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JF CHINA REGION FUND INC
Form N-CSR
March 09, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number 811-6686

JF China Region Fund, Inc.

(Exact name of registrant as specified in charter)

301 Bellevue Parkway
Wilmington, DE 19809

(Address of principal executive offices) (Zip code)

Cleary, Gottlieb, Steen & Hamilton
1 Liberty Plaza
New York, NY 10006

(Name and address of agent for service)

Registrant's telephone number, including area code: 800-441-9800

Date of fiscal year end: December 31, 2003

Date of reporting period: December 31, 2003

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR 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 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. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

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[LOGO OMITTED] JF CHINA REGION FUND, INC.
(formerly JARDINE FLEMING CHINA REGION FUND, INC.)

ANNUAL REPORT
DECEMBER 31, 2003

[GRAPHIC OMITTED]

THIS REPORT, INCLUDING THE FINANCIAL STATEMENTS HEREIN, IS
SENT TO THE SHAREHOLDERS OF THE FUND FOR THEIR INFORMATION.
IT IS NOT A PROSPECTUS, CIRCULAR OR REPRESENTATION INTENDED
FOR USE IN THE PURCHASE OR SALE OF SHARES OF THE FUND OR OF
ANY SECURITIES MENTIONED IN THIS REPORT.

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JF CHINA REGION FUND, INC.

CONTENTS

	PAGE
Objectives	1
Management	1
Market Information	1
Highlights	2
Chairman's Statement	3
Major Holdings	4

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Investment Portfolio	6

Statement of Assets and Liabilities	12

Statement of Operations	13

Statements of Changes in Net Assets	14

Financial Highlights	15

Notes to Financial Statements	16

Report of Independent Auditors	21

Fund Management	22

Dividend Reinvestment and Cash Purchase Plan	23

Directors and Administration	24

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JF CHINA REGION FUND, INC.

OBJECTIVES

JF China Region Fund, Inc. (formerly known as Jardine Fleming China Region Fund, Inc.) (the "Fund") seeks to achieve long-term capital appreciation through investments primarily in equity securities of companies with substantial assets in, or revenues derived from, the People's Republic of China (PRC or China), Hong Kong, Taiwan and Macau--collectively, the China Region.

The Fund provides investors with an opportunity to participate in the growing economies of the China Region, especially that of the PRC, although investments are expected to be predominantly in securities listed on the Stock Exchange of Hong Kong. Hong Kong enterprises have made substantial investments in the PRC, in Guangdong Province in particular, where abundant labor and land are available. Hong Kong is also the largest trading partner of the PRC.

The economies of the PRC, Hong Kong, Taiwan and Macau have become increasingly linked over the past 10 years and are becoming further integrated now that Hong Kong and Macau have reverted to Chinese sovereignty. Investments made by the Fund will seek to take advantage of opportunities resulting from this linkage among the China Region markets.

MANAGEMENT

JF International Management Inc. ("JFIM") (formerly Jardine Fleming

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International Management Inc.) is the investment management company appointed to advise and manage the Fund's portfolio. JFIM is part of J.P. Morgan Chase & Co. ("JPMC"), one of the world's premier financial services institutions. In asset management, JPMC operates globally under the name of JPMorgan Fleming Asset Management ("JPMFAM"), although in Asia it uses the sub-brand JF Asset Management. Funds under management for the global asset management business of JPMFAM were US \$559 billion as of December 31, 2003.

Chung Man Wing is the portfolio manager of the Fund. Mr. Chung joined JPMFAM in late 2000 as head of the Greater China team. Previously, he was chief investment officer at HSBC Asset Management (Asia).

MARKET INFORMATION

THE FUND IS LISTED ON THE NEW YORK STOCK EXCHANGE (SYMBOL JFC). THE SHARE PRICE IS PUBLISHED IN

[] The Wall Street Journal (daily)
[] The Asian Wall Street Journal (daily)
[] Reuters (page JFC)

THE NET ASSET VALUE IS PUBLISHED IN

[] The Wall Street Journal under "Closed-End Funds" (every Monday)
[] The Asian Wall Street Journal under "Closed-End Funds" (every Monday)
[] Reuters (page JFC)

-- 1 --

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JF CHINA REGION FUND, INC.

HIGHLIGHTS

	DECEMBER 31, 2003 US\$	December US\$
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Net Assets	\$63.9 MILLION	\$34.2 mi
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Net Asset Value Per Share	\$13.93	
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MARKET DATA

Share Price on the New York Stock Exchange	\$18.08	
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Premium (Discount) to Net Asset Value	29.8%	
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TOTAL RETURN FOR THE YEAR ENDED DECEMBER 31, 2003

Net Asset Value	86.48%
Share Price	178.15%
JFC Benchmark Index*	48.67%
MSCI Hong Kong Index (Total)	38.10%
BNP Prime Peregrine China Index	63.69%
Taiwan Weighted Index	35.50%

NET ASSET VALUE AND SHARE PRICE VS. BENCHMARK INDEX

[GRAPHIC OMITTED]

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

	NET ASSET VALUE	SHARE PRICE	JFC BENCHMARK INDEX*
7/16/92	100	100	100
7/27/92	99.78	98.33	89.81
8/28/92	100.43	94.2	91.11
9/30/92	100.94	80	79.15
10/30/92	108.6	92.53	90.31
11/30/92	111.05	96.67	91.95
12/31/92	109.29	93.02	90.21
1/29/93	110.16	96.37	87.65
2/26/93	117.49	98.85	97.55
3/31/93	120.54	108.9	94.28
4/30/93	125.48	118.95	97.84
5/28/93	129.84	122.3	92.05
6/30/93	122.35	120.09	83.13
7/30/93	120.67	116.73	77.96
8/27/93	124.75	129.29	82.27
9/30/93	128.39	126.81	84.74
10/29/93	147.17	150.32	102.63
11/26/93	156.34	166.71	113.9
12/31/93	188.96	187.39	128.98
1/28/94	175.52	183.65	111.34
2/25/94	158.91	148.41	103.16
3/31/94	136.56	136.08	91.08
4/29/94	132.14	134.18	87.3
5/27/94	136.06	148.41	90.89
6/30/94	123.99	123.29	82.84
7/29/94	130.78	126.47	87.48
8/26/94	130.78	135.83	92.18
9/30/94	132.98	129.56	94.14
10/28/94	132.34	126.47	89.14
11/23/94	124.35	110.76	80.63
12/30/94	115.72	94.29	72.23
1/27/95	101.37	90.1	62.02
2/24/95	108.27	98.48	66.92
3/31/95	109.37	94.29	67.13
4/30/95	105.33	90.1	63.43
5/26/95	113.68	107.01	70.35
6/30/95	111.93	92.33	69.32
7/28/95	116.08	95.51	73.64
8/31/95	108.89	88.13	69.66
9/30/95	112.85	94.42	68.82

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10/31/95	110.46	89.22	67.02
11/30/95	104.65	85.02	64.06
12/29/95	103.54	84.52	63.34
1/31/96	112.35	107.76	72.64
2/29/96	113.37	95.08	73.99
3/31/96	110.12	95.08	70.65
4/30/96	111.7	96.18	68.52
5/31/96	112.25	94.07	71.64
6/30/96	111.98	87.73	71.47
7/31/96	110.21	81.39	71.69
8/30/96	110.68	84.52	73.69
9/30/96	112.16	85.62	74.73
10/31/96	113.18	83.51	77.45
11/29/96	125.79	90.86	89.15
12/31/96	132.84	95.25	97.43
1/31/97	135.63	99.49	99.27
2/28/97	138.13	99.49	100.73
3/27/97	133.96	99.49	99.65
4/30/97	148.44	106.94	106.53
5/31/97	159.48	115.41	111.06
6/30/97	170.35	124.89	114.45
7/31/97	178.89	130.22	117.43
8/31/97	187.33	126.5	121.24
9/30/97	167.65	124.38	116.19
10/31/97	124.12	87.29	88.5
11/28/97	107.96	84.67	82.92
12/31/97	110	82.89	83.73
1/30/98	85.88	79.75	70.48
2/28/98	114.29	88.25	86.61
3/31/98	107.58	80.77	83.66
4/30/98	98.27	74.9	76.62
5/29/98	83.74	60.57	69.04
6/30/98	72.75	54.24	63.53
7/31/98	57.28	44.1	56.17
8/31/98	51.32	29.76	50.16
9/30/98	60.82	40.91	56.88
10/30/98	70.51	50.48	65.12
11/30/98	72.47	53.14	64.68
12/31/98	69.86	46.76	61.44
1/29/99	63.27	45.7	55.92
2/26/99	63.43	44.63	56.22
3/31/99	69.67	47.82	62.49
4/30/99	82.25	62.17	74.33
5/31/99	76.94	57.39	69.97
6/30/99	90.35	74.39	80.74
7/30/99	84.95	60.57	75.8
8/31/99	88.77	61.11	78.44
9/30/99	84.11	56.86	73.92
10/29/99	87.65	59.51	75.69
11/30/99	99.29	68.01	82.85
12/31/99	110.11	72.07	90.38
1/31/00	108.99	69.94	90.33
2/29/00	113.38	73.68	91.87
3/31/00	118.43	75.28	96.89
4/28/00	100.86	64.07	87.24
5/31/00	94.69	62.46	82.27
6/30/00	98.52	66.73	85.48
7/31/00	102.07	69.94	89.73
8/31/00	103.94	71.54	88.73
9/29/00	95.34	66.73	79.73
10/31/00	87.4	64.07	72.78
11/30/00	83	61.93	68.48

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12/29/00	87.3	60.33	71.12
1/31/01	95.81	71.33	78.24
2/28/01	91.42	67.57	76.15
3/30/01	84.59	60.73	69.8
4/30/01	86.09	63.89	69.03
5/31/01	87.12	66.46	67.29
6/29/01	84.69	66.2	65.3
7/31/01	78.98	60.22	61.21
8/31/01	73.1	54.24	57.47
9/28/01	66.37	50.83	48.34
10/31/01	71.51	51.34	51.1
11/30/01	76.18	55.95	57.64
12/31/01	76.09	56.12	63.41
1/31/02	75.34	55.52	63.09
2/28/02	75.53	57.92	60.84
3/28/02	81.23	63.64	65.43
4/30/02	80.95	64.92	66.68
5/31/02	81.88	65.18	64.55
6/28/02	76.65	58.94	60.36
7/31/02	73.94	54.24	57.39
8/30/02	70.29	53.39	54.89
9/30/02	65.71	49.71	49.3
10/31/02	68.42	52.96	52.07
11/29/02	70.48	55.78	54.34
12/31/02	69.82	55.52	50.92
1/31/03	77.58	62.36	53.73
2/28/03	77.3	66.63	50.72
3/31/03	73.94	64.41	48.9
4/30/03	73.75	63.21	48.38
5/30/03	82.63	65.43	53.24
6/30/03	86.93	73.46	55.68
7/31/03	96.93	80.3	60.86
8/29/03	104.13	88.58	66.88
9/30/03	106.37	86.87	68.73
10/31/03	120.3	116.09	73.75
11/28/03	119.37	114.63	72.11
12/31/03	130.21	154.44	75.7

* JFC Benchmark: MSCI Golden Dragon Index (Total)

Prior to March 2001: 25% Taiwan Weighted Index, 20% BNP Prime Peregrine China Index, 50% MSCI Hong Kong Index, 5% HSBC

Prior to March 1999: 60% Hong Kong All Ordinaries Index, 30% Credit Lyonnais Securities Asia All China B Index, 10% Taiwan Weighted Index

Prior to January 1997: Peregrine Greater China Index

** Commencement of operations

Source: JPMorgan Fleming Asset Management

-- 2 --

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JF CHINA REGION FUND, INC.

CHAIRMAN'S STATEMENT

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Dear Fellow Shareholders,

It is very pleasing to be able to report to you an improvement in 2003 of 86.48% in net assets. This result is significantly ahead of the Fund's benchmark, the MSCI Golden Dragon Index (Total), which registered a rise of 48.67% and was achieved even without the ability to leverage. During the same period, the share price gained 178.15%.

The positive returns have shrouded what has been a difficult period for investors in the region. A number of exceptional world events such as the spread of the SARS virus and the resurrection by North Korea of its nuclear weapons program conspired to depress Far Eastern stock markets at a time when those in the West rebounded.

Notwithstanding, the China Region has enjoyed an unprecedented inflow of foreign capital in the year and this appears set to continue, given the continuing growth momentum that has been evident throughout the region. China continues its focus on lowering unemployment and, without some strengthening of its banking system, any thoughts of a free float of the Renminbi in the near future seem remote. There are concerns over energy shortages which are believed to have been the cause of blackouts in a number of coastal cities over the last six months. If true, this factor could act as a constraint on continued growth since China already imports a significant proportion, more than one third, of its oil and gas.

The optimism with which your Board views the China Region is in stark contrast to the gloomy forecasts that were prevalent a year ago. This only serves to highlight the high volatility in this market. The proposal for liquidation of the Fund was defeated at the Fund's Annual Meeting in May 2003. Since that time, the discount has narrowed and more recently has converted to, at times, a considerable premium. Your Board continues to keep a close watch on the share price and discount/premium and is prepared to take action as may be necessary to achieve the best advantage for shareholders.

Respectfully submitted,

/s/THE RT. HON. THE EARL OF CROMER

The Rt. Hon. The Earl of Cromer
Chairman

February 19, 2004

-- 3 --

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JF CHINA REGION FUND, INC.

MAJOR HOLDINGS

AT DECEMBER 31, 2003

% of Net

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Assets

ALUMINUM CORPORATION OF CHINA 'H'

3.4

Aluminum Corporation of China Limited is a producer of alumina and primary aluminum in China. The company refines bauxite into alumina and smelts alumina to produce primary aluminum.

SKYWORTH DIGITAL HOLDINGS

3.1

Skyworth Digital Holdings Limited, through its subsidiaries, designs, manufactures, and sells color televisions and audio-visual products.

FONG'S INDUSTRIES

2.9

Fong's Industries Company Limited, through its subsidiaries, manufactures and sells dyeing machines and stainless steel casting products. The company also trades stainless steel supplies and machine parts as well as invests in properties.

JIANGXI COPPER 'H'

2.8

Jiangxi Copper Company Limited, operates in the copper mining, milling, smelting and refining to produce copper cathode and other related products, including pyrite concentrates, sulphuric acid and electrolytic gold and silver businesses. The company also provides smelting and refining services pursuant to tolling arrangements for customers.

CHINA SHIPPING DEVELOPMENT 'H'

2.7

China Shipping Development Company Limited operates crude oil and refined oil shipment, coal shipment, and dry bulk shipment along the People's Republic of China coast as well as internationally.

CHINA INTERNATIONAL MARINE CONTAINERS 'B'

2.7

China International Marine Containers Company Limited designs and manufactures containers, transport vehicles, airport facilities, and other transport equipment. The company also operates in the timber industry and real estate development.

-- 4 --

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JF CHINA REGION FUND, INC.

MAJOR HOLDINGS (CONTINUED)

AT DECEMBER 31, 2003

% of Net

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Assets

TCL INTERNATIONAL HOLDINGS	2.7
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TCL International Holdings Limited, through its subsidiaries, manufactures television sets, trades television related components, and manufactures audio-visual products. The company also manufactures personal computers and peripheral products. In addition, TCL International operates information technology and other business.

CITIC INTERNATIONAL FINANCIAL HOLDINGS	2.6
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CITIC International Financial Holdings Limited, through its subsidiaries, provides general banking services. The company also provides securities brokerage, investment banking, and asset management.

BRILLIANCE CHINA AUTOMOTIVE HOLDINGS 'H'	2.5
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Brilliance China Automotive Holdings Limited, through its subsidiaries, manufactures and distributes minibuses and sedans in the People's Republic of China. The company also manufactures and trades automotive components.

CHONGQING IRON & STEEL 'H'	2.5
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Chongqing Iron & Steel Company Limited manufactures and sells steel products. The products include medium-gauge steel plates, steel sections, and wire rods.

TOTAL MAJOR HOLDINGS	27.9
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-- 5 --

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JF CHINA REGION FUND, INC.

INVESTMENT PORTFOLIO

AT DECEMBER 31, 2003

Description	Holdings (in shares or par)	Market Value (in US\$)
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COMMON STOCKS (UNLESS OTHERWISE NOTED)

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CHINA (49.1%)

AUTOMOBILES (4.9%)

Brilliance China Automotive Holdings 'H'	2,900,000	1,596,927
Chongqing Changan Automobile 'B'	1,180,000	1,556,441

3,153,368

BIOTECHNOLOGY (1.0%)

Tong Ren Tang Technologies 'H'	350,000	615,392
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CHEMICALS (5.0%)

* Jilin Chemical Industrial 'H'	4,000,000	788,319
* Sinopec Beijing Yanhua Petrochemical 'H'	3,712,000	1,446,386
Sinopec Shanghai Petrochemical 'H'	2,150,000	955,451

3,190,156

COMMERCIAL BANKS (2.6%)

CITIC International Financial Holdings 'H'	3,100,000	1,677,111
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COMMERCIAL SERVICES & SUPPLIES (0.5%)

CCID Consulting 'H'	4,300,000	155,088
Shenzhen Dongjiang Environmental 'H'	3,150,000	178,531

333,619

CONSTRUCTION MATERIALS (1.1%)

Anhui Conch Cement 'H'	550,000	708,457
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ELECTRONIC EQUIPMENT & INSTRUMENTS (0.9%)

Digital China Holdings 'H'	1,704,000	570,681
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FOOD PRODUCTS (2.0%)

COFCO International 'H'	1,950,000	1,255,901
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-- 6 --

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JF CHINA REGION FUND, INC.

INVESTMENT PORTFOLIO (CONTINUED)

AT DECEMBER 31, 2003

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Description	Holdings (in shares or par)	Market Value (in US\$)

HOUSEHOLD DURABLES (3.9%)		
* Guangdong Kelon Electrical Holdings 'H'	1,811,000	781,473
TCL International Holdings 'H'	3,900,000	1,720,585

		2,502,058

INDUSTRIAL CONGLOMERATES (1.5%)		
China Merchants Holdings International 'H'	712,000	940,058

INSURANCE (1.2%)		
* China Life Insurance 'H'	922,000	754,146

MACHINERY (4.7%)		
* China International Marine Containers 'B'	899,935	1,722,586
* Guangzhou Shipyard International 'H'	3,500,000	825,030
Shanghai Zhenhua Port Machinery 'B'	300,000	435,000

		2,982,616

MARINE (2.7%)		
China Shipping Development 'H'	2,350,000	1,740,550

METALS & MINING (11.2%)		
Aluminum Corporation of China 'H'	2,858,000	2,172,026
Angang New Steel 'H'	1,500,000	811,505
Chongqing Iron & Steel 'H'	2,950,000	1,567,461
Jiangxi Copper 'H'	3,300,000	1,817,192
Maanshan Iron and Steel 'H'	2,300,000	762,880

		7,131,064

PAPER & FOREST PRODUCTS (0.4%)		
Shandong Chenming Paper Holdings 'B'	300,000	278,230

PHARMACEUTICALS (0.9%)		
HUA Han Bio-Pharmaceutical Holdings 'H'	3,000,000	595,104

REAL ESTATE (1.1%)		
China Overseas Land & Investment 'H'	3,700,000	676,770

-- 7 --

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JF CHINA REGION FUND, INC.

INVESTMENT PORTFOLIO (CONTINUED)

AT DECEMBER 31, 2003

Description	Holdings (in shares or par)	Market Value (in US\$)
TRANSPORTATION INFRASTRUCTURE (3.5%)		
Cosco Pacific 'H'	746,000	994,558
GZI Transport 'H'	2,150,000	664,662
Hainan Meilan Airport 'H'	850,000	591,240
		2,250,460
TOTAL CHINA		
		31,355,741
HONG KONG (28.0%)		
AIRLINES (1.0%)		
Cathay Pacific Airways	340,000	645,984
COMMERCIAL BANKS (1.9%)		
BOC Hong Kong (Holdings)	633,500	1,191,380
COMPUTERS & PERIPHERALS (1.8%)		
TPV Technology	2,150,000	1,128,540
CONTAINERS & PACKAGING (3.1%)		
Hung Hing Printing Group	790,000	630,913
Singamas Container Holdings	2,500,000	1,320,306
		1,951,219
FOOD PRODUCTS (1.7%)		
Global Bio-chem Technology Group	1,794,000	1,109,212
HEALTHCARE EQUIPMENT & SUPPLIES (1.0%)		
Hengan International Group	1,200,000	645,340
HOUSEHOLD DURABLES (5.5%)		
Alco Holdings	1,600,000	510,089
Skyworth Digital Holdings	8,000,000	2,009,442
Techtronic Industries	350,500	972,940
		3,492,471

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INDUSTRIAL CONGLOMERATES (0.9%)		
Hutchison Whampoa	80,000	589,952

-- 8 --

[GRAPHIC OMITTED]

JF CHINA REGION FUND, INC.

INVESTMENT PORTFOLIO (CONTINUED)

AT DECEMBER 31, 2003

Description	Holdings (in shares or par)	Market Value (in US\$)
INSURANCE (1.6%)		
China Insurance International Holdings	2,050,000	1,043,042
LEISURE EQUIPMENT & PRODUCTS (0.8%)		
Playmates Holdings	3,000,000	490,768
MACHINERY (2.9%)		
Fong's Industries	2,150,000	1,855,513
MEDIA (1.1%)		
Oriental Press Group	1,886,000	686,295
MISCELLANEOUS (0.0%)		
* Health Asia MediCentres Beijing++	1,000,000	0
MULTILINE RETAIL (1.1%)		
Aeon Stores (Hong Kong)	1,000,000	721,338
TEXTILES, APPAREL & LUXURY GOODS (1.7%)		
Fountain Set (Holdings)	1,600,000	1,092,312
TRANSPORTATION INFRASTRUCTURE (1.9%)		
Hopewell Holdings	785,000	1,208,338
TOTAL HONG KONG		17,851,704
SINGAPORE (1.3%)		

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CONTAINERS & PACKAGING (1.3%)		
* Full Apex Holdings	2,000,000	842,019

TOTAL SINGAPORE		842,019
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SOUTH KOREA (2.1%)

MARINE (2.1%)		
* Hanjin Shipping	71,500	1,326,185

TOTAL SOUTH KOREA		1,326,185
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-- 9 --

[GRAPHIC OMITTED]

JF CHINA REGION FUND, INC.

INVESTMENT PORTFOLIO (CONTINUED)

AT DECEMBER 31, 2003

Description	Holdings (in shares or par)	Market Value (in US\$)
-------------	-----------------------------------	------------------------------

TAIWAN (17.4%)

AIRLINES (0.0%)		
Eva Airways	662	270

COMMERCIAL BANKS (1.5%)		
* Cosmos Bank Taiwan	1,800,000	954,345

COMPUTERS & PERIPHERALS (0.9%)		
High Tech Computer	160,000	586,745

HOUSEHOLD DURABLES (4.7%)		
Hon Hai Precision Industry	240,000	943,741
Optimax Technology	430,000	1,234,904
Synnex Technology International	602,000	815,670
		2,994,315

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INSURANCE (2.0%)		
* Cathay Financial Holding GDR	85,000	1,275,000

INTERNET SOFTWARE & SERVICES (1.0%)		
Gamania Digital Entertainment	780,000	643,299

MARINE (2.3%)		
Taiwan Navigation	1,200,000	795,287
Yang Ming Marine Transport	695,000	689,882

		1,485,169

SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT (4.3%)		
* Advanced Semiconductor Engineering	940,000	966,303
MediaTek	60,250	566,119
* Taiwan Semiconductor Manufacturing	638,000	1,193,314

		2,725,736

-- 10 --

[GRAPHIC OMITTED]

JF CHINA REGION FUND, INC.

INVESTMENT PORTFOLIO (CONTINUED)

AT DECEMBER 31, 2003

Description	Holdings (in shares or par)	Market Value (in US\$)

TEXTILES, APPAREL & LUXURY GOODS (0.7%)		
Pou Chen	816	865
Tainan Enterprises	350,000	475,258

		476,123

TOTAL TAIWAN		11,141,002

TOTAL INVESTMENTS		
(97.9% of Net Assets) (Cost \$43,272,575)		62,516,651
=====		
Other assets in excess of liabilities (2.1% of Net Assets)		1,365,984
=====		
NET ASSETS (100.0%)		63,882,635

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=====

Aggregate cost for Federal income tax purposes is
\$43,455,116. The aggregate unrealized gain for all
securities is as follows:

Excess of market value over cost	19,492,840
Excess of cost over market value	(431,305)

Net unrealized gain	19,061,535
---------------------	------------

=====

GDR - Global Depository Receipts
* Non-income producing security.
++ At fair value as determined under the supervision of the Board of
Directors.

See accompanying notes to financial statements.

-- 11 --

[GRAPHIC OMITTED]

JF CHINA REGION FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

AT DECEMBER 31, 2003

(in US\$)

ASSETS

Investments at value (cost \$43,272,575)	62,516,651
Cash (including foreign currencies with a cost of \$806,053 and value of \$807,685)	1,536,709
Receivable for securities sold	94,306
Dividend receivable	23,138
Prepaid expenses	39,583

TOTAL ASSETS	64,210,387
--------------	------------

LIABILITIES

Accrued expenses payable	227,341
Due to Investment Advisor	100,411

TOTAL LIABILITIES	327,752
-------------------	---------

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NET ASSETS	63,882,635
=====	
NET ASSETS CONSIST OF:	
Common stock, \$0.01 par value	
(100,000,000 shares authorized;	
4,585,160 shares issued and outstanding)	45,852
Paid-in capital	96,142,005
Accumulated net investment loss	(8,981)
Accumulated realized loss on investments	
and foreign currency transactions	(51,541,953)
Accumulated net unrealized appreciation on investments,	
and foreign currency holdings, and other assets	
and liabilities denominated in foreign currencies	19,245,712

NET ASSETS	63,882,635
=====	
NET ASSET VALUE PER SHARE (\$63,882,635 / 4,585,160)	13.93
=====	

See accompanying notes to financial statements.

-- 12 --

[GRAPHIC OMITTED]

JF CHINA REGION FUND, INC.

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2003

	(IN US\$)

INVESTMENT INCOME (LOSS)	

Dividends (net of foreign withholding tax of \$55,379)	1,068,125
Interest (net of foreign withholding tax of \$289)	10,010

TOTAL INVESTMENT INCOME	1,078,135

EXPENSES	

Investment advisory fees	459,101
Legal fees	163,541
Administration and accounting fees	138,324

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Directors' fees and expenses	109,518
Custodian fees	103,383
Audit fees	48,507
Shareholder service fees	44,500
Insurance	33,884
Shareholder report and meeting expenses	25,349
NYSE listing fee	25,000
Other expenses	16,602

TOTAL EXPENSES	1,167,709

NET INVESTMENT LOSS	(89,574)
=====	
REALIZED AND UNREALIZED GAIN ON INVESTMENTS, FOREIGN CURRENCY HOLDINGS AND OTHER ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES	

NET REALIZED GAIN	
Investments	11,397,110
Foreign currency transactions	12,285
NET CHANGE IN UNREALIZED APPRECIATION	
Investments and foreign currency holdings and other assets and liabilities denominated in foreign currencies	18,324,290

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS, FOREIGN CURRENCY HOLDINGS AND OTHER ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES	29,733,685

INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	29,644,111
=====	

See accompanying notes to financial statements.

-- 13 --

[GRAPHIC OMITTED]

JF CHINA REGION FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2003 (in US\$)	Year December (in

INCREASE (DECREASE) IN NET ASSETS		
Operations		
Net investment loss	(89,574)	(1
Net realized gain (loss) on investment		

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transactions	11,397,110	(4,3
Net realized gain (loss) on foreign currency transactions	12,285	(
Net change in unrealized appreciation on investments, foreign currency holdings and other assets and liabilities denominated in foreign currencies	18,324,290	1,4
<hr/>		
Net increase (decrease) in net assets resulting from operations	29,644,111	(3,1
<hr/>		
CAPITAL SHARES REPURCHASED	(10,191)	(7
<hr/>		
TOTAL INCREASE (DECREASE) IN NET ASSETS	29,633,920	(3,9
Net Assets:		
Beginning of year	34,248,715	38,1
<hr/>		
End of year	63,882,635	34,2
<hr/>		

See accompanying notes to financial statements.

-- 14 --

[GRAPHIC OMITTED]

JF CHINA REGION FUND, INC.

FINANCIAL HIGHLIGHTS

	For the Year Ended December 31, 2003 (in US\$)	For the Year Ended December 31, 2002 (in US\$)	For the Year Ended December 31, 2001 (in US\$)	For the Year Ended December 31, 2000 (in US\$)
<hr/>				
FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD:				
<hr/>				
Net asset value, beginning of year	7.47	8.14	9.34	11.78
<hr/>				
Net investment income (loss)	(0.02)	(0.04)	(0.11)	(0.06)
Net realized and unrealized gain (loss) on investment and				

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foreign currency- related transactions	6.48	(0.66)	(1.31)	(2.73)
Total from investment operations	6.46	(0.70)	(1.42)	(2.79)
Dividends from net investment income	--	--	--	--
Dilutive Effect of Capital shares repurchased	--*	0.03	0.22	0.35
NET ASSET VALUE, END OF YEAR	13.93	7.47	8.14	9.34
Market value, end of year	18.08	6.50	6.57	7.06
TOTAL INVESTMENT RETURN				
Per share market value	178.2%	(1.1%)	(6.9%)	(16.3%)
Per share net asset value	86.5%	(8.2%)	(12.8%)	(20.7%)
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of year	63,882,635	34,248,715	38,169,881	56,150,319
Ratios of total expenses to average net assets	2.54%	2.62%	3.51%+	2.02%
Ratios of net investment income (loss) to average net assets	(0.19%)	(0.44%)	(1.25%)	(0.36%)
Portfolio turnover rate	162.5%	245.0%	212.1%	94.8%
Number of shares outstanding at end of year (in thousands)	4,585	4,587	4,689	6,012

See accompanying notes to financial statements.

-- 15 --

[GRAPHIC OMITTED]

JF CHINA REGION FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

1. ORGANIZATION AND CAPITAL

JF China Region Fund, Inc. (formerly known as Jardine Fleming China Region Fund, Inc.) (the "Fund") was incorporated in the State of Maryland on May 22, 1992, and is registered as a non-diversified, closed-end management

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investment company under the Investment Company Act of 1940. The Fund commenced operations on July 16, 1992.

2. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies, which are in conformity with accounting principles generally accepted in the United States of America for investment companies, are consistently followed by the Fund in the preparation of its financial statements.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

I) SECURITY VALUATION

All securities for which market quotations are readily available are valued at the last sales price prior to the time of determination, or, if no sales price is available at that time, at the mean between the last current bid and asked prices. Securities that are traded over-the-counter are valued, if bid and asked quotations are available, at the mean between the current bid and asked prices. Investments in short-term debt securities having a maturity of 60 days or less are valued at amortized cost. All other securities and assets are valued at fair value as determined in good faith by the Board of Directors. In valuing the Fund's assets, quotations of foreign securities in a foreign currency are translated to U.S. dollar equivalents at the exchange rate in effect on the valuation date.

II) U.S. FEDERAL INCOME TAXES

No provision for federal income taxes is required since the Fund intends to continue to qualify as a regulated investment company under subchapter M of the Internal Revenue Code and distribute substantially all of its taxable income.

-- 16 --

[GRAPHIC OMITTED]

JF CHINA REGION FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003

At December 31, 2003, the components of net assets (excluding paid in capital) on a tax basis were as follows:

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Tax basis Ordinary Income.....	\$	0
Plus/Less:Cumulative Timing Differences...		(8,981)

Accumulated net investment loss.....	\$	(8,981)

Tax basis capital loss carryover.....	\$	(51,359,412)
Plus/Less:Cumulative Timing Differences...		(182,541)

Accumulated capital loss.....	\$	(51,541,953)

Book unrealized foreign exchange gain.....		1,636

Tax unrealized appreciation.....	\$	19,061,535
Plus/Less:Cumulative Timing Differences...		182,541

Unrealized appreciation.....		19,244,076

Net assets (excluding paid in capital).....	\$	(32,305,222)
	=====	

The differences between book and tax basis unrealized appreciation is primarily attributable to wash sales. The cumulative timing difference for the capital loss carryover is due to wash sales. The timing difference for ordinary income is due to post-October foreign exchange losses.

Net Asset Value.....	\$	63,882,635
Paid in Capital.....		(96,187,857)

Net assets (excluding paid in capital).....	\$	(32,305,222)
	=====	

As of December 31, 2003, the Fund has capital loss carryforwards for federal income tax purposes of \$51,359,412, of which \$32,292,614 expires in 2006, \$11,676,567 expires in 2007, \$3,780,058 expires in 2009 and \$3,610,173 expires in 2010. The Fund intends to retain gains realized in future periods that may be offset by available capital loss carryforward.

During the year ended December 31, 2003, the Fund reclassified \$12,285 from accumulated net realized loss on investments to accumulated net investment loss as a result of permanent book and tax differences relating primarily to realized foreign currency losses. The Fund also reclassified \$68,307 from accumulated net investment loss to paid-in capital as a result of permanent tax differences relating to the net operating loss for the year ended December 31, 2003. Net assets were not affected by the reclassifications. The Fund's realized foreign exchange losses incurred after October 31, 2003, but before December 31, 2003, are deemed to arise on the first business day of the following year. The Fund incurred and elected to defer such realized foreign exchange losses of \$8,981.

-- 17 --

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JF CHINA REGION FUND, INC.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III) FOREIGN CURRENCY TRANSLATION

The books and records of the Fund are maintained in United States dollars. Foreign currency amounts are translated into U.S. dollars at the mid-market price of such currencies against U.S. dollars as follows:

- o investments, other assets, and liabilities at the prevailing rates of exchange on the valuation date;
- o investment transactions and investment income at the prevailing rates of exchange on the dates of such transactions.

Although the net assets of the Fund are presented at the foreign exchange rates and market values at the close of the period, the Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of the securities held at period-end. Similarly, the Fund does not isolate the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of securities sold during the period. Accordingly, realized and unrealized foreign currency gains (losses) are included in the reported net realized and unrealized gains (losses) on investments.

Unrealized currency gains (losses) from valuing foreign currency denominated assets and liabilities at period-end exchange rates are reflected as a component of accumulated net unrealized gain (loss) on investments, foreign currency holdings, and other assets and liabilities denominated in foreign currencies.

IV) DISTRIBUTION OF INCOME AND GAINS

The Fund intends to distribute to shareholders, at least annually, substantially all of its net investment income and expects to distribute annually any net long-term capital gains in excess of net short-term capital losses. An additional distribution may be made to the extent necessary to avoid the payment of a 4% federal excise tax.

Income and capital gain distributions are determined in accordance with federal income tax regulations and may differ from those determined in accordance with generally accepted accounting principles.

V) OTHER

Security transactions are accounted for on trade date. Realized gains and losses on the sale of investment securities are determined on the identified cost basis. Interest income is recognized on the accrual basis. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Portfolio turnover rate is calculated by dividing the lesser of purchases or sales of investment securities having maturities greater than one year at the time of acquisition by the average monthly market value of those investment securities.

-- 18 --

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JF CHINA REGION FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

VI) RISKS AND UNCERTAINTIES

In the normal course of business, the Fund may enter into contracts that provide general indemnifications. The maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated; however, based on experience, the risk of any loss from such claims is considered remote.

3. INVESTMENT TRANSACTIONS

Consistent with its investment objective, the Fund engages in the following transactions practices. The investment objective, policies, program, and risk factors of the Fund are described more fully in the Fund's Prospectus.

I) FOREIGN TRANSACTIONS

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of U.S. dollar denominated transactions as a result of, among other factors, the level of governmental supervision and regulation of foreign securities markets and the possibility of political or economic instability.

II) OTHER

During the year ended December 31, 2003, the Fund made purchases of \$72,258,511 and sales of \$73,665,555 of investment securities other than short-term investments. There were no purchases or sales of U.S. government securities.

4. RELATED PARTY AND OTHER SERVICE PROVIDER TRANSACTIONS

I) JF International Management Inc. (formerly Jardine Fleming International Management Inc.) (the "Adviser") an indirect wholly-owned subsidiary of J.P. Morgan Chase & Co., provides investment advisory services to the Fund under the terms of an investment advisory agreement. The Advisor is paid a fee, computed weekly and payable monthly, at the annual rate of 1.00% of the Fund's weekly net assets.

II) PFPC Inc. (the "Administrator") provides administrative and accounting services to the Fund under an Administrative and Accounting Services Agreement. The Administrator receives a fee, payable monthly, at an annual rate of 0.135% of the first \$100 million, 0.095% of the next \$50 million, 0.08% of the next \$50 million and 0.065% of the excess

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over \$200 million of the Fund's average weekly net assets, subject to a minimum annual fee of \$138,000, plus reimbursement for certain out-of-pocket expenses.

- III) During the year ended December 31, 2003, the Fund paid \$34,241 in brokerage commissions to J.P. Morgan Chase Group companies, affiliated brokers/dealers.

-- 19 --

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JF CHINA REGION FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. CAPITAL SHARE TRANSACTIONS

During the year ended December 31, 2003, the Fund's Board of Directors authorized the Fund to purchase shares of its common stock from Fund shareholders, as described below. Any purchase of shares by the Fund has the effect of increasing the net asset value per share of the Fund's remaining shares outstanding. All shares purchased by the Fund are thereafter considered authorized and unissued.

I) SHARE REPURCHASE PROGRAM

The Fund was authorized to repurchase up to 460,761 shares (10% of its issued and outstanding shares) in the open market through July 22, 2003. Repurchases were made only when the Fund's shares were trading at less than net asset value and at such times and amounts as were believed to be in the best interest of the Fund's shareholders. On July 23, 2003, the Fund's Board of Directors approved a new 10% share repurchase program which authorized the Fund to repurchase up to 458,516 shares in the open market during 2003 and 2004.

During the year ended December 31, 2002, the Fund paid \$731,318 to repurchase 102,114 shares, at a per-share weighted average discount to net asset value of 14.85%.

During the year ended December 31, 2003, the Fund paid \$10,191 to repurchase 1,550 shares at a per-share weighted average discount to net asset value of 13.07%.

-- 20--

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JF CHINA REGION FUND, INC.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of
JF China Region Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the investment portfolio, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of JF China Region Fund, Inc. (formerly Jardine Fleming China Region Fund, Inc.) (the "Fund") at December 31, 2003, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2003 by correspondence with the custodian, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
February 13, 2004

-- 21 --

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JF CHINA REGION FUND, INC.

FUND MANAGEMENT

Information pertaining to the Directors and officers of the Fund is set forth below.

NUMBER O

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NAME, (DOB), ADDRESS AND POSITION(S) WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED 1	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	PORTFOLIOS FUND COMPL OVERSEEN DIRECTOR
DISINTERESTED DIRECTORS			
The Rt. Hon. The Earl of Cromer (June 3, 1946) 6 Sloane Terrace Mansions London, SW1X 9DG United Kingdom Chairman and Director, Class I	Since 1994	Chairman of the Board of the Fund; Chief Executive Officer of Cromer Associates Limited; Chairman of Lloyd George-Standard Chartered China Fund Limited and Philippine Discovery Investment Company Limited.	1
Alexander Reid Hamilton (October 4, 1941) P.O. Box 12343 General Post Office Hong Kong Director, Class I	Since 1994	Director of Citic Pacific Limited, Cosco Pacific Limited, Esprit Holdings Limited, Cosco International Holdings Limited, Shangri-La Asia Limited and Octopus Cards Limited.	1
Julian M. I. Reid (August 7, 1944) 10 Frere Felix de Valois Street Port Louis, Mauritius Director, Class III	Since 1998	Chief Executive Officer of 3a Asset Management Limited; Chairman of Saffron Fund, Inc.	1
INTERESTED DIRECTORS			
A. Douglas Eu (August 27, 1961) 21st Floor, Chater House 8 Connaught Road Central Hong Kong President, Treasurer and Director, Class II	Since 1997	Director, Chief Operations Officer and Secretary of the Investment Advisor; Chief Executive Officer of JF Funds; Director of JF Asset Management Limited and Ayudhaya JF Asset Management Limited.	1
Simon J. Crinage (May 10, 1965) Finsbury Dials 20 Finsbury Street London EC2Y 9AQ United Kingdom Director, Class III	Since 2003	Vice President, JPMorgan Fleming Asset Management since September 2000. Prior to that, Director of J.P. Morgan Asset Management (UK) Limited.	1
OFFICER(S) WHO ARE NOT DIRECTORS			
Lauren Pan (December 20, 1966) Secretary	Since 2001	Vice President of JF Asset Management Limited since July 2000. Prior to that, Manager of JF Asset Management Limited.	None

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JF CHINA REGION FUND, INC.

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

THE FUND OPERATES AN OPTIONAL DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (THE "PLAN") WHEREBY:

- a) shareholders may elect to receive dividend and capital gain distributions in the form of additional shares of the Fund (the Share Distribution Plan).
- b) shareholders may make optional payments (any amount between \$100 and \$3,000) which will be used to purchase additional shares in the open market (the Share Purchase Plan).

FOR A COPY OF THE PLAN BROCHURE, AS WELL AS A DIVIDEND REINVESTMENT AUTHORIZATION CARD, PLEASE CONTACT:

EquiServe Trust Company N.A.
(the Plan Agent):
P. O. Box 43010
Providence, RI 02940-3010
Telephone No: 800-426-5523 (toll-free)

The following should be noted with respect to the Plan:

If you participate in the Share Distribution Plan, whenever the Board of Directors of the Fund declares an income dividend or net capital gain distribution, you will automatically receive your distribution in newly issued shares (cash will be paid in lieu of fractional shares) if the market price of the shares on the date of the distribution is at or above the net asset value of the shares. The number of shares to be issued to you by the Fund will be determined by dividing the amount of the cash distribution to which you are entitled (net of any applicable withholding taxes) by the greater of the net asset value (NAV) per share on such date or 95% of the market price of a share on such date. If the market price of the shares on such a distribution date is below the NAV, the Plan Agent will, as agent for the participants, buy shares on the open market, on the New York Stock Exchange or elsewhere, for the participant's account on, or after, the payment date. There is no service charge for purchases under this Plan.

For U.S. federal income tax purposes, shareholders receiving newly issued shares pursuant to the Share Distribution Plan will be treated as receiving income or capital gains in an amount equal to the fair market value (determined as of the distribution date) of the shares received and will have a cost basis equal to such fair market value. Shareholders receiving a distribution in the form of shares purchased in the open market pursuant to the Plan will be treated as receiving a distribution of the cash distribution that such shareholder would have received had the shareholder not elected to have such distribution reinvested and will have a cost basis in such shares equal to the amount of the distribution.

There will be no brokerage charge to participants for shares issued directly by the Fund under the Plan. Each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases of shares in connection with the Plan. The Fund will pay the fees of the Plan Agent for handling the Plan.

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You may terminate your account under the Share Distribution Plan by notifying the Plan Agent in writing. The Plan may be terminated by the Plan Agent or the Fund with notice to you at least 30 days prior to any record date for the payment of any distribution by the Fund. Upon any termination, the Plan Agent will deliver a certificate or certificates for the full shares held for you under the Plan and a cash adjustment for any fractional shares.

You also have the option of instructing the Plan Agent to make semiannual cash purchases of shares in the open market. There is a service charge of \$1.25 for each purchase under this Share Purchase Plan.

-- 23 --

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JF CHINA REGION FUND, INC.

DIRECTORS AND ADMINISTRATION

OFFICERS AND DIRECTORS	THE RT. HON. THE EARL OF CROMER - DIRECTOR AND CHAIRMAN OF THE BOARD A. Douglas Eu - Director, President, and Treasurer Simon J. Crinage* - Director Alexander R. Hamilton - Director Julian M. I. Reid - Director Lauren Pan - Secretary
INVESTMENT ADVISER	JF INTERNATIONAL MANAGEMENT INC. P.O. Box 3151 Road Town, Tortola British Virgin Islands
ADMINISTRATOR	PFPC INC. 301 Bellevue Parkway Wilmington, Delaware 19809 U.S.A.
CUSTODIAN	CITIBANK N.A. NEW YORK: 111 Wall Street, 16th Floor New York, New York 10005 U.S.A. HONG KONG: Citibank Tower Citibank Plaza 3 Garden Road Hong Kong
INDEPENDENT AUDITORS	PRICEWATERHOUSECOOPERS LLP Two Commerce Square 2001 Market Street Philadelphia, Pennsylvania 19103 U.S.A.
LEGAL COUNSEL	CLEARY, GOTTlieb, STEEN & HAMILTON

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NEW YORK:
1 Liberty Plaza
New York, New York 10006
U.S.A.

HONG KONG:
Bank of China Tower
1 Garden Road
Hong Kong

REGISTRAR, TRANSFER AGENT, AND DIVIDEND PAYING AGENT	EQUISERVE TRUST COMPANY N.A. P. O. Box 43010 Providence, RI 02940-3010 U.S.A.
---	--

* DIRECTOR EFFECTIVE AUGUST 1, 2003.

NOTICE IS HEREBY GIVEN IN ACCORDANCE WITH SECTION 23(C) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, THAT FROM TIME TO TIME THE FUND MAY PURCHASE SHARES OF ITS COMMON STOCK IN THE OPEN MARKET.

-- 24 --

ITEM 2. CODE OF ETHICS.

- (a) The registrant, as of the end of the period covered by this report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.
- (b) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, and that relates to any element of the code of ethics description.
- (c) The registrant has not granted any waivers, including an implicit waiver, from a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this item's instructions.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Registrant's Board of Directors has determined that it does not have an "audit committee financial expert" serving on its audit committee. While Registrant believes that each of the members of its audit committee has sufficient knowledge of accounting principles and financial statements to serve on the audit committee, none has the requisite experience to qualify as an "audit committee financial expert" as such term is defined by the Securities and Exchange Commission.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

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- (a) The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were \$33,750 for 2002 and \$35,000 for 2003.
- (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item were \$3,250 for 2002 and \$0 for 2003.
- (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning were \$0 for 2002 and \$0 for 2003.
- (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item were \$0 for 2002 and \$0 for 2003.
- (e) (1) Disclose the audit committee's pre-approval policies and procedures described in paragraph (c) (7) of Rule 2-01 of Regulation S-X.

The registrant's Audit Committee shall pre-approve, to the extent required by applicable law, all audit and non-audit services that the registrant's independent auditors provide to the registrant and (ii) all non-audit services that the registrant's independent auditors provide to the registrant's investment adviser and any entity controlling, controlled by, or under common control with the registrant's investment adviser that provides ongoing services to the registrant, if the engagement relates directly to the operations and financial reporting of the registrant.

- (e) (2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the audit committee pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X are as follows:

(b) 100%

(c) Not applicable.

(d) Not applicable.

- (f) The percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was zero percent (0%)
- (g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services

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to the registrant for each of the last two fiscal years of the registrant was \$0 for 2002 and \$0 for 2003.

- (h) The registrant's audit committee of the board of directors HAS considered whether the provision of non-audit services that were rendered to the registrant's investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. [RESERVED]

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

GLOBAL PROXY VOTING PROCEDURES AND GUIDELINES

2003 EDITION

JULY 1, 2003

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JPMORGAN Fleming
Asset Management
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JPMORGAN Fleming
Asset Management
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TABLE OF CONTENTS- GLOBAL

PART I: JPMORGAN FLEMING ASSET MANAGEMENT GLOBAL PROXY-VOTING PROCEDURES

A.	OBJECTIVE.....	3
B.	PROXY COMMITTEE.....	3
C.	THE PROXY VOTING PROCESS.....	3-4
D.	MATERIAL CONFLICTS OF INTEREST.....	4-5
E.	ESCALATION OF MATERIAL CONFLICTS OF INTEREST.....	5

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F.	RECORDKEEPING.....	5
	EXHIBIT A.....	6

PART II: JPMORGAN FLEMING ASSET MANAGEMENT GLOBAL PROXY-VOTING GUIDELINES

A.	NORTH AMERICA.....	8-20
	Table of Contents.....	9-10
	Guidelines.....	11-20
B.	EUROPE, MIDDLE EAST, AFRICA, CENTRAL AMERICA AND SOUTH AMERICA.....	21-31
	Table of Contents.....	22
	Guidelines.....	23-31
C.	ASIA (EX-JAPAN).....	32-33
D.	JAPAN.....	34-35

2

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PART I: JP MORGAN FLEMING ASSET MANAGEMENT PROXY VOTING PROCEDURES

A. OBJECTIVE

As an investment adviser within JPMorgan Fleming Asset Management, each of the entities listed on Exhibit A attached hereto (each referred to individually as a "JPMFAM Entity" and collectively as "JPMFAM") may be granted by its clients the authority to vote the proxies of the securities held in client portfolios. In such cases, JPMFAM's objective is to vote proxies in the best interests of its clients. To further that objective, JPMFAM adopted these Procedures.

These Procedures incorporate detailed guidelines for voting proxies on specific types of issues (the "Guidelines"). The Guidelines have been developed and approved by the relevant Proxy Committee (as defined below) with the objective of encouraging corporate action that enhances shareholder value. Because proxy proposals and individual company facts and circumstances may vary, JPMFAM may not always vote proxies in accordance with the Guidelines.

B. PROXY COMMITTEE

To oversee the proxy-voting process on an on-going basis, a Proxy Committee will be established for each global location where proxy-voting decisions are made. Each Proxy Committee will be composed of a Proxy Administrator (as defined below) and senior officers from among the Investment, Legal, Compliance and Risk Management Departments. The primary functions of each Proxy Committee are to periodically review general proxy-voting matters; review and approve the Guidelines annually; and provide advice and recommendations on general proxy-voting matters as well as on specific voting issues to be implemented by the relevant JPMFAM Entity. The Proxy

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Committee may delegate certain of its responsibilities to subgroups composed of Proxy Committee members. The Proxy Committee meets at least semi-annually, or more frequently as circumstances dictate.

C. THE PROXY VOTING PROCESS

JPMFAM investment professionals monitor the corporate actions of the companies held in their clients' portfolios. To assist JPMFAM investment professionals with public companies' proxy voting proposals, a JPMFAM Entity may, but shall not be obligated to, retain the services of an independent proxy voting service ("Independent Voting Service"). The Independent Voting Service is assigned responsibility for various functions, which may include one or more of the following: coordinating with client custodians to ensure that all proxy materials are processed in a timely fashion; providing JPMFAM with a comprehensive analysis of each proxy proposal and providing JPMFAM with recommendations on how to vote each proxy proposal based on the Guidelines or, where no Guideline exists or where the Guidelines require a case-by-case analysis, on the Independent Voting Service's analysis; and executing the voting of the proxies in accordance with Guidelines and its recommendation, except when a recommendation is overridden by JPMFAM, as described below. If those functions are not assigned to an Independent Voting Service, they are performed or coordinated by a Proxy Administrator (as defined below).

Situations often arise in which more than one JPMFAM client invests in the same company or in which a single client may invest in the same company but in multiple accounts. In those situations, two or more clients, or one client with different accounts, may be invested in strategies having different investment objectives, investment styles, or portfolio managers. As a result, JPMFAM may

3

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cast different votes on behalf of different clients or on behalf of the same client with different accounts.

C. THE PROXY VOTING PROCESS - CONTINUED

Each JPMFAM Entity appoints a JPMFAM professional to act as a proxy administrator ("Proxy Administrator") for each global location of such entity where proxy-voting decisions are made. The Proxy Administrators are charged with oversight of these Procedures and the entire proxy-voting process. Their duties, in the event an Independent Voting Service is retained, include the following: evaluating the quality of services provided by the Independent Voting Service; escalating proposals identified by the Independent Voting Service as non-routine, but for which a Guideline exists (including, but not limited to, compensation plans, anti-takeover proposals, reincorporation, mergers, acquisitions and proxy-voting contests) to the attention of the appropriate investment professionals and confirming the Independent Voting Service's recommendation with the appropriate JPMFAM investment professional (documentation of those confirmations will be retained by the appropriate Proxy Administrator); escalating proposals identified by the Independent Voting Service as not

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being covered by the Guidelines (including proposals requiring a case-by-case determination under the Guidelines) to the appropriate investment professional and obtaining a recommendation with respect thereto; reviewing recommendations of JPMFAM investment professionals with respect to proposals not covered by the Guidelines (including proposals requiring a case-by-case determination under the Guidelines) or to override the Guidelines (collectively, "Overrides"); referring investment considerations regarding Overrides to the Proxy Committee, if necessary; determining, in the case of Overrides, whether a material conflict, as described below, exists; escalating material conflicts to the Proxy Committee; and maintaining the records required by these Procedures.

In the event investment professionals are charged with recommending how to vote the proxies, the Proxy Administrator's duties include the following: reviewing recommendations of investment professionals with respect to Overrides; referring investment considerations regarding such Overrides to the Proxy Committee, if necessary; determining, in the case of such Overrides, whether a material conflict, as described below, exists; escalating material conflicts to the Proxy Committee; and maintaining the records required by these Procedures.

IN THE EVENT A JPMFAM INVESTMENT PROFESSIONAL MAKES A RECOMMENDATION IN CONNECTION WITH AN OVERRIDE, THE INVESTMENT PROFESSIONAL MUST PROVIDE THE APPROPRIATE PROXY ADMINISTRATOR WITH A WRITTEN CERTIFICATION ("CERTIFICATION") WHICH SHALL CONTAIN AN ANALYSIS SUPPORTING HIS OR HER RECOMMENDATION AND A CERTIFICATION THAT HE OR SHE (A) RECEIVED NO COMMUNICATION IN REGARD TO THE PROXY THAT WOULD VIOLATE EITHER THE J.P. MORGAN CHASE ("JPMC") SAFEGUARD POLICY (AS DEFINED BELOW) OR WRITTEN POLICY ON INFORMATION BARRIERS, OR RECEIVED ANY COMMUNICATION IN CONNECTION WITH THE PROXY SOLICITATION OR OTHERWISE THAT WOULD SUGGEST THE EXISTENCE OF AN ACTUAL OR POTENTIAL CONFLICT BETWEEN JPMFAM'S INTERESTS AND THAT OF ITS CLIENTS AND (B) WAS NOT AWARE OF ANY PERSONAL OR OTHER RELATIONSHIP THAT COULD PRESENT AN ACTUAL OR POTENTIAL CONFLICT OF INTEREST WITH THE CLIENTS' INTERESTS.

D. MATERIAL CONFLICTS OF INTEREST

The U.S. Investment Advisers Act of 1940 requires that the proxy-voting procedures adopted and implemented by a U.S. investment adviser include procedures that address material conflicts of interest that may arise between the investment adviser's interests and those of its clients. To address such material potential conflicts of interest, JPMFAM relies on certain policies and procedures. In order to maintain the integrity and independence of JPMFAM's investment processes and decisions,

4

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including proxy-voting decisions, and to protect JPMFAM's decisions from influences that could lead to a vote other than in its clients' best interests, JPMC (including JPMFAM) adopted a Safeguard Policy, and established formal informational barriers designed to restrict the flow of information from JPMC's securities, lending, investment banking and other divisions to JPMFAM investment professionals. The information barriers include, where appropriate: computer firewalls; the establishment of

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separate legal entities; and the physical separation of employees from separate business divisions. Material conflicts of interest are further avoided by voting in accordance with JPMFAM's predetermined Guidelines. When an Override occurs, any potential material conflict of interest that may exist is analyzed in the process outlined in these Procedures.

D. MATERIAL CONFLICTS OF INTEREST - CONTINUED

Examples of such material conflicts of interest that could arise include circumstances in which: (i) management of a JPMFAM investment management client or prospective client, distributor or prospective distributor of its investment management products, or critical vendor, is soliciting proxies and failure to vote in favor of management may harm JPMFAM's relationship with such company and materially impact JPMFAM's business; or (ii) a personal relationship between a JPMFAM officer and management of a company or other proponent of a proxy proposal could impact JPMFAM's voting decision.

E. ESCALATION OF MATERIAL CONFLICTS OF INTEREST

When an Override occurs, the investment professional must complete the Certification and the Proxy Administrator will review the circumstances surrounding such Certification. When a potential material conflict of interest has been identified, the Proxy Administrator, in consultation with a subgroup of the Proxy Committee, will evaluate the potential conflict and determine whether an actual material conflict of interest exists. That subgroup shall include a Proxy Committee member from the Investment Department and one or more Proxy Committee members from the Legal, Compliance or Risk Management Departments. In the event that the Proxy Administrator and the subgroup of the Proxy Committee determine that an actual material conflict of interest exists, they shall make a recommendation on how the relevant JPMFAM Entity shall vote the proxy. Sales and marketing professionals will be precluded from participating in the decision-making process.

Depending upon the nature of the material conflict of interest, JPMFAM, in the course of addressing the material conflict, may elect to take one or more of the following measures, or other appropriate action:

- o removing certain JPMFAM personnel from the proxy voting process;
- o "walling off" personnel with knowledge of the material conflict to ensure that such personnel do not influence the relevant proxy vote;
- o voting in accordance with the applicable Guidelines, if any, if the application of the Guidelines would objectively result in the casting of a proxy vote in a predetermined manner; or
- o deferring the vote to the Independent Voting Service, if any, which will vote in accordance with its own recommendation.

The resolution of all potential and actual material conflict issues will be documented in order to demonstrate that JPMFAM acted in the best interests of its clients.

F. RECORDKEEPING

JPMFAM is required to maintain in an easily accessible place for seven (7) years all records relating to the proxy voting process. Those records include the following:

- o a copy of the JPMFAM Proxy Voting Procedures and Guidelines;
- o a copy of each proxy statement received on behalf of JPMFAM clients;

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- o a record of each vote cast on behalf of JPMFAM client holdings;
- o a copy of all documents created by JPMFAM personnel that were material to making a decision on the voting of client securities or that memorialize the basis of the decision; and
- o a copy of each written request by a client for information on how JPMFAM voted proxies on behalf of the client, as well as a copy of any written response by JPMFAM to any request by a JPMFAM client for information on how JPMFAM voted proxies on behalf of our client.

It should be noted that JPMFAM reserves the right to use the services of the Independent Voting Service to maintain certain required records in accordance with all applicable regulations.

EXHIBIT A

J.P. Morgan Investment Management, Inc.
J.P. Morgan Fleming Asset Management (USA) Inc.
Robert Fleming Inc.
J.P. Morgan Fleming Asset Management (London) Limited
J.P. Morgan Fleming Asset Management (UK) Limited
JF International Management Inc.
JF Asset Management Limited
JF Asset Management (Singapore) Limited

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PART II: PROXY VOTING GUIDELINES

JPMFAM is a global asset management organization with the capabilities to invest in securities of issuers located around the globe. Because the regulatory framework and the business cultures and practices vary from region to region, our proxy voting guidelines have been customized for each region to take into account such variations.

JPMFAM currently has four sets of proxy voting guidelines covering the regions of (1) North America, (2) Europe, Middle East, Africa, Central America and South America (3) Asia (ex-Japan) and (4) Japan, respectively. Notwithstanding the variations among the guidelines, all of these guidelines have been designed with the uniform objective of encouraging corporate action that enhances shareholder value. As a general rule, in voting proxies of a particular security, each

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JPMFAM Entity will apply the guidelines of the region in which the issuer of such security is organized.

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PART II.A: NORTH AMERICA PROXY VOTING GUIDELINES

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PART II.A: NORTH AMERICA GUIDELINES TABLE OF CONTENTS

1.	UNCONTESTED DIRECTOR ELECTIONS.....	11
2.	PROXY CONTESTS.....	11
	a. Election of Directors.....	11
	b. Reimburse Proxy Solicitation Expenses.....	11
3.	RATIFICATION OF AUDITORS.....	11
4.	PROXY CONTEST DEFENSES.....	12-13
	a. Board Structure: Staggered vs. Annual Elections.....	12
	b. Shareholder Ability to Remove Directors.....	12
	c. Cumulative Voting.....	12
	d. Shareholder Ability to Call Special Meeting.....	13
	e. Shareholder Ability to Act by Written Consent.....	13
	f. Shareholder Ability to Alter the Size of the Board.....	13
5.	TENDER OFFER DEFENSES.....	13-14
	a. Poison Pills.....	13
	b. Fair Price Provisions.....	13
	c. Greenmail.....	13
	d. Unequal Voting Rights.....	13
	e. Supermajority Shareholder Vote Requirement to Amend Charter or Bylaws.....	13
	f. Supermajority Shareholder Vote Requirement to Approve Mergers.....	14
6.	MISCELLANEOUS BOARD PROVISIONS.....	14
	a. Separate Chairman and CEO Positions.....	14
	b. Lead Directors and Executive Sessions.....	14
	c. Majority of Independent Directors.....	14
	d. Stock Ownership Requirements.....	14
	e. Term of Office.....	14
	f. Director and Officer Indemnification and Liability Protection.....	14

9

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g. Board Size.....	14
7. MISCELLANEOUS GOVERNANCE PROVISIONS.....	15
a. Independent Nominating Committee.....	15
b. Confidential Voting.....	15
c. Equal Access.....	15
d. Bundled Proposals.....	15
e. Charitable Contributions.....	15
f. Date/Location of Meeting.....	15
g. Include Nonmanagement Employees on Board.....	15
h. Adjourn Meeting if Votes are Insufficient.....	15
i. Other Business.....	15
j. Disclosure of Shareholder Proponents.....	15
8. CAPITAL STRUCTURE.....	15-16
a. Common Stock Authorization.....	15
b. Stock Distributions: Splits and Dividends.....	16
c. Reverse Stock Splits.....	16
d. Blank Check Preferred Authorization.....	16
e. Shareholder Proposals Regarding Blank Check Preferred Stock.....	16
f. Adjustments to Par Value of Common Stock.....	16
g. Restructurings/Recapitalizations.....	16
h. Share Repurchase Programs.....	16
i. Targeted Share Placements.....	16

PART II.A: NORTH AMERICA GUIDELINES TABLE OF CONTENTS

9. EXECUTIVE AND DIRECTOR COMPENSATION.....	17-18
a. Stock-based Incentive Plans.....	17
b. Approval of Cash or Cash-and-Stock Bonus Plans.....	17
c. Shareholder Proposals to Limit Executive and Director Pay.....	17
d. Golden and Tin Parachutes.....	17
e. 401(k) Employee Benefit Plans.....	17
f. Employee Stock Purchase Plans.....	17
g. Option Expensing.....	18
h. Options Repricing.....	18
i. Stock Holding Periods.....	18
10. INCORPORATION.....	18
a. Reincorporation Outside of the United States.....	18
b. Voting on State Takeover Statutes.....	18
c. Voting on Reincorporation Proposals.....	18
11. MERGERS AND CORPORATE RESTRUCTURINGS.....	18-19
a. Mergers and Acquisitions.....	18
b. Nonfinancial Effects of a Merger or Acquisition.....	18
c. Corporate Restructuring.....	18
d. Spin-offs.....	18
e. Asset Sales.....	18
f. Liquidations.....	18
g. Appraisal Rights.....	19
h. Changing Corporate Name.....	19
12. SOCIAL AND ENVIRONMENTAL ISSUES.....	19-20
a. Energy and Environment.....	19

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b. Northern Ireland.....	19
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10

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c. Military Business.....	19
d. International Labor Organization Code of Conduct.....	19
e. Promote Human Rights in China, Nigeria, and Burma.....	19
f. World Debt Crisis.....	19
g. Equal Employment Opportunity and Discrimination.....	19
h. Animal Rights.....	19
i. Product Integrity and Marketing.....	19
j. Human Resources Issues.....	20
k. Link Executive Pay with Social and/or Environmental Criteria.....	20
13. FOREIGN PROXIES.....	20
14. PRE-SOLICITATION CONTACT.....	20

PART II.A: NORTH AMERICA GUIDELINES

1. UNCONTESTED DIRECTOR ELECTIONS

Votes on director nominees should be made on a CASE-BY-CASE (for) basis.
Votes generally will be WITHHELD from directors who:

- 1) attend less than 75 percent of the board and committee meetings without a valid excuse for the absences; or
- 2) implement or renew a dead-hand or modified dead-hand poison pill; or
- 3) are inside or affiliated outside directors and sit on the audit, compensation, or nominating committees; or
- 4) ignore a shareholder proposal that is approved by a i) majority of the shares outstanding, or ii) majority of the votes cast for two consecutive years; or
- 5) are inside or affiliated outside directors and the full board serves as the audit, compensation, or nominating committee or the company does not have one of these committees.

Special attention will be paid to companies that display a chronic lack of shareholder accountability.

2. PROXY CONTESTS

2A. ELECTION OF DIRECTORS

Votes in a contested election of directors must be evaluated on a CASE-BY-CASE basis, considering the following factors: long-term financial performance of the subject company relative to its industry; management's track record; background to the proxy contest; qualifications of director

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nominees (both slates); evaluation of what each side is offering shareholders as well as the likelihood that the proposed objectives and goals can be met; and stock ownership positions.

2B. REIMBURSE PROXY SOLICITATION EXPENSES

Decisions to provide full reimbursement for dissidents waging a proxy contest should be made on a CASE-BY-CASE basis.

3. RATIFICATION OF AUDITORS

Vote FOR proposals to ratify auditors, unless an auditor has a financial interest in or association with the company, and is therefore not independent; or there is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position.

Generally vote AGAINST auditor ratification and WITHHOLD votes from Audit Committee members if non-audit fees exceed audit fees.

Generally vote FOR shareholder proposals asking for audit firm rotation unless the rotation period is so short (less than five years) that it would be unduly burdensome to the company.

4. PROXY CONTEST DEFENSES

4A. BOARD STRUCTURE: STAGGERED VS. ANNUAL ELECTIONS

Proposals regarding classified boards will be voted on a CASE-BY-CASE basis. Classified boards normally will be supported if the company's governing documents contain each of the following provisions:

- 1) Majority of board composed of independent directors,
- 2) Nominating committee composed solely of independent directors,
- 3) Do not require more than a two-thirds shareholders' vote to remove a director, revise any bylaw or revise any classified board provision,
- 4) Confidential voting (however, there may be a provision for suspending confidential voting during proxy contests),
- 5) Ability of shareholders to call special meeting or to act by written consent with 90 days' notice,
- 6) Absence of superior voting rights for one or more classes of stock,
- 7) Board does not have the sole right to change the size of the board beyond a stated range that has been approved by shareholders, and
- 8) Absence of shareholder rights plan that can only be removed by the incumbent directors (dead-hand poison pill).

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4B. SHAREHOLDER ABILITY TO REMOVE DIRECTORS

Vote AGAINST proposals that provide that directors may be removed ONLY for cause.

Vote FOR proposals to restore shareholder ability to remove directors with or without cause.

Vote AGAINST proposals that provide that only continuing directors may elect replacements to fill board vacancies.

Vote FOR proposals that permit shareholders to elect directors to fill board vacancies.

4C. CUMULATIVE VOTING

Cumulative voting proposals will be voted on a CASE-BY-CASE basis. If there are other safeguards to ensure that shareholders have reasonable access and input into the process of nominating and electing directors, cumulative voting is not essential. Generally, a company's governing documents must contain the following provisions for us to vote against restoring or providing for cumulative voting:

- 1) Annually elected board,
- 2) Majority of board composed of independent directors,
- 3) Nominating committee composed solely of independent directors,
- 4) Confidential voting (however, there may be a provision for suspending confidential voting during proxy contests),
- 5) Ability of shareholders to call special meeting or to act by written consent with 90 days' notice,
- 6) Absence of superior voting rights for one or more classes of stock,
- 7) Board does not have the sole right to change the size of the board beyond a stated range that has been approved by shareholders, and
- 8) Absence of shareholder rights plan that can only be removed by the incumbent directors (dead- hand poison pill).

4D. SHAREHOLDER ABILITY TO CALL SPECIAL MEETING

Vote AGAINST proposals to restrict or prohibit shareholder ability to call special meetings. The ability to call special meetings enables shareholders to remove directors or initiate a shareholder resolution without having to wait for the next scheduled meeting.

Vote FOR proposals that remove restrictions on the right of shareholders to act independently of management.

4E. SHAREHOLDER ABILITY TO ACT BY WRITTEN CONSENT

We generally vote FOR proposals to restrict or prohibit shareholder ability to take action by written consent. The requirement that all shareholders be given notice of a shareholders' meeting and matters to be discussed therein

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seems a reasonable protection of minority shareholder rights.

We generally vote AGAINST proposals to allow or facilitate shareholder action by written consent.

4F. SHAREHOLDER ABILITY TO ALTER THE SIZE OF THE BOARD

Vote FOR proposals that seek to fix the size of the board.

Vote AGAINST proposals that give management the ability to alter the size of the board without shareholder approval.

5. TENDER OFFER DEFENSES

5A. POISON PILLS

13

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Vote FOR shareholder proposals that ask a company to submit its poison pill for shareholder ratification.

Review on a CASE-BY-CASE basis shareholder proposals to redeem a company's poison pill. Studies indicate that companies with a rights plan secure higher premiums in hostile takeover situations.

Review on a CASE-BY-CASE basis management proposals to ratify a poison pill. We generally look for shareholder friendly features including a two-to three-year sunset provision, a permitted bid provision, a 20 percent or higher flip-in provision, and the absence of dead-hand features.

5B. FAIR PRICE PROVISIONS

Vote proposals to adopt fair price provisions on a CASE-BY-CASE basis, evaluating factors such as the vote required to approve the proposed acquisition, the vote required to repeal the fair price provision, and the mechanism for determining the fair price.

Generally, vote AGAINST fair price provisions with shareholder vote requirements greater than a majority of disinterested shares.

5C. GREENMAIL

Vote FOR proposals to adopt antigreenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments.

5D. UNEQUAL VOTING RIGHTS

Generally, vote AGAINST dual-class recapitalizations as they offer an effective way for a firm to thwart hostile takeovers by concentrating voting power in the hands of management or other insiders.

Vote FOR dual-class recapitalizations when the structure is designed to protect economic interests of investors.

5E. SUPERMAJORITY SHAREHOLDER VOTE REQUIREMENT TO AMEND CHARTER OR BYLAWS

Vote AGAINST management proposals to require a supermajority shareholder vote to approve charter and bylaw amendments. Supermajority provisions violate the principle that a simple majority of voting shares should be all

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that is necessary to effect change regarding a company.

Vote FOR shareholder proposals to lower supermajority shareholder vote requirements for charter and bylaw amendments.

5F. SUPERMAJORITY

SHAREHOLDER VOTE REQUIREMENT TO APPROVE MERGERS

Vote AGAINST management proposals to require a supermajority shareholder vote to approve mergers and other significant business combinations.

Supermajority provisions violate the principle that a simple majority of voting shares should be all that is necessary to effect change regarding a company.

Vote FOR shareholder proposals to lower supermajority shareholder vote requirements for mergers and other significant business combinations.

6. MISCELLANEOUS BOARD PROVISIONS

6A. SEPARATE CHAIRMAN AND CEO POSITIONS

We will generally vote FOR proposals looking to separate the CEO and Chairman roles.

6B. LEAD DIRECTORS AND EXECUTIVE SESSIONS

In cases where the CEO and Chairman roles are combined, we will vote FOR the appointment of a "lead" (non-insider) director and for regular "executive" sessions (board meetings taking place wi