

JF CHINA REGION FUND INC  
Form PRE 14A  
April 08, 2011

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by Registrant

Filed by Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

JF China Region Fund, Inc.

(Name of Registrant as Specified in Its Charter)

\_\_\_\_\_  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

(1)

Title of each class of securities to which transaction applies: \_\_\_\_\_

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Aggregate number of securities to which transaction applies: \_\_\_\_\_

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(1)

Amount previously paid: \_\_\_\_\_

(2)

Form, Schedule or Registration Statement No.: \_\_\_\_\_

(3)

Filing Party: \_\_\_\_\_

(4)

Date Filed: \_\_\_\_\_

**JF CHINA REGION FUND, INC.**

J.P. Morgan Investor Services Co.  
1 Beacon Street, 18<sup>th</sup> Floor  
Boston, Massachusetts 02108, USA

April \_\_, 2011

Dear Stockholder:

I have pleasure in enclosing the Notice of Annual Meeting of Stockholders of the JF China Region Fund, Inc. (the Fund ) which will be held at the offices of J.P. Morgan Asset Management, 270 Park Avenue, New York, New York 10017, on Thursday, May 12, 2011 at 10.00 a.m.

I strongly urge you to read the enclosed Notice and Proxy Statement, vote, sign and return the proxy card in the postage-paid envelope provided.

My fellow directors and I wish to extend to you an invitation to attend this year's Annual Meeting of Stockholders, and very much look forward to meeting with you.

Yours faithfully,

/s/ The Rt. Hon. The Earl of Cromer

**The Rt. Hon. The Earl of Cromer**  
Chairman

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**JF CHINA REGION FUND, INC.**

J.P. Morgan Investor Services Co.  
1 Beacon Street, 18<sup>th</sup> Floor  
Boston, Massachusetts 02108, USA

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 12, 2011**

To the Stockholders:

Notice is hereby given that the Annual Meeting of Stockholders (the Meeting ) of JF China Region Fund, Inc. (the Fund ) will be held at the offices of J.P. Morgan Asset Management, 270 Park Avenue, New York, New York 10017, on Thursday, May 12, 2011, at 10:00 a.m., and at any adjournments or postponements thereof, for the following purposes:

1. to elect one Director of the Fund, to hold office for the term indicated and until their successors shall have been elected and qualified;

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2. to consider an amendment to the Fund's Investment Policies; and
3. to consider and act upon such other business as may properly come before the Meeting or any adjournments or postponements thereof.

Friday, March 18, 2011, was fixed by the Board of Directors as the record date for determination of stockholders entitled to notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Christopher D. Legg

Christopher D. Legg  
Secretary

Boston, Massachusetts  
April \_\_ 2011

**YOUR VOTE IS IMPORTANT**

Whether or not you plan to attend the Fund's Annual Meeting, please execute and return the enclosed proxy promptly in the postage-paid envelope provided.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 12, 2011**

The Fund's Notice of Annual Meeting of Shareholders, proxy statement and form of proxy are available on the Internet at [www.jfchinaregion/proxystatement.pdf](http://www.jfchinaregion/proxystatement.pdf)

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**JF CHINA REGION FUND, INC.**

J.P. Morgan Investor Services Co.  
1 Beacon Street, 18<sup>th</sup> Floor  
Boston, Massachusetts 02108, USA

**PROXY STATEMENT**

**INTRODUCTION**

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of JF China Region Fund, Inc. (the Fund) of proxies to be voted at the Annual Meeting of Stockholders (the Meeting) of the Fund to be held at the offices of J.P. Morgan Asset Management, 270 Park Avenue, New York, New York 10017, on Thursday, May 12, 2011, at 10:00 a.m., and at any adjournments or postponements thereof, for the following purposes:

- (1) to elect one Director of the Fund, to hold office for the term indicated and until his successor shall have been elected and qualified; and
- (2) to consider an amendment to the Fund's Investment Policies; and
- (3) to consider and act upon such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The enclosed proxy and this Proxy Statement are first being sent to the Fund's stockholders on or about April \_\_, 2011.

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THE FUND WILL FURNISH, WITHOUT CHARGE, COPIES OF THE ANNUAL REPORT TO STOCKHOLDERS UPON REQUEST. REQUESTS FOR COPIES OF SUCH REPORTS SHOULD BE DIRECTED TO:

Computershare Trust Company, N.A.  
P.O. Box 43010  
Providence, Rhode Island 02940-3010, USA  
800-426-5523  
www.computershare.com

The cost of soliciting proxies and preparing the proxy materials will be borne by the Fund. The Fund will request securities brokers, custodians, nominees and fiduciaries to forward solicitation material to the beneficial owners of stock held of record and will reimburse them for their reasonable out-of-pocket expenses in forwarding such solicitation material. In addition, proxies may be solicited personally or by telephone or facsimile by directors, officers and employees of the Fund without additional compensation to them.

The Board of Directors has selected Charles Daly and Lori B. O'Brien to act as proxies with full power of substitution. All properly executed proxies received prior to the Meeting will be voted at the Meeting in accordance with the instructions marked thereon or otherwise as provided therein. Unless instructions to the contrary are marked, shares represented by the proxies will be voted FOR each proposal. Any proxy may be revoked at any time prior to the exercise thereof by submitting another proxy bearing a later date or by giving written notice to the Secretary of the Fund at the Boston, Massachusetts address indicated above or by voting in person at the Meeting.

The Board of Directors has fixed the close of business on March 18, 2011, as the record date for the determination of stockholders entitled to notice of, and to vote at, the Meeting or any adjournments or postponements thereof. At that date, there were outstanding and entitled to vote 6,447,637 shares of Common Stock, par value \$0.01 per share. Stockholders of the Fund on that date will be entitled to one vote on each matter to be voted for each share held (and one such vote for each director to be elected for each share held), with no shares having cumulative voting rights. Abstentions and broker non-votes (as defined below) are counted for purposes of determining whether a quorum is present for purposes of convening the Meeting. Broker non-votes are shares held by a broker or nominee for which an executed proxy is received by the Fund but are not voted as to one or more proposals because instructions have not been received from the beneficial owners or persons entitled to vote, and the broker or nominee does not have discretionary voting power. Abstentions and broker non-votes will not be counted as votes cast on any proposal, and abstentions and broker non-votes will have no effect on the result of the votes related to Proposals 1 and 2.

The principal executive offices of the Fund are located at J.P. Morgan Investor Services Co., 1 Beacon Street, 18<sup>th</sup> Floor, Boston, Massachusetts 02108, USA.

1

### OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND OFFICERS

The Fund does not have information concerning the beneficial ownership of shares held in the names of Depository Trust Company Participants as of March 18, 2011. However, to the knowledge of the Fund, the following were the record owner or beneficial owner of 5% or more of the outstanding shares of the Fund as of that date.

Title of Class	Name and Address	Number of Shares	Percent of Class <sup>1</sup>
Common Stock	CEDE & Co. c/o Depository Trust Company Box 20 New York, New York 10004-9998	6,389,185	99.09
Common Stock	City of London Investment Group PLC <sup>2</sup> 77 Gracechurch Street London, England EC3MILX	2,255,996	34.98

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Title of Class	Name and Address	Number of Shares	Percent of Class <sup>1</sup>
Common Stock	Lazard Asset Management LLC <sup>3</sup> 30 Rockefeller Plaza 59 <sup>th</sup> Floor New York, New York 10112	1,004,559	15.58
Common Stock	Levin Capital Strategies, L.P. <sup>4</sup> One Rockefeller Center Plaza New York, New York 11579	391,241	6.07

<sup>1</sup> Because some or all of the shares attributed to CEDE & Co. may be held through the Depository Trust Company by City of London Investment Group PLC, Lazard Asset Management LLC and/or Levin Capital Strategies, L.P., the total percentage in this column may exceed 100%.

<sup>2</sup> Information as to beneficial ownership of City of London Investment Group PLC is based on a report filed with the Securities and Exchange Commission (the "SEC") on February 10, 2011.

<sup>3</sup> Information as to beneficial ownership of Lazard Asset Management LLC is based on a report filed with the SEC on February 4, 2011.

<sup>4</sup> Information as to beneficial ownership of Levin Capital Strategies, L.P. is based on a report filed with the SEC on February 11, 2011.

2

The following table sets forth the beneficial ownership of shares held by all directors, the nominee and named executive officers of the Fund, individually and as a group.

Title of Class	Name and Address	Number of Shares	Percent of Class*
Common Stock	The Rt. Hon. The Earl of Cromer Finsbury Dials 20 Finsbury Street London EC2Y 9AQ United Kingdom	7,160	0.11%
	Alexander R. Hamilton P.O. Box 12343 General Post Office Hong Kong	651	0.01%
	Julian M.I. Reid (Nominee) Finsbury Dials 20 Finsbury Street London EC2Y 9AQ United Kingdom	632	0.01%
	John R. Rettberg 1 Beacon Street	500	0.01%

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Title of Class	Name and Address	Number of Shares	Percent of Class*
	18th Floor Boston MA, 02108 USA		
	Simon J. Crinage Finsbury Dials 20 Finsbury Street London EC2Y 9AQ United Kingdom		
	Michael J. James 21 <sup>st</sup> Floor, Chater House 8 Connaught Road Central Hong Kong		
	Christopher D. Legg Finsbury Dials 20 Finsbury Street London EC2Y 9AQ United Kingdom		
	Muriel Y.K. Sung 21 <sup>st</sup> Floor, Chater House 8 Connaught Road Central Hong Kong		
	All Directors and Officers as a Group*		

\* The holdings of each director and officer, and the nominee and the holdings of all directors and officers, and the nominee as a group does not exceed 1% of the Fund's outstanding common stock.

**PROPOSAL 1  
ELECTION OF DIRECTORS**

The Fund's By-Laws provide that the Board shall be divided into three classes: Class I, Class II and Class III. The terms of office of the present directors in each class expire at the Annual Meeting in the year indicated upon the election and qualification of their respective successors: Class III, 2011, Class I, 2012 and Class II 2013. At each subsequent annual election, directors that are chosen to succeed those whose terms are expiring will be identified as being in the same class and will be elected for a three-year term. The effect of these staggered terms is to limit the ability of other entities or persons to acquire control of the Fund by delaying the replacement of a majority of the Board of Directors.

The term of Mr. Julian M.I. Reid will expire at the 2011 Annual Meeting of Stockholders. Persons named in the accompanying form of proxy intend in the absence of contrary instructions to vote all proxies for the election of Mr. Reid to serve for a term expiring on the date on which the Annual Meeting of Stockholders is held in 2014, or until a successor is elected and qualified.

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It is intended that all proxies received, unless otherwise indicated, will be voted **FOR** the election of the Nominee. The affirmative vote of a plurality of the shares present at the Meeting (at which a quorum is present) is required to elect the Nominee. **The Board of Directors recommends that you vote FOR the Nominee.**

The Board of Directors knows of no reason why the Nominee will be unable to serve. If the Nominee should become unable to serve, the proxies will be voted for the election of such person as may be designated by the Board of Directors to replace the Nominee.

The Board of Directors is responsible for oversight of the Fund. The Fund has engaged JF International Management Inc. ( JFIMI ) to manage the Fund on a day-to-day basis. The Board oversees JFIMI and certain other principal service providers in the operations of the Fund. The Board of Directors is currently composed of five members, four of whom are independent directors. The Board meets at regularly scheduled meetings four times throughout the year. Under normal circumstances, in order to minimize expenses, the Board expects to hold two meetings a year by telephone. In addition, the directors may meet in-person or by telephone at special meetings or on an informal basis at other times. As described below, the Board of Directors has established three standing committees Audit, Management Engagement and Nominating and may establish ad hoc committees or working groups from time to time, to assist the Board of Directors in fulfilling its oversight responsibilities.

The Board of Directors is chaired by an independent director, the Rt. Hon. The Earl of Cromer. As chair, Lord Cromer leads the Board of Directors in its activities. The directors have determined that the Board of Director s leadership and committee structure is appropriate because the Board of Directors believes it sets the proper tone to the relationships between the Fund, on the one hand, and JFIMI and certain other principal service providers, on the other, and facilitates the exercise of the Board s independent judgment in evaluating and managing the relationships. In addition, the structure efficiently allocates responsibility among committees.

The Board of Directors has concluded that, based on the nominee s experience, qualifications, attributes or skills on an individual basis and in combination with those of the other directors, the nominee should serve as a director. Among other attributes of the nominee is his ability to review critically, evaluate, question and discuss information provided to him, to interact effectively with the various service providers to the Fund, and to exercise reasonable business judgment in the performance of his duties as a director. In addition, the Board of Directors has taken into account the actual service and commitment of the nominee during his tenure as a director of the Fund in concluding that he should serve. A nominee s ability to perform his duties effectively may have been attained through a nominee s educational background or professional training; business, consulting, public service or academic positions; experience from service as a director of the Fund, other funds, public companies, or non-profit entities or other organizations; or other experiences. Also, set forth below is a brief discussion of the specific experience qualifications, attributes or skills of the nominee that led the Board of Directors to conclude that he should serve as a director.

Over the past five years, Mr. Reid has acted for leading institutional shareholders, primarily European and American, in the direction and/or management and restructuring of companies. He has significant experience in strategic planning and corporate restructuring. As recognition of this work, Mr. Reid won 'Trustee/Director of the Year Award, 2007 (Smaller Companies) adjudicated by *Fund Directions*, the U.S. publication focusing on corporate governance matters, for his work

4

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on U.S. Investment Companies. Mr. Reid is an Affiliate of the Securities Industry of Australia and has been licensed by the respective regulatory bodies in the UK, Hong Kong, Singapore and Australia. Mr. Reid has 40 years experience in the financial services industry spanning Europe, Asia and the U.S.A. He has previously sat or presently sits on Boards of companies listed on the exchanges of London, New York, Hong Kong, Australia and Pakistan.

Investing in general and the operation of a fund involve a variety of risks, such as investment risk, compliance risk, and operational risk, among others. The Board of Directors oversees risk as part of its oversight of the Fund. Risk oversight is addressed as part of various regular Board of Directors and committee activities. The Board, directly or through its committees, reviews reports from among others, JFIMI, the Fund s Chief Compliance Officer, the Fund s independent registered public accounting firm and counsel, as appropriate, regarding risks faced by the Fund and the risk management programs of JFIMI and certain service providers. The actual day-to-day risk management with respect to the Fund resides with JFIMI and other service providers to the Fund. Although the risk management policies of JFIMI and the service providers are designed to be effective, those policies and their implementation vary among service providers and over time, and there is no guarantee that they will be effective. Not all risks that may affect the Fund can be identified or processes and controls developed to eliminate or mitigate their occurrence or effects, and some risks are simply beyond any control of the Fund or JFIMI, its affiliates or other service providers.

The following table presents information concerning the Nominee and the current Board of Directors and Officers of the Fund. The information includes their positions and principal occupations during the last five years.



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Name, Address and DOB	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Director*	Other Directorships Held by Director During the Past Five Years
<b>INDEPENDENT DIRECTORS OR NOMINEE</b>					
The Rt. Hon. The Earl of Cromer (June 3, 1946) Finsbury Dials 20 Finsbury Street London EC2Y 9AQ United Kingdom	Chairman and Class I Director	Three year term ends in 2012; Chairman and Director since 1994	Chairman of the Board of the Fund; Chairman of the Board, Western Provident Association (insurance), LG India Plus Fund Ltd (financial); Pedder Street Asia Absolute Return Fund Limited (financial); LG Asia Plus Fund Limited (financial); Director, Cheetah Korea Fund Ltd (financial) and Chief Executive Officer, Cromer Associates Limited (family business).	1	See Principal Occupation.
Alexander R. Hamilton (October 4, 1941) 21 <sup>st</sup> Floor, 8 Connaught Road Central, Hong Kong	Class II Director	Three year term ends in 2013; Director since 1994	Director of Citic Pacific Limited (infrastructure), China Cosco Holdings Company Limited (shipping); Esprit Holdings Limited (clothing retail), Shangri-La Asia Limited (hotels) and Octopus Cards Limited (financial services).	1	See Principal Occupation
John R. Rettberg (September 1, 1937) 1 Beacon Street 18 <sup>th</sup> Floor Boston MA, 02108 USA	Class II Director	Three year term ends in 2013; Director since 2008	Former Trustee, JPMorgan Alternative Products mutual fund Board 1997 to 2009.	1	See Principal Occupation

5

Name, Address and DOB	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Director*	Other Directorships Held by Director During the Past Five Years
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Julian M.I. Reid (Nominee) (August 7, 1944) Finsbury Dials 20 Finsbury Street London EC2Y 9AQ United Kingdom	Class III Director	Three year term ends 2011; Director since 1998	Chief Executive Officer of 3a Funds Group (financial); Director and Chairman of Morgan's Walk Properties Limited (property), Director and Chairman of The Korea Fund, Inc. (financial); Director and Chairman of Prosperity Voskhod Fund (financial); Director and Chairman of ASA Limited (financial) and Director of 3a Global Growth Fund Limited (financial).	1	See Principal Occupation
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**INTERESTED DIRECTOR**

Simon J. Crinage (May 10, 1965) Finsbury Dials 20 Finsbury Street London EC2Y 9AQ United Kingdom	President and Class I Director	Three year term ends in 2012; Director since 2009; President since 2003**	Managing Director, J.P. Morgan Asset Management 2008 to present; Vice President, J.P. Morgan Asset Management 2000 to 2008.	1	None
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**OFFICERS WHO ARE NOT DIRECTORS**

Michael J. James (May 11, 1967) 21 <sup>st</sup> Floor, 8 Connaught Road Central, Hong Kong	Treasurer	Since 2006**	Vice President, J.P. Morgan Asset Management since September 2000.	N/A	N/A
Christopher D. Legg (March 12, 1982) Finsbury Dials 20 Finsbury Street London EC2Y 9AQ United Kingdom	Secretary	Since 2008**	Associate, J.P. Morgan Asset Management since 2008.	N/A	N/A
Muriel Y.K. Sung (September 25, 1966) 21 <sup>st</sup> Floor, 8 Connaught Road Central, Hong Kong	Chief Compliance Officer	Since 2004**	Managing Director, J.P. Morgan Asset Management since January 2010; Vice President, J.P. Morgan Asset Management 2004 to 2010.	N/A	N/A

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\* JF China Region Fund, Inc. is the sole fund in the fund complex.

\*\* The officers of the Fund serve at the discretion of the Board.

The following table sets forth the dollar range of equity securities in the Fund beneficially owned by each Director and Nominee as of March 24, 2011.

Name of Director	Dollar Range of Equity Securities in the Fund <sup>1</sup>
<b>INDEPENDENT DIRECTORS<sup>2</sup></b>	
The Rt. Hon. The Earl of Cromer	Over \$100,000
Alexander R. Hamilton	\$1 10,000
Julian M.I. Reid	\$1 10,000
John R. Rettberg	\$1 10,000
<b>INTERESTED DIRECTOR<sup>3</sup></b>	
Simon J. Crinage	None

6

1 Valuation as of March 24, 2011.

2 Independent Directors is defined as those directors who are not interested persons within the meaning of Section 2(a)(19) of the Investment Company Act of 1940 (the 1940 Act ).

3 Interested is defined within the meaning of Section 2(a)(19) of the 1940 Act.

During the fiscal year ended December 31, 2010, the Board of Directors held a total of five meetings. All of the Independent Directors attended all the Board and Committee meetings (including committees other than the Audit Committee) for which they were eligible to attend.

The Board of Directors has an Audit Committee. The Audit Committee members are Messrs. Hamilton, Rettberg, Reid and The Rt. Hon. The Earl of Cromer. Each member of the Audit Committee is not an interested person of the Fund, as defined in Section 2(a)(19) of the 1940 Act and is independent, as defined under Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the 1934 Act ). The Audit Committee is exempt from the independence requirements of the New York Stock Exchange, Inc. (the NYSE ) under Section 303A.00 of the NYSE Listing Standards because the Fund is a closed-end fund. The primary purpose of the Audit Committee is to assist the Board of Directors in monitoring the integrity of the financial statements of the Fund, the compliance by the Fund with legal and regulatory requirements, and the independence and performance of the Fund's external independent registered public accounting firm. The Audit Committee met twice during the fiscal year ended December 31, 2010.

The Audit Committee meets with the Fund's independent registered public accounting firm to review whether satisfactory accounting procedures are being followed by the Fund and whether internal accounting controls are adequate, to inform itself with regard to non-audit services performed by the independent registered public accounting firm (if any) and to review fees charged by the independent registered public accounting firm. The Audit Committee, comprised of all of the Independent Directors, also recommends to the Board of Directors the selection of the independent registered public accounting firm. The Fund's Audit Committee Charter is available on the Fund's website at [www.jfchinaregion.com](http://www.jfchinaregion.com).

The Board of Directors also has a Management Engagement Committee. The Management Engagement Committee members are Messrs. Hamilton, Rettberg, Reid and The Rt. Hon. The Earl of Cromer. Each member of the Management Engagement Committee is not an interested person of the Fund, as defined in Section 2(a)(19) of the 1940 Act. The Management Engagement Committee evaluates the investment

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performance of the Fund's portfolio and considers the renewal of the Fund's investment management contract, generally for an additional one-year period. The Management Engagement Committee met three times during the fiscal year ended December 31, 2010.

The Board of Directors has a Nominating Committee. The Nominating Committee members are Messrs. Hamilton, Rettberg, Reid and The Rt. Hon. The Earl of Cromer. Each member of the Nominating Committee is not an interested person of the Fund, as defined in Section 2(a)(19) of the 1940 Act. The Nominating Committee is exempt from the independence requirements of the NYSE under Section 303A.00 of the NYSE Listing Standards because the Fund is a closed-end fund. The Nominating Committee is responsible for identifying individuals believed to be qualified to become Directors and recommending to the Board of Directors such nominees to stand for election at the Fund's annual meeting of stockholders and to fill any vacancies on the Board. The Nominating Committee did not convene during the fiscal year ended December 31, 2010. The Fund's Nominating Committee Charter is available on the Fund's website at [www.jfchinaregion.com](http://www.jfchinaregion.com).

The Fund's Nominating Committee believes that it is in the best interest of the Fund and its stockholders to obtain highly qualified candidates to serve as members of the Board of Directors. The Nominating Committee has not established a formal process for identifying candidates where a vacancy exists on the Board. In nominating candidates, the Nominating Committee may take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with investment companies and other organizations of comparable purpose, complexity, size and subject to similar legal restrictions and oversight, the interplay of the candidate's experience with the experience of other Directors, and the extent to which the candidate would be a desirable addition to the Board and any committees thereof. Although the Board does not have a specific policy with respect to diversity, the Nominating Committee will consider the extent to which potential candidates possess sufficiently diverse skill sets and diversity characteristics that would contribute to the Board's overall effectiveness. The Nominating Committee periodically reviews the role of the Nominating Committee and the Charter and makes recommendations to the Independent Directors with respect thereto.

7

The Fund's Nominating Committee will consider director candidates recommended by stockholders and submitted in accordance with applicable law and procedures as described in this Proxy Statement (see "Deadline For Stockholder Proposals" below).

The Fund does not have a formal policy regarding Board member attendance at the Annual Meeting of Stockholders. However, all of the Directors of the Fund then in office attended the May 13, 2010, Annual Meeting of Stockholders.

### COMPENSATION OF DIRECTORS AND OFFICERS

The table below sets forth the compensation paid by the Fund to its Directors who received such compensation for the year ended December 31, 2010:

Name of Person, Position	Aggregate Compensation From Fund	Pension or Retirement Benefits Accrued as Part of Fund Expenses*	Estimated Annual Benefits Upon Retirement*	Total Compensation From Fund and Fund Complex Paid to Directors
<b>INDEPENDENT DIRECTORS</b>				
The Rt. Hon. The Earl of Cromer, Chairman and Director	\$ 62,000	None	None	\$ 62,000
Alexander R. Hamilton, Director	\$ 56,000	None	None	\$ 56,000
Julian M.I. Reid, Director	\$ 52,000	None	None	\$ 52,000
John R. Rettberg, Director	\$ 52,000	None	None	\$ 52,000
<b>INTERESTED DIRECTOR</b>				
Simon J. Crinage	Nil	None	None	Nil
Total	\$222,000	None	None	\$222,000

\* The Directors of the Fund do not receive any pension or retirement benefits from the Fund or the Fund's Investment Advisor.

The Directors' compensation from the Fund consists solely of Directors' annual fees and attendance fees. Each independent Director is paid an annual fee of \$22,000 plus \$3,000 per Board meeting attended, \$3,000 per Audit Committee meeting attended and \$3,000 per Management Engagement Committee meeting attended. The Chairman is paid an annual fee of \$32,000 plus \$3,000 per Board meeting attended, \$3,000 per Audit Committee meeting attended and \$3,000 per Management Engagement Committee meeting attended. The Audit Committee Chairman is paid an annual fee of \$26,000 plus \$3,000 per Board meeting attended, \$3,000 per Audit Committee meeting attended and \$3,000 per Management Engagement Committee meeting attended. The Directors' actual expenses are reimbursed.

A Director or officer of the Fund who is also an officer or employee of the Fund's Investment Advisor receives no remuneration from the Fund. Since all officers and interested Directors of the Fund are also officers or employees of the Fund's Investment Advisor, none of the officers or interested Directors of the Fund received any compensation from the Fund for the year ended December 31, 2010.

**THE BOARD OF DIRECTORS, INCLUDING ALL THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE NOMINEE AS DIRECTOR.**

8

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## **PROPOSAL 2 AMENDMENT TO THE FUND'S INVESTMENT POLICIES**

At the Fund's Board of Directors meeting on April \_\_, 2011, the Directors agreed to approve, subject to the approval by the Fund's stockholders, an amendment to the Fund's fundamental investment policies to permit the Fund to borrow up to 20% of the Fund's net assets (not including the amount borrowed) for investment purposes. The Board has directed that the proposal be submitted to stockholders for approval or disapproval.

The Fund's current fundamental policy with respect to borrowing is as follows:

Under its fundamental investment restrictions, the Fund may not: Issue senior securities, borrow or pledge its assets, except that the Fund may borrow from a bank for the purpose of obtaining amounts necessary to make distributions for qualification as a registered investment company or to avoid imposition of an excise tax under United States tax laws, and except that the Fund may borrow money in an amount not to exceed 15% (calculated at the lower of cost or current market value) of its total assets (not including the amount borrowed) (a) for temporary or emergency purposes, (b) for such short-term credits as may be necessary for the clearance or settlement of transactions and (c) for repurchases of its Common Stock. The Fund may also pledge its assets to secure such borrowings. Notwithstanding the above, initial and variation margin in respect of futures contracts and options thereon and any collateral arrangement in respect of options on securities or indexes will not be prohibited by this paragraph 3 or any other investment restrictions.

As amended, the Fund's fundamental policy on borrowing would be as follows (amendments are italicized):

Under its fundamental investment restrictions, the Fund may not: Issue senior securities, borrow or pledge its assets, except that the Fund may (i) borrow from a bank for the purpose of obtaining amounts necessary to make distributions for qualification as a registered investment company to avoid imposition of an excise tax under United States tax law; and (ii) *borrow money (including through reverse repurchase agreements) up to the maximum amount permitted under the Investment Company Act of 1940 (a) for temporary or emergency purposes, (b) for such short-term credits as may be necessary for the clearance or settlement of transactions, (c) for repurchases of its Common Stock and (d) for investment purposes, provided that amounts borrowed under this clause shall not exceed 20% on the net assets of the Fund.* The Fund may also pledge its assets to secure such borrowings. Notwithstanding the above, initial and variation margin in respect of futures contracts and options thereon and any collateral arrangement in respect of options on securities or indexes will not be prohibited by this paragraph 3 or any other investment restrictions.

An increase in the amount of money borrowed by the Fund for the purposes listed in item (i) and items (ii)(a)-(d) of the proposed policy may cause the Fund to incur greater costs and expose the Fund to greater risks than the Fund currently faces under its existing investment policies.

The Board has noted that, because the Investment Advisor is not currently permitted to borrow funds for the purpose of investing in securities, the Investment Advisor has been restricted to using funds from the liquidation of existing holdings for the purpose of making additional investments. This has constrained the Investment Advisor from taking advantage of opportunities to add value to the Fund, particularly in a rising market. The Board believes that the proposed change in the Fund's borrowing policy would give the Investment Advisor the flexibility to take advantage of such opportunities when it believes that the return from the additional investment would exceed the cost of borrowing.

However, purchasing securities with borrowed funds will cause the Fund's losses to increase if there is a decline in the value of the securities purchased with the proceeds of the loan, or if the return on securities purchased with borrowed funds is less than the borrowing costs of those funds. These new risks would result from the Fund's increased exposure in the underlying securities purchased with borrowed funds and the borrowing costs incurred.

To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the Fund's return to Stockholders will be greater than if leverage had not been used. Conversely, if the income or capital appreciation from the securities purchased with such funds is not sufficient to cover the cost of leverage or if the Fund incurs capital losses, the return of the Fund to Stockholders will be less than if leverage had not been used. The Investment Advisor may determine to maintain the Fund's leveraged position if it expects that the long-term benefits to Stockholders of maintaining the leveraged position will outweigh the current reduced return. Capital raised through borrowing will be subject to interest costs that may or may not exceed the income and appreciation on the assets purchased. The Fund also may be required to maintain minimum average balances in connection with borrowings or to

pay a commitment or other fee to maintain a line of credit; either of these requirements would increase the cost of borrowing over the stated interest rate. Under the 1940 Act, the Fund is not permitted to incur indebtedness unless immediately after such borrowing the Fund has an asset coverage of at least 300% of the aggregate outstanding principal balance of indebtedness (that is, such indebtedness may not exceed 33 1/3% of the value of the Fund's total assets). Additionally, under the 1940 Act, the Fund may not declare any dividend or other distribution upon any class of its shares, or purchase any such shares, unless the aggregate indebtedness of the Fund has, at the time of the declaration of any such dividend or distribution or at the time of any such purchase, an asset coverage of at least 300% after deducting the amount of such dividend, distribution, or purchase price, as the case may be.

The prohibitions on the payment of dividends or distributions described above might impair the Fund's ability to maintain its qualification as a regulated investment company for federal income tax purposes. There can be no assurance, however, that the Fund will be able to distribute its income as required to maintain its qualification as a regulated investment company under the Internal Revenue Code of 1986, as amended.

Subject to approval by shareholders of the proposed amendment to the fundamental investment policy, the Investment Advisor will utilize the borrowing facility at its discretion and under the close supervision of the Board. The Investment Advisor has agreed to waive its entitlement to a management fee on any cash held when borrowings are drawn under the borrowing facility.

Approval of the proposed amendment to the fundamental investment policy requires the affirmative vote of the holders of a majority of the Fund's outstanding voting shares. Under the Investment Company Act of 1940 this means the lesser of: (i) 67% or more of the Fund's outstanding voting shares, if more than 50% of such shares are present at the Meeting in person or by proxy, or (ii) more than 50% of the Fund's outstanding voting shares. If the proposed amendment is approved, the change in the Fund's fundamental investment policies will become effective immediately.

**THE BOARD OF DIRECTORS, INCLUDING ALL THE INDEPENDENT DIRECTORS, RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE PROPOSAL TO CHANGE THE FUND'S FUNDAMENTAL INVESTMENT POLICIES.**

## **ADDITIONAL INFORMATION**

### **AUDIT COMMITTEE REPORT**

Notwithstanding anything to the contrary set forth in any of the Fund's previous or future filings under the Securities Act of 1933, as amended, or the 1934 Act that might incorporate future filings made by the Fund under those statutes, the following report shall not be deemed to be incorporated by reference into any prior filings or future filings made by the Fund under those statutes.

#### **(1) Membership and Role of the Audit Committee**

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The Audit Committee consists of Mr. Alexander R. Hamilton, Mr. John R. Rettberg, Mr. Julian M.I. Reid and The Rt. Hon. The Earl of Cromer. The Audit Committee operates under a written charter adopted by the Board of Directors, which is available on the Fund's website at [www.jfchinaregion.com](http://www.jfchinaregion.com).

The primary purpose of the Audit Committee is to assist the Board of Directors in monitoring the integrity of the financial statements of the Fund, the compliance by the Fund with legal and regulatory requirements, and the independence and performance of the Fund's external independent registered public accounting firm.

### (2) Review of the Fund's Audited Financial Statements for the year ended December 31, 2010

The Audit Committee has conducted specific oversight activities with respect to the Fund's audited financial statements for the year ended December 31, 2010. The Audit Committee has also reviewed and discussed them with the Fund's Investment Advisor. The Audit Committee has discussed with PricewaterhouseCoopers, LLP (PwC), the Fund's independent registered public accounting firm, the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees).

At its meeting on February 24, 2011, the Audit Committee also received the written disclosures and the letter from PwC required by Independence Standards Board Standard No. 1 (Independence Discussion with Audit Committees) and the Audit Committee discussed the independence of PwC.

Based on the Audit Committee's review and discussions noted above, the Audit Committee recommended to the Board that the audited financial statements for the year ended December 31, 2010, be included in the Fund's annual report to shareholders required by Section 30(e) of the 1940 Act, and filed with the SEC as required by Rule 30d(1) under the 1940 Act.

Audit Committee  
Alexander R. Hamilton, Chairman  
The Rt. Hon. The Earl of Cromer  
Julian M.I. Reid  
John R. Rettberg

11

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## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PwC, located at 300 Madison Avenue, New York, New York 10017, has been recommended as the independent registered public accounting firm by a unanimous decision of the Audit Committee to audit the accounts of the Fund for and during 2010. This firm served as the independent registered public accounting firm of the Fund for 2010. The Board does not know of any direct or indirect financial interest of PwC in the Fund.

A representative of PwC will be present at the Meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to answer questions.

Set forth in the table below are audit fees and non-audit related fees billed to the Fund by PwC for professional services received during and for the Fund's fiscal years ended December 31, 2009 and 2010, respectively. No fees were billed by PwC to the Fund's Investment Advisor or its affiliates.

Fiscal Year Ended December 31	Audit Fees	Audit-Related Fees*	Tax Fees	All Other Fees
2009	\$55,000		\$5,740	
2010	\$56,500		\$5,940	

\* Audit-Related Fees are those fees billed to the Fund by PwC in connection with services reasonably related to the performance of the audit of the Fund's financial statements.

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The Fund's Audit Committee Charter requires the Audit Committee to pre-approve all audit and non-audit services to be provided by the independent registered public accounting firm to the Fund, and all non-audit services to be provided by the auditors to the Fund's Investment Advisor and any service providers controlling, controlled by or under common control with the Fund's Investment Advisor that provide on-going services to the Fund, if the engagement relates directly to the operations and financial reporting of the Fund. All of the audit, audit-related and tax services described above for which PwC billed the Fund for the fiscal years ended December 31, 2009, and December 31, 2010, were pre-approved by the Audit Committee.

For the Fund's fiscal year ended December 31, 2010, PwC did not provide any non-audit services to the Fund's Investment Advisor or to any affiliates thereof that provide services to the Fund.

### THE INVESTMENT ADVISOR

The Fund's Investment Advisor is JF International Management, Inc., which was incorporated in the British Virgin Islands in 1992 and is registered as an investment advisor under the U.S. Investment Advisers Act of 1940, as amended. The Fund's Investment Advisor's principal address is 21<sup>st</sup> Floor, Chater House, 8 Connaught Road Central, Hong Kong.

### THE ADMINISTRATOR

The Fund's Administrator is J.P. Morgan Investor Services Co., whose address is 1 Beacon Street, 1<sup>8</sup> Floor, Boston, Massachusetts 02108, USA.

12

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### DEADLINE FOR STOCKHOLDER PROPOSALS

Stockholder proposals intended to be presented at the 2012 Annual Meeting of the Stockholders of the Fund must be received by December 9, 2011, to be included in the Proxy Statement. A stockholder seeking to have a proposal considered at the 2012 Annual Meeting where the proposal is not received by December 9, 2011, should notify the Fund no later than February 17, 2012. If notice is not received by February 17, 2012, then the persons appointed as proxies may vote on the proposal as they see fit notwithstanding that stockholders have not been advised of the proposal in the Proxy Statement. Any proposal submitted by stockholders must comply in all respects with the following: (1) the rules and regulations of the SEC; (2) the provisions of the Fund's Amended Articles of Incorporation and Bylaws; and (3) Maryland law. The Fund expects the 2012 Annual Meeting will be held in May of 2012.

Stockholders may send communications to the Board of Directors via the Fund's address at 1 Beacon Street, 1<sup>8</sup> Floor, Boston, Massachusetts 02108, USA in care of J.P. Morgan Investor Services Co. (the Administrator). All communications received from stockholders by the Administrator are forwarded to the Board or to the specified Board member, as the case may be, for consideration and response.

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the 1934 Act requires the Fund's Directors and officers, certain persons affiliated with the Fund's Investment Advisor and persons who beneficially own more than 10% of a registered class of the Fund's securities, to file reports of ownership and changes of ownership with the SEC, the NYSE and the Fund. Directors, officers and greater-than-10% shareholders are required by SEC regulations to furnish the Fund with copies of all Section 16(a) forms they file.

During 2010, all Section 16(a) forms that were furnished to the Fund were filed with the SEC in a timely manner. Based upon its review of written representations from certain of such persons, the Fund believes that during 2010 all such filing requirements applicable to such persons were met.

### OTHER MATTERS

The Board of Directors of the Fund knows of no other matters to be presented for action at the Meeting other than those mentioned above; however, if any other matters properly come before the Meeting, it is intended that the persons named in the accompanying proxy will vote on such other matters in accordance with their judgment of the best interests of the Fund.

All proxies received will be voted in favor of all of the proposals unless otherwise directed therein.



**JF China Region Fund, Inc.**

**IMPORTANT ANNUAL MEETING INFORMATION**

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DESIGNATION (IF ANY)		000000000.0000000000000000.000000 ext ext
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Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. X

**Annual Meeting Proxy Card**

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

**A** Proposals The Board of Directors recommends a vote FOR the nominee listed in Proposal 1 and FOR Proposal 2.

1. Nominee: For Withhold

01 - Alexander Reid Hamilton O O

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For Withhold

2. Amendment to the Fund's Investment Policies —

**B Authorized Signatures** This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

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Dear Stockholder,

Please take note of the important information enclosed with this Proxy Ballot. Your vote counts, and you are strongly encouraged to exercise your right to vote your shares.

Please mark the box on this proxy card to indicate how your shares will be voted. Then sign and date, and return your proxy vote in the enclosed postage paid envelope. Your vote must be received prior to the Annual Meeting of Stockholders, May 12, 2011.

Thank you in advance for your prompt consideration of this matter.

Sincerely,

JF China Region Fund, Inc.

**PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

**Proxy JF China Region Fund, Inc.**

**Proxy Solicited on Behalf of the Board of Directors**

THE UNDERSIGNED STOCKHOLDER of JF China Region Fund, Inc. (the Fund ) hereby appoints Lori O'Brien and Charles Daly the lawful attorneys and proxies of the undersigned with full power of substitution to vote, as designated below, all shares of Common Stock of the Fund which the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held on Thursday, May 12, 2011, at 10:00 a.m., at the offices of J.P. Morgan Asset Management, 270 Park Avenue, New York, New York 10017, and at any and all adjournments thereof with respect to the matters set forth below and described in the Notice of Annual Meeting and Proxy Statement dated April —, 2011, receipt of which is hereby acknowledged, and any other matters arising before such Annual Meeting or any adjournment thereof.

Properly executed proxies will be voted (or the vote on such matters will be withheld on specific matters) in accordance with instructions appearing on the proxy. In the absence of specific instructions, proxies will be voted FOR the election of the nominee as director and will be voted FOR the amendment to the Fund's Investment Policies and in the best discretion of the proxyholders as to any other matters. Please refer to the Proxy Statement for a discussion of the proposal.

**PLEASE VOTE, DATE AND SIGN ON REVERSE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.**

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