

SECURITIES AND EXCHANGE COMMISSION

FORM N-Q

Quarterly schedule of portfolio holdings of registered management investment company filed
on Form N-Q

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FILER

TEMPLETON CHINA WORLD FUND

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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 811-07876

Templeton China World Fund
(Exact name of registrant as specified in charter)

300 S.E. 2nd Street, Fort Lauderdale, FL 33301-1923
(Address of principal executive offices) (Zip code)

Craig S. Tyle, One Franklin Parkway, San Mateo, CA 94403-1906
(Name and address of agent for service)

Registrant's telephone number, including area code: (954) 527-7500

Date of fiscal year end: 8/31

Date of reporting period: 11/30/12

Item 1. Schedule of Investments.

Templeton China World Fund

Statement of Investments, November 30, 2012 (unaudited)

	Country	Shares	Value
Common Stocks 99.7%			
Air Freight & Logistics 0.1%			
Sinotrans Ltd., H	China	8,586,000	\$ 1,329,411
Auto Components 1.6%			
Cheng Shin Rubber Industry Co. Ltd.	Taiwan	6,322,220	16,118,235
Automobiles 6.0%			
Chongqing Changan Automobile Co. Ltd., B	China	11,110,051	4,759,280
Dongfeng Motor Group Co. Ltd., H	China	11,079,478	15,582,347
*Great Wall Motor Co. Ltd., H	China	9,269,345	30,558,149
Guangzhou Automobile Group Co. Ltd., H	China	3,510,493	2,871,736
Jiangling Motors Corp. Ltd., B	China	3,029,589	5,871,387
			59,642,899
Beverages 0.5%			
Yantai Changyu Pioneer Wine Co. Ltd., B	China	913,801	4,597,185
Commercial Banks 10.1%			
Bank of China Ltd., H	China	71,466,800	30,153,601
BOC Hong Kong (Holdings) Ltd.	Hong Kong	6,503,500	19,971,523
China Construction Bank Corp., H	China	37,556,926	28,784,824
Industrial and Commercial Bank of China Ltd., H	China	32,233,725	21,752,004
			100,661,952
Commercial Services & Supplies 0.0%†			
*Fook Woo Group Holdings Ltd.	China	7,317,000	256,796
Computers & Peripherals 3.9%			
Asustek Computer Inc.	Taiwan	1,518,684	16,746,541
Lite-On IT Corp.	Taiwan	10,479,085	8,652,951
*Pegatron Corp.	Taiwan	2,443,377	3,186,100
Simplo Technology Co. Ltd.	Taiwan	2,059,948	10,418,454
			39,004,046
Construction Materials 3.0%			
Asia Cement China Holdings Corp.	China	10,615,871	4,574,980
BBMG Corp., H	China	3,702,000	3,152,590
China National Building Material Co. Ltd.	China	14,540,000	18,948,414
Huaxin Cement Co. Ltd., B	China	2,449,516	3,103,537
			29,779,521
Distributors 1.6%			
Dah Chong Hong Holdings Ltd.	China	14,813,563	15,271,911
Xinhua Winshare Publishing and Media Co. Ltd., H	China	1,405,000	723,330
			15,995,241
Diversified Telecommunication Services 0.5%			
China Telecom Corp. Ltd., H	China	2,123,833	1,156,431
China Unicom (Hong Kong) Ltd.	China	2,694,168	4,206,270
			5,362,701
Electric Utilities 2.0%			
Cheung Kong Infrastructure Holdings Ltd.	Hong Kong	3,338,548	20,289,233
Electrical Equipment 0.1%			
Dongfang Electric Corp. Ltd., H	China	800,400	1,373,554
Electronic Equipment, Instruments & Components 0.9%			
Synnex Technology International Corp.	Taiwan	4,766,094	9,084,521
Energy Equipment & Services 0.0%†			
Anhui Tianda Oil Pipe Co. Ltd., H	China	1,083,000	174,673
Food & Staples Retailing 13.0%			
Beijing Jingkelong Co. Ltd., H	China	3,718,571	2,154,317

Templeton China World Fund

Statement of Investments, November 30, 2012 (unaudited) (continued)

China Resources Enterprise Ltd.	China	5,108,000	18,223,55
Dairy Farm International Holdings Ltd.	Hong Kong	8,791,576	94,773,18
President Chain Store Corp.	Taiwan	2,797,259	14,339,98
			<hr/> 129,491,04
Food Products 2.5%			
China Foods Ltd.	China	9,352,000	9,448,29
People's Food Holdings Ltd.	China	668,397	591,47
Shenguan Holdings Group Ltd.	China	13,874,300	7,053,33
*Uni-President China Holdings Ltd.	China	4,213,700	5,491,26
Uni-President Enterprises Corp.	Taiwan	1,264,305	2,257,61
			<hr/> 24,641,97
Hotels, Restaurants & Leisure 0.9%			
*7 Days Group Holdings Ltd., ADR	China	52,686	613,79
NagaCorp Ltd.	Cambodia	1,892,548	1,191,66
SJM Holdings Ltd.	Hong Kong	2,923,000	6,879,24
			<hr/> 8,684,70
Industrial Conglomerates 2.7%			
Hopewell Holdings Ltd.	Hong Kong	4,370,000	17,197,62
Shanghai Industrial Holdings Ltd.	China	3,024,253	9,911,48
			<hr/> 27,109,11
Insurance 0.9%			
AIA Group Ltd.	Hong Kong	2,129,500	8,325,44
China Life Insurance Co. Ltd., H	China	339,000	995,10
			<hr/> 9,320,54
Internet Software & Services 1.2%			
*Baidu Inc., ADR	China	70,200	6,760,96
*Sohu.com Inc.	China	123,267	4,909,72
			<hr/> 11,670,68
IT Services 0.3%			
Travelsky Technology Ltd., H	China	4,921,941	2,495,83
Leisure Equipment & Products 0.1%			
Yorkey Optical International Cayman Ltd.	China	7,933,000	788,16
Machinery 1.7%			
*Lonking Holdings Ltd.	China	16,986,000	3,857,36
*Zoomlion Heavy Industry Science and Technology Development Co. Ltd., H	China	10,240,420	13,173,46
			<hr/> 17,030,83
Marine 0.9%			
*China Shipping Container Lines Co. Ltd., H	China	12,353,000	3,251,54
China Shipping Development Co. Ltd., H	China	7,774,000	3,821,70
Sinotrans Shipping Ltd.	China	9,284,500	2,252,18
			<hr/> 9,325,42
Metals & Mining 2.8%			
*Angang Steel Co. Ltd., H	China	3,628,000	2,270,36
Jiangxi Copper Co. Ltd., H	China	10,078,043	25,851,13
			<hr/> 28,121,50
Multiline Retail 0.1%			
Springland International Holdings Ltd.	China	1,268,000	628,25
Oil, Gas & Consumable Fuels 26.2%			
China Coal Energy Co. Ltd., H	China	6,852,000	6,904,87
China Petroleum and Chemical Corp., H	China	67,287,395	71,279,38
China Shenhua Energy Co. Ltd., H	China	8,186,500	33,537,37
CNOOC Ltd.	China	33,376,000	71,056,74
PetroChina Co. Ltd., H	China	39,241,903	52,354,94
Yanzhou Coal Mining Co. Ltd., H	China	16,684,000	25,531,24
			<hr/> 260,664,56
Paper & Forest Products 1.1%			
Nine Dragons Paper Holdings Ltd.	China	14,807,000	10,890,02



Templeton China World Fund

Statement of Investments, November 30, 2012 (unaudited) (continued)

Pharmaceuticals 0.8%			
Tong Ren Tang Technologies Co. Ltd., H	China	3,761,000	8,104,13
Real Estate Management & Development 2.2%			
Agile Property Holdings Ltd.	China	5,642,000	7,600,12
Cheung Kong (Holdings) Ltd.	Hong Kong	359,690	5,481,07
Soho China Ltd.	China	11,972,645	9,021,73
			22,102,92
Semiconductors & Semiconductor Equipment 6.1%			
MediaTek Inc.	Taiwan	672,138	7,642,92
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	15,506,330	52,656,96
			60,299,89
Textiles, Apparel & Luxury Goods 0.5%			
*Anta Sports Products Ltd.	China	6,126,855	4,434,93
Transportation Infrastructure 1.3%			
COSCO Pacific Ltd.	China	7,425,797	10,424,59
Sichuan Expressway Co. Ltd., H	China	7,418,000	2,411,98
			12,836,57
Wireless Telecommunication Services 4.1%			
China Mobile Ltd.	China	3,584,770	40,888,45
Total Common Stocks (Cost \$555,853,712)			993,399,56
Short Term Investments 3.1%			
Money Market Funds (Cost \$4,060,352) 0.4%			
*†Institutional Fiduciary Trust Money Market Portfolio	United States	4,060,352	4,060,35
Investments from Cash Collateral Received for Loaned Securities (Cost \$27,279,365) 2.7%			
Money Market Funds 2.7%			
*BNY Mellon Overnight Government Fund, 0.198%	United States	27,279,365	27,279,36
Total Investments (Cost \$587,193,429) 102.8%			1,024,739,28
Other Assets, less Liabilities (2.8)%			(28,001,06)
Net Assets 100.0%			\$ 996,738,22

†Rounds to less than 0.1% of net assets.

*A portion or all of the security is on loan at November 30, 2012.

†Non-income producing.

‡Security has been deemed illiquid because it may not be able to be sold within seven days.

§The Institutional Fiduciary Trust Money Market Portfolio is managed by an affiliate of the Fund's investment manager.

¶The rate shown is the annualized seven-day yield at period end.

ABBREVIATIONS

Selected Portfolio

ADR - American Depositary Receipt

Templeton China World Fund

Notes to Statement of Investments (unaudited)

1. ORGANIZATION

Templeton China World Fund (Fund) is registered under the Investment Company Act of 1940, as amended, as an open-end investment company.

2. FINANCIAL INSTRUMENT VALUATION

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Under procedures approved by the Fund's Board of Trustees (the Board), the Fund's administrator, investment manager and other affiliates have formed the Valuation and Liquidity Oversight Committee (VLOC). The VLOC provides administration and oversight of the Fund's valuation policies and procedures, which are approved annually by the Board. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or the NYSE, whichever is earlier. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities. Investments in open-end mutual funds and non-registered money market funds are valued at the closing net asset value.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the VLOC convenes on a regular basis to review such financial instruments and considers a number of factors, including significant unobservable valuation inputs, when arriving at fair value. The VLOC primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed. The VLOC employs various methods for calibrating these valuation approaches including a regular review of key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before the daily close of business on the NYSE. Occasionally, events occur between the time at which trading in a foreign security is completed and the close of the NYSE that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at the close of the NYSE. In order to minimize the potential for these differences, the VLOC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded

funds). These price movements are measured against established trigger thresholds for each specific market proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

3. INCOME TAXES

At November 30, 2012, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	<u>\$ 592,630,325</u>
Unrealized appreciation	\$ 476,098,110
Unrealized depreciation	<u>(43,989,150)</u>
Net unrealized appreciation (depreciation)	<u>\$ 432,108,960</u>

4. FAIR VALUE MEASUREMENTS

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The inputs or methodology used for valuing financial instruments are not an indication of the risk associated with investing in those financial instruments.

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement.

A summary of inputs used as of November 30, 2012, in valuing the Fund's assets carried at fair value, is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Investments in Securities:				
Equity Investments:				
Commercial Services & Supplies	\$ -	\$ -	\$ 256,796	\$ 256,796
All Other Equity Investments ^a	993,142,772	-	-	993,142,772
Short Term Investments	4,060,352	27,279,365	-	31,339,717
Total Investments in Securities	<u>\$ 997,203,124</u>	<u>\$ 27,279,365</u>	<u>\$ 256,796</u>	<u>\$ 1,024,739,285</u>

^aFor detailed categories, see the accompanying Statement of Investments.

A reconciliation of assets in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 investments at the end of the period.

5. NEW ACCOUNTING PRONOUNCEMENTS

In December 2011, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The amendments in the ASU enhance disclosures about offsetting of financial assets and liabilities to enable investors to understand the effect of these arrangements on a fund's financial position. The ASU is effective for interim and annual reporting periods beginning on or after January 1, 2013. The Fund believes the adoption of this ASU will not have a material impact on its financial statements.

6. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through the issuance of the Statement of Investments and determined that no events have occurred that require disclosure.

For additional information on the Fund's significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

Item 2. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures. The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and the principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of this Quarterly Schedule of Portfolio Holdings on Form N-Q, the Registrant had carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's principal executive officer and the Registrant's principal financial officer, of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the Registrant's principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures are effective.

(b) Changes in Internal Controls. There have been no changes in the Registrant's internal controls or in other factors that could materially affect the internal controls over financial reporting subsequent to the date of their evaluation in connection with the preparation of this Quarterly Schedule of Portfolio Holdings on Form N-Q.

Item 3. Exhibits.

(a) Certification pursuant to Section 30a-2 under the Investment Company Act of 1940 of Laura F. Ferguson, Chief Executive Officer - Finance and Administration, and Mark H. Otani, Chief Financial Officer and Chief Accounting Officer.

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.

Templeton China World Fund

By /s/LAURA F. FERGERSON
Laura F. Ferguson
Chief Executive Officer -
Finance and Administration
Date January 25, 2013

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/LAURA F. FERGERSON
Laura F. Ferguson
Chief Executive Officer -
Finance and Administration
Date January 25, 2013

By /s/MARK H. OTANI
Mark H. Otani
Chief Financial Officer and
Chief Accounting Officer
Date January 25, 2013

I, Laura F. Fergerson, certify that:

1. I have reviewed this report on Form N-Q of **Templeton China World Fund**;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1/25/2013

S\LAURA F. FERGERSON

Laura F. Fergerson
Chief Executive Officer - Finance and Administration

I, Mark H. Otani, certify that:

1. I have reviewed this report on Form N-Q of **Templeton China World Fund**;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

1/25/2013

SMARK H. OTANI

Mark H. Otani
Chief Financial Officer and Chief Accounting Officer