

October 31, 2018

- On October 12, 2018, The Asia Pacific Fund, Inc. (the "Fund") announced that its stockholders approved the liquidation and dissolution of the Fund. On November 9, 2018, the Fund announced that the liquidation and dissolution of the Fund's portfolio is being conducted in an orderly fashion pursuant to the Plan of Liquidation and Dissolution approved by the Fund's stockholders at the 2018 Annual Meeting of Stockholders. The Fund expects to make a liquidating distribution to stockholders in February 2019.
- The Fund is a diversified, closed-end management investment company which primarily invests in equity securities of companies in various Asia Pacific countries, excluding Japan.
- This will be the final factsheet provided for the Fund. Additional information regarding the Fund's liquidation, including the day on which the books of the Fund will be closed with respect to stockholders and trading on the New York Stock Exchange will cease as well as the precise date on which the liquidating distribution is expected to occur, will be provided in one or more future press releases.

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 at October 31, 2018¹

| | NAV | Market Price | Index* |
|--------------------|--------|--------------|--------|
| One month | -10.4% | -8.8% | -10.8% |
| Year-to-date | -17.6% | -14.6% | -16.2% |
| One year | -14.4% | -10.7% | -13.4% |
| Three years (p.a.) | +3.6% | +8.4% | +6.6% |
| Five years (p.a.) | +3.4% | +5.5% | +3.6% |
| Ten years (p.a.) | +8.1% | +8.7% | +10.3% |

Total return performance as at September 28, 2018¹

| | NAV | Market Price | Index* |
|--------------------|-------|--------------|--------|
| Year-to-date | -8.1% | -6.4% | -6.0% |
| One year | -0.7% | +1.2% | +1.7% |
| Three years (p.a.) | +9.4% | +13.6% | +13.6% |
| Five years (p.a.) | +6.7% | +8.4% | +6.9% |
| Ten years (p.a.) | +6.6% | +7.7% | +8.6% |

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 | +36.9% | +54.3% | +42.1% |
| 2018 (YTD) | -17.6% | -14.6% | -16.2% |

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

Strategy & Outlook

China's policy makers have shifted to a more accommodative stance as the economy moderated in the third quarter due to the authorities' past deleveraging efforts and the ongoing US-China trade standoff. The latest statistics showed the Chinese economy growing by 6.5%¹ in 3Q, down from the 6.7% increase in 2Q. In its bid to support the economy and maintain market confidence, China continued to push out more supporting policies in October, including RRR cuts, additional special deductions of personal income tax, VAT rebates and other tax reliefs.

In the most recent Politburo meeting held on October 31, the term "deleveraging" was completely omitted unlike past meetings. The State Council also guided on increasing infrastructure spending, focusing on three biggest city clusters and supporting infrastructure financing. While the impact of the supporting policies will take time to materialise, it reflects the government's willingness to step up stimulus measures if required. Trade tensions will continue to be a key drag on market sentiment. However, the aggressive stance currently adopted by the US is unlikely to be sustainable due to the risk of falling into a lose-lose situation.

Elsewhere in the region, South Korea's October headline exports accelerated 22.7%² Year-on-Year (YoY) although that was mainly due to an increase in working days compared to the same period of time last year. Still, this was the sixth consecutive month whereby total export value exceeded the US\$50 billion mark. Meanwhile, the country's Consumer Price Index (CPI) inflation rose 2.0% YoY, which was in-line with the Bank of Korea's (BoK) target. BoK is expected to raise key interest rates once by the end of the year.

1. Source: CICC Strategy Research

2. Source: South Korean Ministry of Trade, Industry and Energy

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: Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Anthony Chan, CFA; Kelly Chung, CFA; Doris Ho;

Glenda Hsia; Philip Li, CFA; Luo Jing, CFA; Kai Mak; Yu Chen Jun

Recent corporate awards

Manager of the Year - Greater China Equity (Outstanding Award)

Dato' Seri Cheah Cheng Hye and Mr. Louis So (Value Partners' Co-CIOs) ²
~ Benchmark Fund of the Year Awards 2017, Hong Kong

Management Firm of the Year ³
~ AsiaHedge Awards 2017

Best Fund Provider - Greater China Equity ⁴
~ Asset Management Awards for Excellence 2017

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www.asiapacificfund.com

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. The award recognized individuals who have led his/her team to outstanding performances over the consistency of three-year and five-year performances against the benchmark and their peers up to 30 Sep 2017. 3. The award was based on performance for the full 12-month period, from Sep 2016 to the end of Aug 2017. 4. Based on performance and achievements for 2016.

The views expressed are the views of Value Partners Hong Kong Limited ("VPHK") only and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All materials have been obtained from sources believed to be reliable, but their accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

An investment in the Fund does not constitute a complete investment program and may involve a substantial degree of risk. Prospective investors should not subscribe for shares of the Fund unless satisfied that he or she and his or her investment representative have asked for and received all information which would enable him or her or both of them to evaluate the merits and risks of the proposed investment. The offering of the shares has not been approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful. Investors are advised to carefully consider the Fund's investment objectives, risks, charges and expenses prior investment.