

April 28, 2017

- The Asia Pacific Fund Inc. (the "Fund") is a diversified, closed-end management investment company which primarily invest in equity securities of companies in various Asia Pacific countries, excluding Japan.
- Investing in foreign and emerging market securities involve risks related to adverse political and economic developments unique to a country or a region and currency exchange fluctuations.
- The Fund may also invest in products that involve additional risks such as participatory notes which may involve liquidity, tax and counterparty risk and derivative transactions which could expose the Fund to the effects of leverage and magnify potential losses.

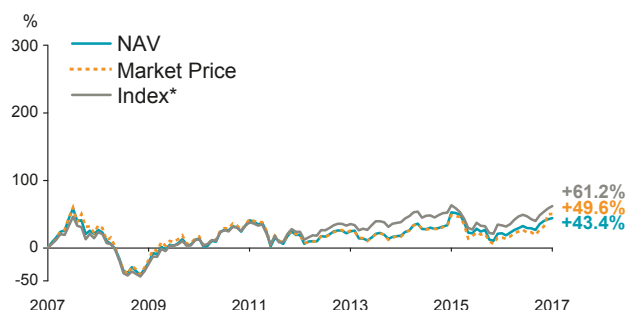
Investment objective

The Fund aims to achieve long-term capital appreciation through investment primarily in equity securities in the Asia Pacific countries (excluding Japan). There is no guarantee the Fund's objective will be achieved.

Fund structure

The Fund is registered under the Investment Company Act of 1940 as a diversified, closed-end management investment company.

Ten years performance¹



Total return performance as of Apr 28, 2017¹

	NAV	Market Price	Index*
One month	+1.2%	+0.2%	+2.2%
Year-to-date	+13.8%	+26.1%	+15.9%
One year	+18.4%	+30.4%	+21.5%
Three years (p.a.)	+6.9%	+8.8%	+5.5%
Five years (p.a.)	+3.8%	+4.7%	+5.5%
Ten years (p.a.)	+3.7%	+4.1%	+4.9%

Total return performance as of Mar 31, 2017¹

	NAV	Market Price	Index*
Year-to-date	+12.5%	+25.8%	+13.4%
One year	+17.7%	+30.0%	+17.8%
Three years (p.a.)	+6.7%	+8.4%	+5.0%
Five years (p.a.)	+3.6%	+4.5%	+5.1%
Ten years (p.a.)	+4.0%	+4.7%	+5.0%

Calendar year performance¹

Year	NAV	Market Price	Index*
2011	-19.9%	-21.3%	-17.1%
2012	+17.6%	+15.1%	+22.7%
2013	-3.9%	-2.9%	+3.3%
2014	+7.2%	+7.3%	+5.1%
2015	-1.2%	-5.9%	-8.9%
2016	+0.0%	-1.4%	+5.8%
2017 (YTD)	+13.8%	+26.1%	+15.9%

Past performance does not guarantee future results and current performance may be lower or higher than the past performance data quoted. The investment return and principal value will fluctuate, and share, when sold, may be worth more or less than the original cost. Index returns do not include the effect of any sales charges, fund operating expenses or taxes. An investment cannot be made directly in an index.

Fund manager commentary

Performance Summary

Asia ex-Japan stocks continued to edge higher in April with the MSCI Asia ex Japan Index rising 2.2% during the month and marking the strongest year-to-date performance of 15.9% since 2009.

In Hong Kong and China, market momentum continued in April underpinned by sustained strength from both earnings results and macro data. In the recent 2016 earnings announcements of the constituents of MSCI China Index, about one third of the companies beat market consensus, bolstering actual earnings per share ("EPS") growth of MSCI China Index to -2.5% year-on-year ("YoY") from -4.9% in 2015. In the first quarter of 2017, MSCI China Index showed further improvement with the first positive EPS upward revision since 2011.

On the macro front, key data released in 2017 thus far unfolded the strength of China's economy. The real Gross Domestic Product ("GDP") grew faster-than-expected with a 6.9% YoY expansion in the first quarter, which was also higher than the government target. Echoing our previous expectation of policy transition from "pro-growth" to "growth stability" in 2017, the better-than-expected macro data creates room for the government to take a more risk-containing stance. The recent drop in money supply and the regulatory tightening in financial market were both key signals of deleveraging and policy tightening. While these might weigh on equity and bond markets, we believe that the tightening would help build a more healthy economy after rounds of stimulus policies (particularly since the second half of 2016).

In South Korea, the benchmark KOSPI advanced further in April on the back of foreign inflows. Earlier the month, the market suffered from risk-off sentiment triggered by geopolitical concerns but the losses were reversed as tensions with North Korea alleviated while the first-round results of the French presidential election eased market uncertainties.

Taiwan's stockmarket extended the gain further in April driven by the technology sector with supportive earnings announcements during the month. On the macro front, Taiwan released preliminary Gross Domestic Product data for the first quarter of 2017 which expanded 2.6% year-on-year, beating the consensus of 2.4% despite moderating from 2.9% in the fourth quarter of 2016.

Strategy

Hong Kong, China and South Korea remained the Fund's contributors during the month. Holdings in a leading South Korean technology hardware company continued to be the Fund's top contributor driven by rising DRAM ("dynamic random-access memory") and NAND ("negative-AND") prices. The company's W9.3 trillion share buyback plan in 2017, in which the first phase (W2.5 trillion) was completed in end-April, also sent positive signals to the market. We stay positive about the company given its commitment to deploy more cash towards dividends and share buybacks. Meanwhile, the Fund's China property exposures also contributed to this month's performance as sales and prices in the first quarter of 2017 remained strong despite market expectations on cooling measures.

Outlook

The outlook for Asia ex-Japan equities remains positive with earnings growth further revised up to 17.7% in 2017, the strongest since 2010. The improving profitability as well as cash flow generation shall further support dividend growth in the region.

Top 10 securities holdings

Name	Industry ²	%
Samsung Electronics Co Ltd	Technology, hardware & equipment	5.4
China Construction Bank Corp	Banks	4.5
Longfor Properties Co Ltd	Real estate	3.6
PetroChina Co Ltd	Energy	3.3
Korea Electric Power Corp	Utilities	2.5
Midea Group Co Ltd	Consumer durables & apparel	2.4
Samsung Fire & Marine Insurance Co Ltd	Insurance	2.2
iShares MSCI India ETF	Others	2.1
China Overseas Land & Investment Ltd	Real estate	2.0
Ping An Insurance Group Co. of China Ltd	Insurance	2.0

These stocks constitute 30% of the fund.

Geographical exposure by listing ³

Hong Kong	24%
South Korea	18%
H Shares	16%
Red Chips	10%
Taiwan	7%
Others	6%
Indonesia	5%
Singapore	4%
Cash ⁴	3%
China A Shares	3%
India	2%
Malaysia	2%

Sector exposure ^{2, 3}

Information technology	16%
Real estate	16%
Consumer discretionary	13%
Industrials	13%
Banks	11%
Utilities	7%
Insurance	5%
Energy	4%
Telecom services	4%
Cash ⁴	3%
Other financials	3%
Others	3%
Consumer staples	2%

Holdings and sectors are subject to change. The securities listed is not a recommendation to buy or sell any security listed.

Portfolio characteristics

As at April 28, 2017	2017 ⁵
Price/earnings ratio	8.9 times
Price/book ratio	1.0 times

Fund facts

Manager:	Value Partners Hong Kong Limited
Fund type:	Closed-end Investment Company (non-UCITS)
Base currency:	US dollars
Fund launch date:	May 1987 (managed by Value Partners Hong Kong Limited since Oct 1, 2013)
Listing:	New York Stock Exchange
Management fee:	1% on the first US\$100 million and 0.7% thereafter
Year end:	Mar 31
ISIN:	US0449011065
Bloomberg code:	APB: UN
Lipper ID:	2500
Benchmark index:	MSCI AC Asia (ex-Japan) Index* (since Apr 1, 2010)

* In view of the growing importance of the Indian economy and stock market in Asia and as part of the Fund's investment portfolio, the Fund has adopted as its reference index as of Apr 1, 2010, the MSCI All Countries Asia ex Japan Index, which includes India. Prior to this the Fund was shown against MSCI AC FE Free Ex-Japan Index Total Gross Return.

Senior investment staff

Chairman & Co-Chief Investment Officer: Cheah Cheng Hye
Deputy Chairman & Co-Chief Investment Officer: Louis So
Deputy Chief Investment Officer: Renee Hung
Senior Investment Director: Norman Ho, CFA
Investment Directors: Gordon Ip, CFA; Kenny Tjan, CFA; Michelle Yu, CFA; Yu Xiao Bo
Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia; Philip Li, CFA; Kai Mak

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1. Source: Bank of New York Mellon and Reuters. Total return at NAV is based on changes in the NAV of Fund shares and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program. All return data at NAV includes fees charged to the Fund and may reflect fee waivers and/or expense reimbursements. Without such, returns would be lower. Total Return at Market Price is based on changes in the market price at which the Fund's shares traded on the NYSE during the period and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program. Because the Fund's shares trade in the stock market based on investor demand, the Fund may trade at a price higher or lower than its NAV. Therefore, returns are calculated based on both market price and NAV. All returns 1-year or less are cumulative. Returns are shown in USD. 2. Classification is based on Global Industry Classification Standard (GICS). 3. Exposure refers to net exposure (long exposure minus short exposure). Due to rounding, percentages shown may not add up to 100%. 4. Cash refers to net cash on hand excluding cash for collaterals and margins. 5. The profile is based on market consensus forecast as derived from S&P Capital IQ and Bloomberg. Harmonic mean methodology is applied to calculate the forecast P/E ratio and P/B ratio. Note that the manager's internal estimates may differ significantly from S&P Capital IQ and Bloomberg estimates.

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