

JF CHINA REGION FUND, INC.

FOR IMMEDIATE RELEASE

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JF CHINA REGION FUND, INC. UPDATES MERGER PROPOSALS PUT TO THE BOARD OF THE GREATER CHINA FUND, INC - BOSTON, MA, OCTOBER 23, 2012

The Board of the JF China Region Fund, Inc. (NYSE: JFC or Fund) announces that it has consulted with a number of The Greater China Fund, Inc. (GCH) shareholders regarding the merger proposals announced by JFC on August 2, 2012 and September 25, 2012. Following this consultation exercise, the JFC Board believes that there is significant GCH shareholder support for the proposal to merge GCH into JFC. The JFC Board continues to believe that the merger proposals are in the best interests of its shareholders as a whole and further offer significant potential benefits to GCH's shareholders including:

- A post merger tender offer that would provide shareholders with the choice of exiting a portion of their holding at close to net asset value or continuing with their investment. Such a tender offer would help address market perceptions that there is an oversupply of Chinese product in the US closed-end fund sector;
- Access to an investment mandate differentiated through the inclusion of direct China A-share investments (subject to necessary regulatory approvals), the ability to utilize leverage and greater exposure to mid and small cap companies which JFC would seek to maintain for the enlarged fund at levels similar to those currently in place for JFC;
- A commitment to an enhanced ongoing share repurchase program and/or other measure(s), during normal market conditions, in an effort to reduce discount levels of the enlarged JFC;
- An open and transparent Board that operates to high corporate governance standards, offers regular and proactive engagement, has good working relationships with, and is responsive to, its shareholders;

- A solution to the apparent “stalemate” between GCH and its shareholders which should not trigger a tax event; and
- Access to J.P. Morgan’s well resourced and experienced Greater China investment team managing in excess of USD 5.7bn in that space.

Given the apparent level of support indicated by GCH shareholders in favor of the merger proposals, the JFC Board urges the GCH Board to review its stance on the merger proposals, consult with GCH shareholders and enter into a dialogue with JFC to give effect to the wishes of many GCH shareholders.

The JFC Board is confident that its Investment Advisor, JF International Management, Inc., (JFIMI) has the resources and capabilities to manage an enlarged fund while maintaining JFC’s differentiated investment mandate. In forming this view the Board has taken account of the following factors:

- **Experience & Resource.** JFIMI is part of J.P. Morgan Asset Management (JPMAM), the brand name for J.P. Morgan Chase & Co’s global asset management business, which has managed money in Asia for over 40 years and is one of Asia’s largest, most successful asset management companies. JPMAM has 67 investment professionals in Asia managing approximately USD 44.7bn as at September 30th, 2012.

JPMAM’s core Greater China team consists of 6 fund managers, supported by a network of 16 fund managers and 27 analysts in the Shanghai based joint venture enterprise, China International Fund Management Co. Ltd (CIFM), as well as a team of 7 equity investment professionals located in Taipei, all of whom are organized into country / industry matrices for research coverage. The core Greater China team manages USD 5.7bn, as at September 30th, 2012, of dedicated assets invested in the Greater China markets. The JFC Board has been assured by its Investment Advisor that the enlarged fund would not present any resourcing or capacity issues.

- **Direct China A-shares.** JFC currently has a USD 20m, renminbi denominated, direct China A-share allocation, which equates to approximately 20% of the Fund’s current net asset value. The Board will seek to maintain a similar percentage level of investment in direct China A-shares in the enlarged fund over time, subject to necessary regulatory approvals (which cannot be assured).

JPMAM is a pioneer in direct China A-share investment by foreign investors. It was one of the first Qualified Foreign Institutional Investors to receive regulatory approvals to invest in the domestic China A-share market in 2006. In terms of the research capability in the domestic A-shares market, JPMAM’s joint venture in China, CIFM, is one of the largest foreign asset managers in China. CIFM has a large team of 43 investment professionals dedicated to researching and managing domestic China

investments. It exchanges investment ideas on a regular basis with the Hong Kong-based Greater China team.

- **Mid and small capitalization exposure.** JFC has recently adopted a focus on investing in mid and small capitalization stocks. The Investment Advisor does not believe that the enlarged fund would present any capacity constraints in maintaining a similar weighting in mid and small capitalization stocks.
- **Leverage.** JFC currently has a finance arrangement in place with Scotiabank (Ireland) Limited (SIL). Under this arrangement, SIL provides a secured committed credit facility to the Fund in the aggregate amount of USD 17.5m. The financing arrangement gives the Investment Advisor the flexibility to tactically manage borrowed monies at its discretion and under the close supervision of the Board. The Board would seek to maintain a similar percentage level of potential borrowing for the enlarged fund. The Fund has the ability to leverage up to 20% of NAV.

The Board is further mindful of the following additional qualities of the Investment Advisor and its affiliates:

- **Closed-end fund expertise.** J.P. Morgan Asset Management has over 125 years of closed-end fund management experience with an award winning dedicated, experienced and well resourced closed-end fund team.
- **Shareholder engagement.** Through regular and active dialogue the Investment Advisor seeks to maintain a professional and good working relationship with the Fund's shareholders.

The Board of JFC may make a further announcement in due course, as appropriate. There is, however, no guarantee that any acquisition, merger or reorganization transaction will proceed, and any transaction proposed may materially differ from the terms outlined above.

The JF China Region Fund (the "Fund") is a non-diversified, closed-end management investment company whose shares are traded on the New York Stock Exchange under the symbol "JFC." For more information please refer to the Fund's website: www.jfchinaregion.com

Certain of the statements contained in this press release are forward-looking and reflect the Fund's expectations regarding the Fund's future investments, turnover, regulatory approvals, capital raising, performance, investment strategy and business based on information currently available to the Fund. Forward-looking statements are provided to present information about the Fund's current expectations and plans relating to the future and readers are cautioned that these types of statements may not be appropriate for other purposes. These statements use forward-looking words, such as "expect," "could," "may," "likely," "undertake," "will," "believe" or other similar words.

Potential investors should consider the Fund's investment objectives, risks, charges and expenses before investing. This information is available in the Fund's Prospectus and most recent Annual Report & Accounts to December 31, 2011, which are available on the Fund's website at www.jfchinaregion.com. These documents should be read carefully before making any decision to invest.

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, Hong Kong, Taiwan and Macau - collectively, the China Region or Greater China region.

J.P. Morgan Fund Services, in Boston, MA is the Fund's accounting and administrative agent.