

November 30, 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.

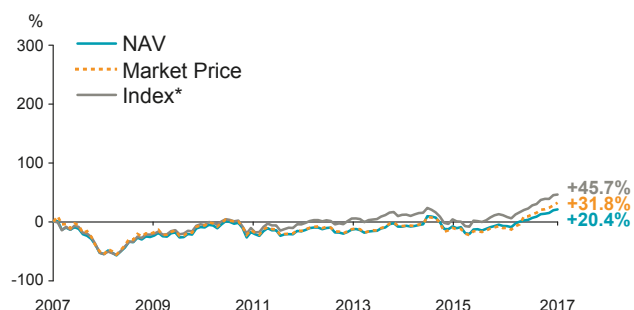
Investment objective

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 Nov 30, 2017¹

	NAV	Market Price	Index*
One month	+1.3%	+3.6%	+0.6%
Year-to-date	+33.3%	+52.8%	+38.3%
One year	+30.9%	+47.7%	+35.5%
Three years (p.a.)	+9.1%	+12.5%	+9.3%
Five years (p.a.)	+7.1%	+8.8%	+8.3%
Ten years (p.a.)	+1.9%	+2.8%	+3.8%

Total return performance as of Sep 29, 2017¹

	NAV	Market Price	Index*
Year-to-date	+26.7%	+42.8%	+31.2%
One year	+21.1%	+34.2%	+23.0%
Three years (p.a.)	+7.8%	+9.8%	+8.2%
Five years (p.a.)	+6.4%	+7.8%	+7.7%
Ten years (p.a.)	+1.1%	+1.6%	+3.3%

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)	+33.3%	+52.8%	+38.3%

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

The MSCI Asia ex Japan Index stayed solid for most of November although it retreated towards the end of the month due to profit-taking, particularly in the technology sector. The index edged up slightly by 0.6% in November.

Hong Kong and China remains the top-performing market in Asia ex-Japan. Year to date, earnings re-ratings have provided strong support for this market while third quarter results further lifted market sentiment as the breadth of re-ratings continued to improve. On the policy front, the November meeting of the Financial Stability Development Commission has reaffirmed the government's commitment to financial deleveraging. The meeting also saw the announcement of a raft of regulatory guidelines for China's asset management products and the introduction of tighter scrutiny of local government financing. The portfolio manager believes these initiatives are positive for China's long-term growth and are implemented at an opportune time given the solid economic performance so far in 2017.

South Korea's economy stayed strong with third-quarter gross domestic product (GDP) expanding 1.5% from a quarter earlier, according to a revised reading from the Bank of Korea. The pace of growth marked a fresh seven-year high. Meanwhile, South Korea's export rose 9.6%¹ in November, slightly behind consensus expectation but was still robust given the high base last year. As economic recovery remains on solid footing, the Bank of Korea has raised its policy rate to 1.5% from a record low 1.25%, marking the first rate hike in more than six years and heralding a policy normalization cycle.

Strategy & Outlook

From a portfolio perspective, our stock picks in the technology sector generated positive return despite a correction in the sector during the month. The top performance contributor was a leading Chinese optical fibre company, which rallied following a tender offer announcement made by a leading Chinese telecommunication company. The estimated procurement size of the tender offer has broken historical record and exceeded market expectation. On the other hand, our holding in a Chinese insurer also contributed to the outperformance thanks to the positive outlook for the company's premium income growth and its investment in peer-leading technology, which is expected to support future sales growth. On the flip side, our exposures in consumer discretionary and industrial sectors were the key detractors of the month.

1. The Ministry of Trade, Industry and Energy, South Korea.

Top 10 securities holdings

Name	Industry ²	%
Samsung Electronics Co Ltd	Technology, hardware & equipment	7.9
China Construction Bank Corp	Banks	5.5
Longfor Properties Co Ltd	Real estate	4.0
KB Financial Group Inc	Banks	3.0
PetroChina Co Ltd	Energy	2.7
Ping An Insurance Group Co of China Ltd	Insurance	2.7
China Resources Power Holdings Co Ltd	Utilities	2.4
Far East Consortium International Ltd	Real estate	2.3
SITC International Holdings Co Ltd	Transportation	2.1
Far East Horizon Ltd	Diversified financials	2.0

These stocks constitute 35% of the Fund.

Geographical exposure by listing ³

Hong Kong	25%
H Shares	19%
South Korea	19%
Red Chips	9%
Taiwan	8%
Indonesia	6%
Others	5%
China A Shares	4%
India	2%
Singapore	2%
Cash ⁴	1%

Sector exposure ^{2, 3}

Information technology	18%
Real estate	16%
Consumer discretionary	14%
Industrials	14%
Banks	13%
Insurance	6%
Telecom services	4%
Utilities	4%
Consumer staples	3%
Energy	3%
Other financials	2%
Others	2%
Cash ⁴	1%

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 Nov 30, 2017	2017 ⁵
Price/earnings ratio	7.9 times
Price/book ratio	1.1 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: Chung Man Wing; Kenny Tjan, CFA;

Michelle Yu, CFA; Yu Xiao Bo

Senior Fund Managers: Kelly Chung, CFA; Doris Ho; Glenda Hsia;

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

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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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