

TAIWAN GREATER CHINA FUND
Form N-Q
November 25, 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: 811-05617

Taiwan Greater China Fund

(Exact name of registrant as specified in charter)

P.O. Box 118-763 Taipei
Taipei 10599, Taiwan
Republic of China

(Address of principal executive offices) (Zip code)

Brown Brothers Harriman and Co.
40 Water St.
Boston, MA 02109
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-343-9567

Date of fiscal year end: December 31
Date of reporting period: September 30, 2008

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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TAIWAN GREATER CHINA FUND

Schedule of Investments (Unaudited) / September 30, 2008

COMMON STOCK -- 98.17%

| | | % of Net Assets | U.S. Dollar Value |
|--|---------------------------------------|--------------------|----------------------|
| Cement -- 2.80% | | | |
| 1,194,615 | shs.Asia Cement Corp. | 1.45 | \$ 1,039,748 |
| 1,681,373 | Taiwan Cement Corp. | 1.35 | 974,732 |
| | | | 2,014,480 |
| Chemicals -- 0.13% | | | |
| 163,187 | Eternal Chemical Co., Ltd. | 0.13 | 95,111 |
| Communications Equipment -- 0.32% | | | |
| 95,787 | Gemtek Technology | 0.19 | 136,815 |
| 68,488 | Zinwell Corporation | 0.13 | 93,778 |
| | | | 230,593 |
| Computer Peripherals/ODM -- 4.38% | | | |
| 344,000 | *Foxconn International Holdings, Ltd. | 0.21 | 150,611 |
| 114,899 | HTC Corp. | 2.41 | 1,732,209 |
| 1,172,433 | Lite-on Technology Corp. | 1.38 | 993,109 |
| 401,978 | Qisda Corp. | 0.21 | 149,318 |
| 180,467 | Teco Image Systems Co., Ltd. | 0.17 | 122,011 |
| | | | 3,147,258 |
| Computer Systems & Hardware -- 21.09% | | | |
| 528,651 | Acer Inc. | 1.22 | 874,224 |
| 95,980 | Advantech Co., Ltd. | 0.25 | 181,992 |
| 1,981,154 | Asustek Computer Inc. | 5.32 | 3,824,301 |
| 638,494 | Compal Electronics Inc. | 0.63 | 456,485 |
| 2,146,531 | Hon Hai Precision Industry Co., Ltd. | 10.39 | 7,473,041 |
| 449,242 | Inventec Co., Ltd. | 0.30 | 215,052 |
| 1,154,828 | Quanta Computer Inc. | 1.95 | 1,403,577 |
| 613,075 | Wistron Corp. | 1.03 | 737,508 |
| | | | 15,166,180 |
| Electrical & Machinery -- 0.66% | | | |
| 490,000 | Teco Electric & Machinery Co., Ltd. | 0.23 | 166,783 |
| 1,150,837 | Walsin Lihwa Corp. | 0.43 | 305,144 |
| | | | 471,927 |
| Electronic Components -- 10.35% | | | |
| 252,433 | Catcher Technology Co., Ltd. | 1.09 | 784,672 |
| 1,065,129 | Delta Electronics Inc. | 3.78 | 2,714,928 |
| 96,256 | Epistar Corp. | 0.18 | 125,966 |
| 202,979 | Everlight Electronics Co. | 0.57 | 410,116 |
| 290,557 | aFoxconn Technology Co., Ltd. | 1.27 | 916,726 |
| 89,445 | Kinsus Interconnect Technology Corp. | 0.17 | 121,779 |
| 26,695 | Motech Industry Co., Ltd. | 0.16 | 117,416 |
| 149,799 | Shin Zu Shing Co., Ltd. | 0.84 | 603,005 |
| 80,818 | Transcend Information | 0.18 | 126,865 |
| 235,722 | Tripod Technology Corp. | 0.61 | 441,102 |

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| | | | |
|--|---|------|-----------|
| 277,000 | TXC Corp. | 0.48 | 347,859 |
| 561,378 | Unimicron Technology Corp. | 0.61 | 438,870 |
| 1,487,000 | Yageo Corp. | 0.41 | 295,824 |
| | | | 7,445,128 |
| Electronics/Other -- 1.74% | | | |
| 132,000 | Lumax International Corp., Ltd. | 0.23 | 164,125 |
| 714,615 | Synnex Technology International Corp. | 1.51 | 1,089,565 |
| | | | 1,253,690 |
| Flat-Panel Displays -- 10.13% | | | |
| 3,816,381 | AU Optronics Corp. | 5.86 | 4,211,359 |
| 2,481,847 | Chi Mei Optoelectronics Corp. | 2.20 | 1,585,364 |
| 3,973,951 | Chunghwa Picture Tubes, Ltd. | 0.85 | 611,463 |
| 680,983 | Innolux Display Corp. | 1.22 | 878,469 |
| | | | 7,286,655 |
| Food -- 4.34% | | | |
| 306,405 | Great Wall Enterprises Co. | 0.38 | 273,827 |
| 698,000 | Tingyi (Cayman Islands) Holdings Corp. | 1.12 | 808,043 |
| 1,912,638 | Uni-President Enterprise Corp. | 2.34 | 1,682,525 |
| 990,000 | Want Want China Holdings, Ltd. | 0.50 | 356,954 |
| | | | 3,121,349 |
| TAIWAN GREATER CHINA FUND | | | |
| Schedule of Investments (Continued) (Unaudited) / September 30, 2008 | | | |
| Glass, Paper & Pulp -- 0.72% | | | |
| 650,384 | Taiwan Glass Ind. Corp. | 0.51 | 363,902 |
| 601,409 | Yuen Foong Yu Paper Manufacturing Co., Ltd. | 0.21 | 153,294 |
| | | | 517,196 |
| Plastics -- 9.95% | | | |
| 1,191,299 | Formosa Chemicals & Fiber Corp. | 2.82 | 2,029,287 |
| 1,134,983 | Formosa Plastics Corp. | 2.51 | 1,802,820 |
| 2,287,319 | Nan Ya Plastics Corp. | 4.62 | 3,323,920 |
| | | | 7,156,027 |
| Retailing -- 0.65% | | | |
| 103,950 | Far Eastern Department Store Co., Ltd. | 0.09 | 66,240 |
| 138,512 | President Chain Store Corp. | 0.56 | 400,848 |
| | | | 467,088 |
| Rubber -- 0.87% | | | |
| 531,777 | Cheng Shin Rubber Ind. Co., Ltd. | 0.87 | 622,353 |
| Semiconductors -- 17.90% | | | |
| 2,740,762 | aAdvanced Semiconductor Engineering Inc. | 1.90 | 1,367,378 |
| 151,040 | *Inotera Memories Inc. | 0.06 | 44,321 |
| 544,543 | aMediaTek Inc. | 7.65 | 5,501,204 |

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| | | | |
|--|--|------|------------|
| 113,264 | Novatek Microelectronics Corp. | 0.23 | 165,123 |
| 407,341 | *Powerchip Semiconductor Corp. | 0.09 | 61,157 |
| 118,525 | Powertech Technology Inc. | 0.35 | 254,215 |
| 1,011,000 | *ProMOS Technologies Inc. | 0.14 | 102,135 |
| 67,345 | Realtek Semiconductor Corp. | 0.15 | 110,740 |
| 573,193 | Siliconware Precision Industries Co., Ltd. | 0.91 | 650,333 |
| 2,401,005 | Taiwan Semiconductor Manufacturing Co., Ltd. | 5.45 | 3,918,272 |
| 2,194,397 | United Microelectronics Corp. | 0.97 | 699,168 |
| | | | 12,874,046 |
| Steel -- 7.29% | | | |
| 5,276,621 | China Steel Corp. | 7.16 | 5,150,243 |
| 111,000 | Tung Ho Steel Enterprise Corp. | 0.13 | 90,917 |
| | | | 5,241,160 |
| Textiles -- 0.98% | | | |
| 1,016,093 | Far Eastern Textile, Ltd. | 0.98 | 701,179 |
| Transportation -- 0.95% | | | |
| 206,000 | *China Airlines | 0.06 | 43,607 |
| 248,000 | U-Ming Marine Transport Corp. | 0.48 | 346,902 |
| 859,261 | Yang Ming Marine Transport Corp. | 0.41 | 291,135 |
| | | | 681,644 |
| Other -- 2.92% | | | |
| 234,050 | Giant Manufacturing Co., Ltd. | 0.80 | 575,476 |
| 508,000 | Merida Industry Co., Ltd. | 1.12 | 808,492 |
| 1,057,473 | Pou Chen Corp. | 0.89 | 637,695 |
| 86,063 | Yung Chi Paint & Varnish Manufacturing Co., Ltd. | 0.11 | 80,256 |
| | | | 2,101,919 |
| TOTAL COMMON STOCK (COST \$87,806,211) | | | 70,594,983 |
| TAIWAN GREATER CHINA FUND | | | |
| Schedule of Investments (Continued) (Unaudited) / September 30, 2008 | | | |
| SHORT-TERM SECURITIES -- 1.53% † | | | |
| Time Deposit -- 1.53% | | | |
| | Bank of America - London, 3.57%, Due 10/01/08 ‡ | 1.03 | 739,839 |
| | Citibank - London, 3.57%, Due 10/01/08 | 0.50 | 362,067 |
| TOTAL SHORT-TERM SECURITIES | | | 1,101,906 |
| (COST \$1,101,906) | | | |
| TOTAL INVESTMENTS IN SECURITIES AT FAIR VALUE | | | |
| (COST \$88,908,117) | | | 99.70 |
| OTHER ASSETS (LESS LIABILITIES) | | | 219,338 |
| | | | 0.30 |

| | | |
|------------|--------|--------------|
| NET ASSETS | 100.00 | \$71,916,227 |
|------------|--------|--------------|

At September 30, 2008, the cost of investments, excluding short-term investments, for U.S. federal income tax purposes was approximately equal to the cost of such investments for financial reporting purposes. At September 30, 2008, the unrealized depreciation of \$17,211,228 for financial reporting purposes consisted of \$4,771,500 of gross unrealized appreciation and \$21,982,728 of gross unrealized depreciation.

- (a) All or a portion of the security is out on loan
- * Non-income producing: These stocks did not pay a cash dividend during the past year.
- † Inclusive of all short-term holdings, including collateral received from securities lending activities. Not including such collateral, the percentage of portfolio holdings would be 0.50%.
- ‡ Represents investment of collateral received from securities lending transactions.

— Fair Value Measurements — Effective January 1, 2008, the Trust adopted FAS 157 – Fair Value Measurements (“FAS 157” or “the Statement”). FAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (“GAAP”), and expands disclosures about fair value measurement. The changes to current practices resulting from the application of the Statement relate to the definition of fair value, the methods used to measure fair value, and expanded disclosures about fair value measurement. The Statement emphasizes that fair value is a market based measurement, not an entity specific measurement; as such, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the Statement establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from sources independent of the Trust (observable inputs) and (2) the Trust’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The three levels defined by the FAS 157 hierarchy are as follows:

Level I – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level II – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level II assets include the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level III – Unobservable pricing input at the measurement date for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available.

In some instances, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement in its entirety falls shall be determined based on the lowest input level that is significant to the fair value measurement in its entirety.

The following table summarizes the valuation of the Trust's securities using the fair value hierarchy:

| At September 30, 2008 | Total | Level I | Level II | Level III |
|-----------------------|--------------|--------------|----------|-----------|
| Investments | \$71,696,889 | \$71,696,889 | - | - |

ITEM 2. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer 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 "Act")) are effective as of a date within 90 days of the filing date of this report based on their evaluation of such disclosure controls and procedures as required by Rule 30a-3(b) under the Act and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) 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.

Certifications for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17CFR 270.302-2(a)), are attached to this Form N-Q.

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.

Taiwan Greater China Fund

By: /s/ Steven R. Champion
Name: Steven R. Champion
Title: Principal Executive Officer and President

Date: November 24, 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/ Steven R. Champion
Name: Steven R. Champion
Title: Principal Executive Officer and President

By: /s/ Cheryl Chang
Name: Cheryl Chang
Title: Principal Financial Officer and Treasurer

Date: November 24, 2008