transport	3,645,000	2,532,246

		8,963,161

TOTAL BASIC INDUSTRIES		66,763,658

FINANCE -- 6.9%		
BANKS -- 2.3%		
Far Eastern International Bank	18,000,000	8,118,662

FINANCIAL SERVICES -- 4.6%		
Cathay Financial Holding Co. Ltd.	5,248,593	11,073,920
Fuhwa Financial Holding Co. Ltd. (a)	4,845,000	2,126,608
KGI Securities Co. Ltd. (a)	8,000,000	2,615,408

		15,815,936

TOTAL FINANCE		23,934,598

MISCELLANEOUS -- 2.2%		
GOLF EQUIPMENT -- 2.2%		
Advanced International Multitech Co., Ltd.	3,640,000	7,536,734

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	SHARES	US\$ VALUE (NOTE C)
	-----	-----
TECHNOLOGY -- 68.2%		
ELECTRONIC COMPONENTS -- 8.4%		
Cyntec Co. Ltd.	3,950,025	\$ 7,437,311
Everlight Electronics Co. Ltd.	1,000,000	3,859,543
Kinsus Interconnect Technology Corp.	2,488,209	9,979,951
Motech Industries Inc.	214,614	2,709,067
Tripod Technology Corp.	1,150,000	5,204,329

		29,190,201

ELECTRONICS -- 2.7%		
Synnex Technology International Corp.	7,300,000	9,479,946

IC DESIGN -- 12.5%		
Elan Microelectronics Corp.	10,000,000	14,984,108
MediaTek, Inc.	1,320,000	20,897,836
Novatek Microelectronics Corp. Ltd.	1,442,851	7,250,288

		43,132,232

MEMORY IC -- 2.9%		
Inotera Memories, Inc.	8,000,000	9,965,188

PC & PERIPHERALS -- 12.5%		
Asia Vital Components Co. Ltd. (a)	4,500,000	3,991,221
Asustek Computer Inc.	2,000,000	4,934,161
Catcher Technology Co. Ltd.	1,077,921	10,278,345
Foxconn Technology Co. Ltd.	570,000	6,228,848
Hon Hai Precision Industry Co. Ltd.	2,524,800	17,845,945

		43,278,520

SEMICONDUCTOR MANUFACTURING -- 14.3%		
Advanced Semiconductor Engineering, Inc. (a)	5,500,000	6,326,623
Ardentec Corp.	2,693,749	2,523,733
King Yuan Electronics Co. Ltd.	11,854,000	10,136,991
MJC Probe, Inc.	1,000,000	3,723,324
Siliconware Precision Industries Co.	5,965,556	12,460,220
Taiwan Semiconductor Manufacturing Co. Ltd.	7,003,000	14,457,533

		49,628,424

TELECOMMUNICATIONS -- 11.8%		
D-Link Corp.	6,900,000	14,453,761
High Tech Computer Corp.	300,000	5,594,067
Merry Electronics Co. Ltd.	3,932,000	14,164,008
Silitech Technology Corp.	1,385,000	6,624,186

		40,836,022

TFT-LCD -- 3.1%		
Au Optonics Corp.	6,899,390	10,651,397

TOTAL TECHNOLOGY		236,161,930

TOTAL COMMON STOCKS		

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(Identified Cost -- \$221,759,199)

334,396,920

INVESTMENTS/MAY 31, 2007 (unaudited) (continued)

	PRINCIPAL AMOUNT NT\$	US\$ VALUE (NOTE C)
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SHORT TERM INVESTMENTS - 3.4%		
China Bills Finance Corp. (b)		
1.69%, 07/10/2007	\$ 50,203,933	\$ 1,519,720
1.72%, 07/10/2007	50,244,903	1,520,960
2.00%, 07/10/2007	50,273,849	1,521,836
2.00%, 07/12/2007	20,042,315	606,699
International Bills Finance Co. (b)	49,893,716	1,510,329
State Street Bank and Trust Co. (b)		
1.50% dated 5/29/07 due 6/4/07		
(collateralized by U.S. Treasury Note 3.875%,		
7/31/07, market value \$389.141) (d)	378,000	378,000
Tai Shin Enterprise Taiwan (b)	100,195,433	3,033,008
Taishin International Bank	50,131,784	1,517,535
Total Short Term Investments		11,608,087

TOTAL SHORT TERM INVESTMENTS		11,608,087
(Identified Cost -- \$11,541,265)		-----
TOTAL INVESTMENTS 100.00%		\$346,005,007
(Cost -- \$233,300,464)*		=====

NOTES TO SCHEDULE OF INVESTMENTS

NT\$ New Taiwan Dollar

US\$ United States Dollar

(a) Non-income producing

(b) 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.

(c) 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.

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- (d) 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, 2007, aggregate gross unrealized appreciation for all securities for which there was an excess of value over financial reporting cost was \$117,275,418 and aggregate gross unrealized depreciation for all securities for which there was an excess of financial reporting cost over value was \$4,570,875 and net appreciation for financial reporting purposes was \$112,704,543. At May 31, 2007, aggregate cost for financial reporting purposes was \$233,300,464.

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 certification required by Rule 30a-2(a) of the Investment Company Act of 1940 (17 CFR 270.30a-2(a)), as amended, is attached as an exhibit 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/ Benny T. Hu

Benny T. Hu
President of The Taiwan Fund, Inc.

Date: July 30, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the

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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 23, 2007

By: /s/ Benny T. Hu

Benny T. Hu
President of The Taiwan Fund, Inc.

Date: July 30, 2007