

TAIWAN FUND INC  
Form 8-K  
December 28, 2001

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**November 1, 2001**

Date of Report (Date of Earliest Event Reported)

**The Taiwan Fund, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction  
of Incorporation)

**225 Franklin Street, Boston, Massachusetts**

(Address of Principal Executive Offices) **02110**

(Zip Code)

**811-04893**

(Commission  
File Number)

**042942862**

(IRS Employer  
Identification Number)

**(212) 662-2789**

(Registrant's Telephone Number, Including Area Code)

**Item 9. Regulation FD Disclosure.**

Pursuant to Regulation FD Rules 100-103, The Taiwan Fund, Inc. (the Fund ) furnishes the November 2001 Monthly Review on the Fund by the Fund's investment adviser.

**SIGNATURES**

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

Dated: December 28, 2001

By: /s/ Haichi Vicki Hau

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Name: Haichi Vicki Hau  
Title: Secretary

**THE TAIWAN FUND, INC. REVIEW**

NOVEMBER 2001

HSBC Asset Management (Taiwan) Limited  
24/F No. 99, Tunhwa S. Rd., Sec. 2  
Taipei, Taiwan, R.O.C

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**Portfolio Review**

Taiwan's stock market rebounded due to the continuous inflow of foreign portfolio investments and the low interest rate environment which helps to generate liquidity. Foreign portfolio investors were net buyers of NT\$65.7 billion (US\$1.9 billion) during November, NT\$300 billion (US\$8.7 billion) for the year to date. The stock market rebounded 13.97% in U.S. dollar terms, while the NT dollar appreciated slightly against the U.S. dollar by 0.17%. TAIEX and OTC electronics sectors were the leading sectors, increasing 21.48% and 33.74% in NT dollars, respectively. Retail, steel and paper were the worst performing sectors, declining 3.28%, 1.95% and 0.77% in NT dollars, respectively. The average daily turnover reached NT\$87.48 billion, compared to NT\$48.27 billion in October.

In the technology sector, the Fund continues to focus on the electronics sector, particularly the Integrated Circuit (IC) fabless design house related companies, as those companies continue to deliver both revenues and earnings growth. Also, the Fund increased its holdings in the IC foundries related stocks, as management of these companies have a positive outlook for the coming quarters due to increased demand for advanced process technology. Data networking related stocks were also added to the Fund's portfolio due to continuous demand for broadband devices, particularly after the events of September 11th. In addition to the technology sector, the Fund continues to increase its holdings in certain companies related to medical-mechanical devices.

*Pedro Tai***Core & Active Portfolio Asset Allocation**

As of 11/30/01	% of Core Portfolio	% of Active Portfolio	% of TAIEX
Semiconductor	24.00	12.23	24.32
Electronics	16.35	30.16	17.49
PC & Peripherals	14.40	23.85	14.23
Banking	12.78	0	11.59
Telecommunications	7.93	11.67	7.12
Insurance	3.88	0	4.72
Plastics	3.47	0	3.41
Textile	2.99	0	2.75
Steel	1.69	0	1.84
Transportation	1.35	0	1.55
Retail	1.31	0	0.98
Auto	1.12	0	0.76
Chemical	0.91	4.83	1.13

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Foods	0.87	0	0.94
*C. S. & Software	0.76	2.26	0.77
Others	6.19	6.20	6.40
<b>Total</b>	<b>100.00</b>	<b>91.20</b>	<b>100.00</b>
Cash	8.80		

**Total Active Portfolio Net Asset: US\$68.59M**

**Total Core Portfolio Net Asset: US\$113.05M**

**Total Fund Asset Allocation**

As of 11/30/01	% of Total Fund	% of TAIEX
Electronics	21.56	17.49
Semiconductor	19.56	24.32
PC & Peripherals	17.97	14.23
Telecommunication	9.35	7.12
Banking	7.82	11.59
Insurance	2.57	4.72
Chemical	2.39	1.13
Plastics	2.16	3.41
Textile	1.86	2.75
*C. S. & Software	1.32	0.77
Steel	1.05	1.84
Transportation	0.84	1.55
Retail	0.81	0.98
Auto	0.70	0.76
Foods	0.54	0.94
Others	6.18	6.40
<b>Total</b>	<b>96.68</b>	<b>100.00</b>
Cash	3.32	

**Total Net Asset: US\$181.64M**

(\* )=Computer Service & Software

**Top 10 Holdings of Active Portfolio**

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As of 11/30/01	% of Active Portfolio
Mediatek Incorporation	6.93
United Micro Electronics	
6.76	
Accton Technology Corp	
5.46	
Pihsiang Machinery Mfg	
4.83	
Taiwan Semiconductor Mfg	
4.71	
Realtek Semiconductor	
4.66	
Premier Camera Taiwan Ltd	
4.58	
Hon Hai Precision Industry	
4.34	
Ambit Microsystems	
4.27	
Faraday Technology Corp	
3.90	
<hr/>	
<b>Total</b>	
<b>50.44</b>	

**Top 10 Holdings of Total Fund Portfolio**

As of 11/30/01	% of Total Portfolio
United Micro Electronics	9.04
Taiwan Semiconductor Mfg	
8.69	
Asustek Computer Inc.	
4.15	
Hon Hai Precision Industry	
3.94	
Quanta	
3.41	
Realtek Semiconductor	
3.13	
Chunghwa Telecom Co	
2.72	
Ambit Microsystems	
2.67	
Mediatek Incorporation	
2.62	
Cathay Life Insurance	
2.11	
<hr/>	
<b>Total</b>	

42.48

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**Premium/Discount of TWN**

**NAV: US\$11.10**  
**No. of Shares: 16.4M**

**Price: US\$10.60**

**Prem.: -4.50%**

**Performance Comparison**

(Return in US\$)	Total Returns As of 11/30/01							Unit: %
	Last 1 Mth	Last 3 Mth	Last 6 Mth	2000	1999	1998	1997	
	<b>TWN</b>	<b>17.34</b>	<b>3.26</b>	<b>-9.76</b>	<b>-45.08</b>	<b>47.29</b>	<b>-15.31</b>	
ROC	11.08	-2.17	-16.17	-39.94	35.86	-18.42	9.70	
Taipei	13.47	-6.49	-18.21	-50.94	13.87	-11.90	6.94	
Formosa	14.66	-4.24	-22.07	-51.04	19.57	-13.85	8.56	
Formosa Growth	14.39	-0.81	-16.79	-51.94	38.49	-5.47	21.33	
New Taipei	18.56	-1.98	-19.30	-45.59	33.91	2.40	14.65	
<b>Index</b>	<b>13.97</b>	<b>-1.26</b>	<b>-13.32</b>	<b>-46.53</b>	<b>34.16</b>	<b>-20.31</b>	<b>-0.55</b>	

Taiwan Fund (Since Launch 1986/12/31): %

**Performance Chart**

**Taiwan's Macro Economics Review**

**Growth Rates of Export vs Electronics Industry**

01/1997 ~ 11/2001

Recent figures released by the government have shown moderate improvement in Taiwan's export growth. The export growth rate decreased 19.9% during the twelve-month period ended November 30, 2001. Total exports from January to November 2001 reached US\$112.7 billion, which represents a decline of 17.3% from the same period in 2000, while total imports reached US\$98.8 billion, a decrease of 23.8% since November 2000. The trade balance reached a surplus of US\$13.9 billion, an increase of 106.4% over last year.

\* *Disclaimer: This report is based on information believed by us to be reliable. No representation is made that it is accurate or complete. The figures mentioned above are unaudited. This report is not an offer to buy or sell or a solicitation of an offer to buy or sell the securities mentioned.*

\* *Effective from  
1st November  
1999, the daily  
NAV of the  
Fund is*

*available at  
Lipper and  
CDA  
Weisenberger,  
or you may call  
toll free  
(800)636-9242. \* Please  
notify us  
immediately if  
you are having  
problems  
receiving this  
telecopy.*

***Fund Manager: Albert King  
Deputy Fund Manager: Pedro Tai***