

ABERDEEN ASIA PACIFIC INCOME FUND INC  
Form N-CSRS  
July 08, 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:                 | 811-4611  |
| Exact name of registrant as specified in charter:   | Aberdeen Asia-Pacific Income Fund, Inc.   |
| Address of principal executive offices:             | Gateway Centre 3,<br>100 Mulberry Street,<br>Newark, New Jersey 07102                                     |
| Name and address of agent for service:              | Mr. Beverley Hendry,<br>300 S.E. 2 <sup>nd</sup> Street, Suite #820,<br>Fort Lauderdale,<br>Florida 33301 |
| Registrant's telephone number, including area code: | 954-767-9900  |
| Date of fiscal year end:                            | 10/31/04  |
| Date of reporting period:                           | 4/30/04   |

Item 1 Reports to Stockholders [ INSERT REPORT ]

Semi-Annual Report

**April 30, 2004**

## Letter to Shareholders

June 10, 2004

Dear Shareholder,

We present this Semi-Annual Report which covers the activities of Aberdeen Asia-Pacific Income Fund, Inc. (the Fund) for the six months ended April 30, 2004. The Fund's investment objective is to seek current income. The Fund may also achieve incidental capital appreciation.

As used in this report, the term total investments does not include securities purchased with cash collateral received as a result of securities on loan.

### **Net Asset Value Performance: 9.4% Per Annum Return Since Inception**

The Fund's net asset value (NAV) return was 4.0% for the six months ended April 30, 2004 and 9.4% per annum since inception, assuming reinvestment of distributions.

### **Share Price Performance**

The Fund's share price fell 10.9% over the six months, from \$6.03 on October 31, 2003 to \$5.37 on April 30, 2004. The Fund's share price on April 30, 2004 represented a discount of 12.4% to the NAV per share of \$6.13, compared with a discount of 1.1% to the NAV per share of \$6.10 on October 31, 2003. At the date of this report, the share price was \$5.76 representing a discount of 3.5% to the NAV per share of \$5.97.

### **Asia: 40.8% of Total Investments Invested in Asian Debt Securities**

As of April 30, 2004, the Fund held 40.8% of its total investments in Asian debt securities (excluding New Zealand). Of the Fund's total investments, 27.8% were held in Asian Yankee bonds, bringing the Fund's total U.S. dollar exposure to 30.9%.

### **Credit Quality: 77.4% of Total Investments Rated or Deemed Equivalent to A or Better**

The Fund's total investments have maintained a high credit quality. As of April 30, 2004, 77.4% of the portfolio was invested in securities where either the issue or the issuer was rated A or better, or judged by the Investment Manager to be of equivalent quality.

Aberdeen Asia-Pacific Income Fund, Inc.

## Letter to Shareholders (continued)

### Distributions

Distributions to common shareholders for the 12 months ended April 30, 2004 totaled 42 cents per share. Based on the share price of \$5.37 on April 30, 2004, the distribution rate over the 12 months then ended was 7.8%. Since all distributions are paid after deducting applicable withholding taxes, the effective distribution rate may be higher for those U.S. investors who are able to claim a tax credit. On June 14, 2004 the Board of Directors declared a monthly distribution of 3.5 cents per share, payable on July 16, 2004 to all shareholders of record as of June 30, 2004.

The Board's policy is to provide investors with a stable monthly distribution out of current income, supplemented by realized capital gains and, to the extent necessary, paid-in capital. It is the Board's intention that the monthly distribution of 3.5 cents per share be maintained for 12 months, beginning with the July 2004 distribution payment. This policy is subject to regular review at the Board's quarterly meetings, unless market conditions require an earlier evaluation. The next review is scheduled to take place in September 2004.

### Limitations on Investments in Investment Company Securities

In March 2004, the Board of Directors approved the modification of the Fund's investment policies to provide that the Fund may invest in securities issued by investment companies registered as such under the Investment Company Act of 1940 ( 1940 Act ) and unregistered, private funds (each, an acquired company ), subject to the following limitations (which are to be applied immediately after the acquisition of such securities).

The Fund may not acquire securities issued by an acquired company:

- (i) if the value of such securities exceeds 3% of the total outstanding voting stock of the acquired company;
- (ii) if the aggregate value of such securities would exceed 5% of the value of the total assets of the Fund; or
- (iii) if the aggregate value of such securities, together with all other acquired company securities in the Fund's portfolio, would exceed 10% of the value of the total assets of the Fund.

Aberdeen Asia-Pacific Income Fund, Inc.

## Letter to Shareholders (continued)

### Results of Annual Meeting of Shareholders

At the Annual Meeting of Shareholders held on Tuesday April 20, 2004, Messrs. Anthony E. Aaronson, Beverley Hendry and Neville J. Miles were elected by the holders of the Fund's common stock to serve as Class I Directors for three-year terms expiring at the 2007 Annual Meeting of Shareholders, and Mr. John T. Sheehy and Dr. Anton E. Schrafl were elected by the holders of the Fund's preferred stock to serve as Preferred Directors for a one-year term expiring at the 2005 Annual Meeting of Shareholders, in each case, until their successors are duly elected and qualify.

### Quarterly Report to Shareholders

In an effort to reduce Fund expenses, quarterly reports to shareholders for the three-month periods ending July 31 and January 31 will no longer be printed and mailed to shareholders, but instead will be posted on the Fund's website at [www.aberdeen-asset.us](http://www.aberdeen-asset.us). Semi-annual and annual reports to shareholders will continue to be printed and mailed to shareholders.

For information about the Fund, including a market review and outlook, weekly updates of share price, NAV and details of distributions, please contact Aberdeen Asset Management Inc. by:

calling toll free on 1-800-522-5465 in the United States,

emailing [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com), or

visiting the website at [www.aberdeen-asset.us](http://www.aberdeen-asset.us).

For information about the Aberdeen Group, visit the Aberdeen website at [www.aberdeen-asset.com](http://www.aberdeen-asset.com).

Sincerely,

**Martin Gilbert**

Chairman and President

**All amounts are U.S. dollars unless otherwise stated.**



Your Board's policy is to provide investors with a stable monthly distribution out of current income, supplemented by realized capital gains and, to the extent necessary, paid-in capital.

The Fund is subject to U.S. corporate, tax and securities laws. Under U.S. tax accounting rules, the amount of distributable income for each fiscal period depends on the actual exchange rates during the entire year between the U.S. dollar and the currencies in which Fund assets are denominated and on the aggregate gains and losses realized by the Fund during the entire year.

Therefore, the exact amount of distributable income for each fiscal year can only be determined as of the end of the Fund's fiscal year, October 31.

The Fund estimates that distributions for the fiscal year commencing November 1, 2003, including the distribution paid on June 11, 2004, are comprised entirely of net investment income.

This estimated distribution composition may vary from month to month because it may be materially impacted by future realized gains and losses on securities and fluctuations in the value of the currencies in which Fund assets are denominated.

In January 2005, a Form 1099 DIV will be sent to shareholders, which will state the amount and composition of distributions and provide information with respect to their appropriate tax treatment.

Aberdeen Asia-Pacific Income Fund, Inc.



## Dividend Reinvestment and Cash Purchase Plan

We invite you to participate in the Fund's Dividend Reinvestment and Cash Purchase Plan (the Plan) which allows you to automatically reinvest your distributions in shares of the Fund's common stock at favorable commission rates. Distributions made under the Plan are taxed to the same extent as are cash distributions. The Plan also enables you to make additional cash investments in shares of at least \$100 per month. Under this arrangement, the Plan Agent will purchase shares for you on the stock exchange or otherwise on the open market on or about the 15th of each month. EquiServe Trust Company, N.A. is currently the Plan Agent. Effective July 26, 2004, The Bank of New York will become the Plan Agent.

As a Participant in the Plan, you will have the convenience of:

**Automatic reinvestment** - the Plan Agent will automatically reinvest your distributions, allowing you to gradually grow your holdings in the Fund;

**Lower costs** - shares purchased on your behalf under the Plan will be at reduced brokerage rates. Brokerage on share purchases is currently 2 cents per share;

**Convenience** - the Plan Agent will hold your shares in non-certificated form and will provide a detailed record of your holdings at the end of each distribution period.

To request a brochure containing information on the Plan, together with an authorization form, please contact the Plan Agent:

Through July 25, 2004: EquiServe Trust Company, N.A., P.O. Box 43011, Providence, RI 02940-3011 or call toll free on 1-800-451-6788.

Effective July 26, 2004: The Bank of New York, Shareholder Relations Department, P.O. Box 11258, Church Street Station, New York, NY 10286 or call toll free on 1-800-432-8224.

Aberdeen Asia-Pacific Income Fund, Inc.

## Report of the Investment Manager

### Share Price Performance

On April 30, 2004 the Fund's share price was \$5.37, which represented a discount of 12.4% to the NAV per share of \$6.13. At the date of this report, the share price was \$5.76 representing a discount of 3.5% to the NAV per share of \$5.97.

### Auction Market Preferred Stock (AMPS)

The Fund's \$600 million of AMPS continued to be well bid at the weekly auctions. The average interest rate paid was 1.199% over the six months ended April 30, 2004, compared with an interest rate of 1.022% for 30-day U.S. commercial paper over the same period. These rates were slightly lower than for the preceding six month period. The rates paid to preferred shareholders have increased since April 30, 2004 to a level of 1.45% as of the date of this report.

Over the past year, the impact of the AMPS on the net asset value attributable to common shareholders has been positive, as the Australian dollar rose strongly against the U.S. dollar, reaching an eight-year high in February 2004. Although the Australian dollar declined from this high, it still strengthened during the period, closing on April 30, 2004 at U.S. 72.07 cents. Most Asian currencies followed a similar trend. As at April 30, 2004 approximately 56% of the Fund's investments were denominated in Australian dollars.

Aberdeen Asia-Pacific Income Fund, Inc.

## Report of the Investment Manager (continued)

The fact that U.S. interest rates have remained close to historic lows, together with the ability of the Fund to lock in fixed rates for 80% of the outstanding AMPS pursuant to the interest rate swap agreement referred to below, has meant that the differential between the AMPS funding rates and the yields at which the Fund invests remains positive.

As previously reported to shareholders, the Fund entered into an interest rate swap agreement, based on an aggregate notional amount of \$480,000,000, which represents 80% of the total AMPS outstanding. Under the terms of the agreement, the Fund receives a floating rate of interest (one month USD-LIBOR BBA rate), and pays fixed rates of interest for the terms and based upon the notional amounts set forth below:

| Term    | Amount (in \$ Million) | Fixed Rate Payable (%) |
|---------|------------------------|------------------------|
| 5 years | 144                    | 3.54                   |
| 4 years | 144                    | 3.16                   |
| 3 years | 96                     | 2.69                   |
| 2 years | 96                     | 2.1025                 |

A significant type of risk associated with interest rate swaps is the risk that the counterparty may default or file for bankruptcy, in which case the Fund would bear the risk of loss of the amount expected to be received under the swap agreement. There can be no assurance that the Fund will have an interest rate swap in place at any given time nor can there be any assurance that, if an interest rate swap is in place, it will be successful in hedging the Fund's interest rate risk with respect to the AMPS. The implementation of this strategy is at the discretion of the AMPS Pricing Committee of the Board of Directors.

Aberdeen Asia-Pacific Income Fund, Inc.

## Report of the Investment Manager (continued)

### PORTFOLIO COMPOSITION

#### Quality of Investments

As of April 30, 2004, 77.4% of the Fund's total investments were invested in securities where either the issue or the issuer was rated A or better by Standard & Poor's Corporation or Moody's Investors Service, Inc. or, if unrated, were judged to be of equivalent quality by the Investment Manager. The following table shows the ratings of securities held by the Fund as of April 30, 2004, compared with the previous six and twelve months:

| <b>Date</b>      | <b>AAA/Aaa</b><br>% | <b>AA/Aa</b><br>% | <b>A</b><br>% | <b>BBB/Baa</b><br>% | <b>BB/Ba*</b><br>% | <b>B*</b><br>% |
|------------------|---------------------|-------------------|---------------|---------------------|--------------------|----------------|
| April 30, 2004   | 52.4                | 7.4               | 17.6          | 6.0                 | 13.3               | 3.3            |
| October 31, 2003 | 52.5                | 8.7               | 17.4          | 7.3                 | 11.2               | 2.9            |
| April 30, 2003   | 50.5                | 7.3               | 18.3          | 11.4                | 9.3                | 3.2            |

\* Below investment grade

#### Geographic Composition

The table below shows the geographical composition (i.e. with Yankees allocated into country of issuance) of the Fund's total investments as of April 30, 2004, compared with the previous six and twelve months:

| <b>Date</b>      | <b>Australia</b><br>% | <b>Asia</b><br><b>(including NZ)</b><br>% | <b>United States</b><br>% |
|------------------|-----------------------|---|---------------------------|
| April 30, 2004   | 55.7                  | 41.3                                      | 3.0                       |
| October 31, 2003 | 56.5                  | 40.3                                      | 3.2                       |
| April 30, 2003   | 57.1                  | 38.7                                      | 4.2                       |

Aberdeen Asia-Pacific Income Fund, Inc.

## Report of the Investment Manager (continued)

### Currency Composition

The table below shows the currency composition of the Fund's total investments as of April 30, 2004, compared with the previous six and twelve months:

| Date             | Australian Dollar % | Asian Currencies (including NZ dollar) % | US Dollar* % | Euro % |
|------------------|---------------------|--|--------------|--------|
| April 30, 2004   | 55.6                | 13.5                                     | 30.9         | 0.0    |
| October 31, 2003 | 56.5                | 12.9                                     | 30.6         | 0.0    |
| April 30, 2003   | 57.1                | 11.3                                     | 31.1         | 0.5    |

\* Includes Asian Yankee Bonds: 27.8% on April 30, 2004, 27.4% on October 31, 2003, 26.9% on April 30, 2003.

### Maturity Composition

As of April 30, 2004, the average maturity of the Fund's assets was 7.8 years, compared with 7.6 years on October 31, 2003. The following table shows the maturity composition of the Fund's portfolio as of April 30, 2004, compared with the previous six and twelve months:

| Date             | Under 3 Years % | 3 to 5 Years % | 5 to 10 Years % | 10 Years & Over % |
|------------------|-----------------|----------------|-----------------|-------------------|
| April 30, 2004   | 25.0            | 23.9           | 40.3            | 10.8              |
| October 31, 2003 | 23.9            | 25.7           | 41.1            | 9.3               |
| April 30, 2003   | 22.8            | 24.0           | 38.6            | 14.6              |

Aberdeen Asia-Pacific Income Fund, Inc.

## Report of the Investment Manager (concluded)

### Sectoral Composition

The following shows the sectoral composition of the portfolio as of April 30, 2004:

|                                | Domestic Currency Bonds |   | U.S. Dollar Bonds |                                      |
|--------------------------------|-------------------------|---|-------------------|--------------------------------------|
|                                | Australia<br>%          | Asia<br>(Including<br>New Zealand)<br>% | Yankees<br>%      | United States<br>Cash/<br>Bonds<br>% |
| Sovereign/Government(1)        | 19.4                    | 9.3                                     | 8.3               | 0.0                                  |
| Quasi/Semi Government(2)       | 23.2                    | 0.6                                     | 4.5               | 0.0                                  |
| Structured Investment Vehicles | 0.0                     | 2.6                                     | 0.0               | 0.0                                  |
| Cash/Equivalent(3)             | 0.0                     | 0.0                                     | 0.0               | 3.0                                  |
| Corporates                     | 13.0                    | 1.0                                     | 15.1              | 0.0                                  |

(1) Includes government guaranteed debt.

(2) Includes state government guaranteed banks.

(3) Includes cash held by the Fund's custodian and repurchase agreements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Summary of Key Market Rates

The following table summarizes the movements of key interest rates and currencies over the last six and twelve month periods:

|                            | April 30     | October 31   | April 30     |
|----------------------------|--------------|--------------|--------------|
|                            | 2004         | 2003         | 2003         |
| <b>Australia</b>           |              |              |              |
| 90 day bank bills          | 5.58%        | 5.03%        | 4.81%        |
| 10 year bonds              | 5.95%        | 5.76%        | 5.28%        |
| Australian Dollar          | \$ 0.72      | \$ 0.71      | \$ 0.63      |
| <b>New Zealand</b>         |              |              |              |
| 90 day bank bills          | 5.78%        | 5.23%        | 5.52%        |
| 10 year bonds              | 6.22%        | 6.17%        | 5.90%        |
| NZ Dollar                  | \$ 0.63      | \$ 0.61      | \$ 0.56      |
| <b>South Korea</b>         |              |              |              |
| 90 day T-bills             | 3.82%        | 3.96%        | 4.36%        |
| 10 year bonds              | 5.18%        | 5.10%        | 4.92%        |
| South Korean Won*          | (Won)1173.35 | (Won)1183.50 | (Won)1215.00 |
| <b>Thailand</b>            |              |              |              |
| 90 day deposits            | 1.00%        | 1.00%        | 1.50%        |
| 10 year bonds              | 4.90%        | 4.22%        | 3.42%        |
| Thai Baht*                 | ฿ 40.01      | ฿ 41.98      | ฿ 42.87      |
| <b>Philippines</b>         |              |              |              |
| 90 day T-bills             | 7.18%        | 6.00%        | 7.66%        |
| 10 year bonds              | 11.67%       | 10.99%       | 12.55%       |
| Philippines Peso*          | (Peso) 56.00 | (Peso) 55.32 | (Peso) 52.48 |
| <b>Malaysia</b>            |              |              |              |
| 90 day T-bills             | 2.58%        | 2.73%        | 2.79%        |
| 10 year bonds              | 5.10%        | 4.43%        | 3.68%        |
| Malaysian Ringgit*         | RM 3.80      | RM 3.80      | RM 3.80      |
| <b>Singapore</b>           |              |              |              |
| 90 day T-bills             | 0.65%        | 0.76%        | 0.55%        |
| 10 year bonds              | 3.26%        | 3.95%        | 2.10%        |
| Singapore Dollar*          | S\$ 1.70     | S\$ 1.74     | S\$ 1.78     |
| <b>US\$ Yankee Bonds**</b> |              |              |              |
| South Korea                | 4.13%        | 3.86%        | 3.86%        |
| Malaysia                   | 4.52%        | 4.15%        | 4.13%        |
| Philippines                | 6.30%        | 6.49%        | 7.06%        |
| Hong Kong                  | 4.35%        | 3.93%        | 3.79%        |

\* These currencies are quoted Asian currency per U.S. dollar. The Australian and New Zealand dollars are quoted U.S. dollars per currency.

\*\* Sovereign issues

Aberdeen Asset Management Asia Limited

June 2004

Aberdeen Asia-Pacific Income Fund, Inc.





## Portfolio of Investments (unaudited)

April 30, 2004

**Principal****Amount****Local****Currency**

|                                     |   | <b>Moody s</b> | <b>S&amp;P</b> | <b>Value</b>       |
|-------------------------------------|---|----------------|----------------|--------------------|
| <b>(000)*</b>                       | <b>Description</b>                                  | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>      |
| <b>LONG-TERM INVESTMENTS 119.2%</b> |   |                |                |                    |
| <b>AUSTRALIA 69.8%</b>              |   |                |                |                    |
| <b>Government 25.3%</b>             |   |                |                |                    |
| <b>AUD</b>                          |   |                |                |                    |
|                                     | Commonwealth of Australia                           |                |                |                    |
| 8,450                               | 7.50%, 7/15/05                                      | Aaa            | AAA            | \$ 6,246,214       |
| 5,000                               | 10.00%, 2/15/06                                     | Aaa            | AAA            | 3,881,933          |
| 11,500                              | 6.75%, 11/15/06                                     | Aaa            | AAA            | 8,546,154          |
| 16,500                              | 10.00%, 10/15/07                                    |                | AAA            | 13,519,543         |
| 60,000                              | 8.75%, 8/15/08                                      | Aaa            | AAA            | 48,242,598         |
| 173,000                             | 7.50%, 9/15/09                                      | Aaa            | AAA            | 134,586,638        |
| 85,000                              | 5.75%, 6/15/11                                      | Aaa            | AAA            | 60,819,354         |
| 139,000                             | 6.50%, 5/15/13                                      | Aaa            |                | 104,053,997        |
| 42,000                              | 6.25%, 4/15/15                                      | Aaa            |                | 30,945,023         |
|                                     | Total Australian government<br>(cost \$358,097,970) |                |                | <b>410,841,454</b> |
| <b>Quasi/Semi-Government 28.8%</b>  |   |                |                |                    |
|                                     | Australia Postal Corporation                        |                |                |                    |
| 22,000                              | 6.00%, 3/25/09                                      |                | AAA            | 15,746,945         |
|                                     | Commonwealth Bank of Australia                      |                |                |                    |
| 10,000                              | 9.00%, 8/15/05                                      | Aaa            | AAA            | 7,489,230          |
| 8,000                               | 6.00%, 9/1/05                                       | Aaa            | AAA            | 5,806,823          |
| 20,000                              | 6.75%, 12/1/07                                      | Aaa            | AAA            | 14,850,382         |
| 10,000                              | 6.25%, 9/1/09                                       | Aaa            | AAA            | 7,297,253          |
|                                     | New South Wales Treasury Corporation                |                |                |                    |
| 7,000                               | 9.25%, 6/20/05                                      | Aaa            | AAA            | 5,237,942          |
| 54,000                              | 12.60%, 5/1/06                                      |                |                | 43,909,904         |
| 52,000                              | 8.00%, 3/1/08                                       | Aaa            | AAA            | 40,006,075         |
| 26,000                              | 7.00%, 12/1/10                                      |                | AAA            | 19,712,492         |
| 20,000                              | 6.00%, 5/1/12                                       |                | AAA            | 14,314,004         |
|                                     | Northern Territory Treasury                         |                |                |                    |
| 8,000                               | 6.50%, 7/15/05                                      |                |                | 5,824,225          |
| 5,000                               | 10.03%, 8/9/05                                      | Aa2            |                | 3,792,536          |
| 10,000                              | 5.75%, 9/14/07                                      |                |                | 7,155,305          |
|                                     | Queensland Treasury Corporation                     |                |                |                    |
| 20,000                              | 6.50%, 6/14/05                                      |                | AAA            | 14,587,862         |
| 20,000                              | 12.00%, 6/15/05                                     |                |                | 15,452,335         |
| 20,000                              | 8.00%, 9/14/07                                      |                | AAA            | 15,398,604         |
| 15,200                              | 6.00%, 7/14/09                                      |                | AAA            | 11,000,492         |
| 40,000                              | 6.00%, 6/14/11                                      | Aaa            | AAA            | 28,753,671         |
| 30,000                              | 6.00%, 8/14/13                                      | Aaa            | AAA            | 21,416,841         |
| 10,000                              | 6.00%, 10/14/15                                     | Aaa            | AAA            | 7,102,115          |
| 17,000                              | 6.00%, 6/14/21                                      |                | AAA            | 11,964,747         |
|                                     | South Australian Financing Authority                |                |                |                    |
| 55,000                              | 7.50%, 10/15/07                                     |                | AA+            | 41,694,630         |

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local****Currency**

| (000)*     | Description                            | Moody s<br>Rating | S&P<br>Rating | Value<br>(US\$) |
|------------|--|-------------------|---------------|-----------------|
| <b>AUD</b> |  |                   |               |                 |
|            | Treasury Corporation of Victoria       |                   |               |                 |
| 33,000     | 6.00%, 11/15/06                        |                   | AAA           | \$ 23,992,254   |
| 20,500     | 10.25%, 11/15/06                       |                   | AAA           | 16,380,807      |
| 25,000     | 7.50%, 8/15/08                         |                   | AAA           | 19,124,651      |
| 10,000     | 5.50%, 9/15/10                         |                   | AAA           | 7,013,822       |
|            | Western Australia Treasury Corporation |                   |               |                 |
| 26,000     | 8.00%, 10/15/07                        | Aaa               | AAA           | 20,021,189      |
| 20,000     | 7.50%, 10/15/09                        | Aaa               | AAA           | 15,435,755      |
| 10,000     | 7.00%, 4/15/11                         | Aaa               | AAA           | 7,583,944       |

Total Australian quasi/semi-government (cost \$412,190,616) **468,066,835**

**Corporates 15.7%****Banks and Financial Services 3.8%**

|        |                               |     |     |                   |
|--------|-------------------------------|-----|-----|-------------------|
|        | ANZ Banking Corporation       |     |     |                   |
| 10,000 | 6.75%, 3/22/12                |     | A+  | 7,307,256         |
|        | GE Capital Australia Limited  |     |     |                   |
| 10,000 | 6.75%, 9/15/07                | Aaa | AAA | 7,348,385         |
| 20,000 | 5.25%, 8/15/08                | Aaa | AAA | 13,845,330        |
|        | NRMA Insurance Limited        |     |     |                   |
| 13,000 | 6.35%, 11/27/12               |     | AA- | 9,334,287         |
|        | Principal Finance Global Fund |     |     |                   |
| 16,650 | 7.00%, 7/15/05                |     | AA  | 12,167,060        |
|        | St. George Bank Limited       |     |     |                   |
| 5,000  | 6.00%, 9/25/12                | A3  |     | 3,557,485         |
|        | Suncorp Metway Limited        |     |     |                   |
| 6,500  | 5.25%, 11/15/06               | A2  | A   | 4,600,625         |
|        | Westpac Banking Corporation   |     |     |                   |
| 5,000  | 7.00%, 8/2/10                 | A1  | A+  | 3,652,545         |
|        |                               |     |     | <b>61,812,973</b> |

**Telecoms 1.5%**

|        |                     |     |     |                   |
|--------|---------------------|-----|-----|-------------------|
|        | Telstra Corporation |     |     |                   |
| 20,000 | 12.00%, 5/15/06     | Aa3 | AA- | 16,056,239        |
| 10,000 | 7.25%, 11/15/12     | Aa3 | AA- | 7,430,427         |
| 2,000  | 8.75%, 1/15/20      |     |     | 1,661,046         |
|        |                     |     |     | <b>25,147,712</b> |

**Non-Australian Issuers 7.2%**

|        |                                 |     |     |            |
|--------|---------------------------------|-----|-----|------------|
|        | Dexia Municipal Agency [France] |     |     |            |
| 34,000 | 6.00%, 10/15/07                 | Aaa | AAA | 24,516,420 |

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|        |   |     |     |            |
|--------|---|-----|-----|------------|
| 15,000 | DSL Bank [Germany]<br>6.25%, 11/15/06       | Aaa |     | 10,910,542 |
| 8,170  | Eurofima [Supranational]<br>9.875%, 1/17/07 | Aaa | AAA | 6,486,157  |
| 30,000 | 6.50%, 8/22/11                              | Aaa | AAA | 21,976,149 |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local****Currency**

|                   |  | <b>Moody s</b> | <b>S&amp;P</b> | <b>Value</b>         |
|-------------------|--|----------------|----------------|----------------------|
| <b>(000)*</b>     | <b>Description</b>   | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>        |
| <b>AUD</b>        |  |                |                |                      |
|                   | Federal National Mortgage Association [United States]          |                |                |                      |
| 46,065            | 6.375%, 8/15/07  | Aaa            |                | \$ 33,717,263        |
|                   | KFW International Finance [Germany]                            |                |                |                      |
| 5,513             | 9.125%, 7/26/05  | Aaa            | AAA            | 4,132,069            |
|                   | Kingdom of Sweden [Sweden]                                     |                |                |                      |
| 8,287             | 7.875%, 4/23/07  | Aaa            | AAA            | 6,295,023            |
|                   | Landwirtschaft Rentenbank [Germany]                            |                |                |                      |
| 10,000            | 6.00%, 9/15/09   | Aaa            | AAA            | 7,156,605            |
|                   | Quebec Province [Canada]                                       |                |                |                      |
| 1,500             | 5.75%, 2/15/06   | A1             | A+             | 1,079,980            |
|                   |  |                |                | <b>116,270,208</b>   |
| <b>Other 3.2%</b> |  |                |                |                      |
|                   | Airservices Australia  |                |                |                      |
| 2,500             | 6.50%, 11/15/06  |                | AAA            | 1,821,271            |
|                   | BHP Finance Limited  |                |                |                      |
| 12,000            | 6.25%, 8/15/08   | A2             | A+             | 8,624,749            |
|                   | General Property Trust Management                              |                |                |                      |
| 8,000             | 6.50%, 8/22/13   |                | A+             | 5,572,091            |
|                   | ING Office Finance   |                |                |                      |
| 4,500             | 6.25%, 8/19/08   |                | AAA            | 3,245,838            |
|                   | Jem Bonds Limited  |                |                |                      |
| 10,000            | 9.00%, 7/15/06   |                | AAA            | 7,647,520            |
|                   | Melbourne Airport  |                |                |                      |
| 4,500             | 6.75%, 6/15/08   | Aaa            | AAA            | 3,299,191            |
|                   | Snowy Hydro Limited  |                |                |                      |
| 10,000            | 5.75%, 2/25/10   | Aaa            | AAA            | 6,922,943            |
|                   | Southern Cross Airports Company Limited                        |                |                |                      |
| 15,500            | 6.02%, 10/11/07  | Aaa            | AAA            | 11,079,081           |
|                   | Wesfarmers Limited   |                |                |                      |
| 6,000             | 6.25%, 8/27/07   |                | A-             | 4,317,029            |
|                   |  |                |                | <b>52,529,713</b>    |
|                   | Total Australian corporates<br>(cost \$211,242,513)            |                |                | <b>255,760,606</b>   |
|                   | Total Australian long-term investments (cost<br>\$981,531,099) |                |                | <b>1,134,668,895</b> |

**JAPAN 0.2%****Corporates 0.2%**

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**Banks and Financial Services 0.2%**

| <b>EUR</b> |                        |      |      |                  |
|------------|------------------------|------|------|------------------|
|            | Mizuho Financial Group |      |      |                  |
| 2,400      | 4.75%, 4/15/14         |      |      |                  |
|            | (cost \$2,919,348)     | Baa1 | BBB- | <b>2,872,275</b> |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local****Currency**

|                                   |   | <b>Moody's</b> | <b>S&amp;P</b> | <b>Value</b>      |
|-----------------------------------|---|----------------|----------------|-------------------|
| <b>(000)*</b>                     | <b>Description</b>  | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>     |
| <b>MALAYSIA 1.6%</b>              |   |                |                |                   |
| <b>Government 1.4%</b>            |   |                |                |                   |
| <b>MYR</b>                        |   |                |                |                   |
|                                   | Malaysia Government Bonds   |                |                |                   |
| 25,000                            | 6.812%, 11/29/06  | A3             | A+             | \$ 7,136,396      |
| 24,000                            | 4.305%, 2/27/09   | A3             |                | 6,340,942         |
| 3,890                             | 6.844%, 10/1/09   | A3             | A+             | 1,147,861         |
| 6,500                             | 3.833%, 9/28/11   | A3             | A+             | 1,616,844         |
| 26,900                            | 3.702%, 2/25/13   | A3             | A+             | 6,435,305         |
|                                   | Total Malaysia government<br>(cost \$22,605,297)                      |                |                | <b>22,677,348</b> |
| <b>Quasi/Semi-Government 0.2%</b> |   |                |                |                   |
| <b>EUR</b>                        |   |                |                |                   |
| 3,000                             | Petroleum Nasional Berhad<br>6.375%, 5/22/09<br>(cost \$3,830,772)    | Baa1           | A-             | 3,951,921         |
|                                   | Total Malaysia long-term investments (cost<br>\$26,436,069)           |                |                | <b>26,629,269</b> |
| <b>NEW ZEALAND 0.6%</b>           |   |                |                |                   |
| <b>Government 0.3%</b>            |   |                |                |                   |
| <b>NZD</b>                        |   |                |                |                   |
| 7,000                             | New Zealand Government Bonds<br>8.00%, 11/15/06<br>(cost \$4,375,499) | Aaa            | AAA            | <b>4,603,958</b>  |
| <b>Quasi/Semi-Government 0.3%</b> |   |                |                |                   |
| 8,000                             | Ontario Province [Canada]<br>6.25%, 12/3/08<br>(cost \$5,328,649)     | Aa2            | AA             | 4,976,773         |
|                                   | Total New Zealand long-term investments (cost<br>\$9,704,148)         |                |                | <b>9,580,731</b>  |
| <b>PHILIPPINES 1.4%</b>           |   |                |                |                   |
| <b>Government 1.2%</b>            |   |                |                |                   |
| <b>PHP</b>                        |   |                |                |                   |
| 40,000                            | Philippine Government Bonds<br>15.25%, 8/9/06                         | Ba2            |                | 791,702           |
| 372,800                           | 18.00%, 11/26/08  | Ba2            |                | 8,382,503         |
| 95,000                            | 13.00%, 4/25/12   | Ba2            |                | 1,824,346         |
| 133,000                           | 11.875%, 5/29/23  | Ba2            |                | 2,328,426         |

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| <b>EUR</b> |   |     |    |                   |
|------------|---|-----|----|-------------------|
|            | Republic of Philippines                             |     |    |                   |
| 1,600      | 9.375%, 12/7/06                                     | Ba2 | BB | 2,051,382         |
| 3,800      | 9.125%, 2/22/10                                     | Ba2 | BB | 4,791,669         |
|            | Total Philippines government<br>(cost \$20,427,077) |     |    | <b>20,170,028</b> |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.



## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local****Currency**

| <b>(000)*</b> | <b>Description</b> | <b>Moody s</b> | <b>S&amp;P</b> | <b>Value</b>  |
|---------------|--------------------|----------------|----------------|---------------|
|               |                    | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b> |

**Structured Investment Vehicles 0.2%**

| <b>(000)*</b> | <b>Description</b>  | <b>Moody s</b> | <b>S&amp;P</b> | <b>Value</b>      |
|---------------|---|----------------|----------------|-------------------|
|               |   | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>     |
| <b>USD</b>    |   |                |                |                   |
|               | Merrill Lynch Currency Linked Note (United States)          |                |                |                   |
| 2,700         | 12.50%, 9/17/12(f)(g)<br>(cost \$2,644,781)                 |                |                | \$ 2,409,750      |
|               | Total Philippines long-term investments (cost \$23,071,858) |                |                | <b>22,579,778</b> |

**SINGAPORE 2.4%****Government 1.7%**

| <b>(000)*</b> | <b>Description</b>                                | <b>Moody s</b> | <b>S&amp;P</b> | <b>Value</b>      |
|---------------|---|----------------|----------------|-------------------|
|               |   | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>     |
| <b>SGD</b>    |   |                |                |                   |
|               | Singapore Government Bonds                        |                |                |                   |
| 10,000        | 4.00%, 3/1/07                                     | Aaa            | AAA            | 6,312,110         |
| 16,000        | 1.50%, 4/1/08                                     | Aaa            | AAA            | 9,299,472         |
| 11,000        | 4.625%, 7/1/10                                    | Aaa            | AAA            | 7,168,474         |
| 7,450         | 4.00%, 9/1/18                                     | Aaa            | AAA            | 4,519,851         |
|               | Total Singapore government<br>(cost \$26,707,706) |                |                | <b>27,299,907</b> |

**Corporates 0.7%****Banks and Financial Services 0.6%**

| <b>(000)*</b> | <b>Description</b>                  | <b>Moody s</b> | <b>S&amp;P</b> | <b>Value</b>     |
|---------------|-------------------------------------|----------------|----------------|------------------|
|               |                                     | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>    |
| <b>SGD</b>    |                                     |                |                |                  |
|               | Oversea Chinese Banking Corporation |                |                |                  |
| SGD3,200      | 5.00%, 9/6/11                       | A1             | BBB+           | 2,034,387        |
| EUR4,000      | 7.25%, 9/6/11                       | A1             | BBB+           | 5,589,054        |
|               | Pacific Life Funding LLC            |                |                |                  |
| 3,250         | 3.61%, 4/16/07                      | Aa3            | AA             | 1,984,631        |
|               | Total Singapore corporates          |                |                | <b>9,608,072</b> |

**Telecoms 0.1%**

| <b>(000)*</b> | <b>Description</b>  | <b>Moody s</b> | <b>S&amp;P</b> | <b>Value</b>      |
|---------------|---|----------------|----------------|-------------------|
|               |   | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>     |
|               | Singapore Telecom   |                |                |                   |
| 3,250         | 3.21%, 3/15/06  | A1             | A+             | 1,964,899         |
|               | Total Singapore corporates<br>(cost \$9,467,193)          |                |                | <b>11,572,971</b> |
|               | Total Singapore long-term investments (cost \$36,174,899) |                |                | <b>38,872,878</b> |

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**SOUTH KOREA 4.6%**

**Government 3.1%**

| <b>KRW</b>  |                      |    |                   |
|---|----------------------|----|-------------------|
|   | Korea Treasury Bonds |    |                   |
| 19,170,000  | 7.15%, 4/11/06       | A3 | 17,185,770        |
| 10,000,000  | 5.64%, 10/17/06      | A3 | 8,763,796         |
| 9,800,000   | 6.15%, 7/10/07       | A3 | 8,786,164         |
| 16,674,000  | 6.91%, 7/18/11       | A3 | 15,799,338        |
| Total South Korea government<br>(cost \$43,650,667) |                      |    | <b>50,535,068</b> |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local**

| <b>Currency</b>                            |   | <b>Moody's</b> | <b>S&amp;P</b> | <b>Value</b>        |
|--|---|----------------|----------------|---------------------|
| <b>(000)*</b>                              | <b>Description</b>  | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>       |
| <b>Quasi/Semi-Government 0.3%</b>          |   |                |                |                     |
| <b>JPY</b>                                 |   |                |                |                     |
|  | Inchon Metropolitan City  |                |                |                     |
| 500,000                                    | 3.70%, 4/26/06(e)<br>(cost \$4,274,518)                                 |                |                | <b>\$ 4,746,953</b> |
| <b>Structured Investment Vehicles 1.2%</b> |   |                |                |                     |
| <b>USD</b>                                 |   |                |                |                     |
|  | Korea Treasury Bond Embarc  |                |                |                     |
| 10,000                                     | 4.796%, 10/11/07(b)   |                |                | 8,968,350           |
| 2,900                                      | 4.811%, 10/11/07(b)   |                |                | 2,600,822           |
| 10,000                                     | 4.02%, 3/14/08(b)   |                |                | 8,617,260           |
|  | Total South Korea structured investment vehicles<br>(cost \$19,018,494) |                |                | <b>20,186,432</b>   |
|  | Total South Korea long-term investments (cost \$66,943,679)             |                |                | <b>75,468,453</b>   |
| <b>THAILAND 2.3%</b>                       |   |                |                |                     |
| <b>Government 2.1%</b>                     |   |                |                |                     |
| <b>THB</b>                                 |   |                |                |                     |
|  | Thailand Government Bonds   |                |                |                     |
| 63,100                                     | 8.50%, 10/14/05   | Baa1           | A              | 1,736,138           |
| 44,000                                     | 8.00%, 12/8/06  | Baa1           |                | 1,272,505           |
| 359,000                                    | 5.60%, 7/7/07   | Baa1           |                | 9,968,971           |
| 130,000                                    | 8.50%, 12/8/08  | Baa1           | A              | 4,011,217           |
| 77,000                                     | 5.375%, 11/30/11  | Baa1           |                | 2,044,553           |
| 247,000                                    | 4.125%, 11/1/12   | Baa1           |                | 5,963,256           |
| 207,000                                    | 5.50%, 1/18/17  | Baa1           |                | 5,383,681           |
| 50,000                                     | 3.875%, 3/7/18  | Baa1           |                | 1,079,580           |
| 91,000                                     | 5.125%, 11/8/22   | Baa1           |                | 2,188,458           |
|  | Total Thailand government<br>(cost \$33,243,216)                        |                |                | <b>33,648,359</b>   |
| <b>Corporates 0.2%</b>                     |   |                |                |                     |
| <b>Telecoms 0.0%</b>                       |   |                |                |                     |
|  | Total Access Communications   |                |                |                     |
| 24,000                                     | 5.80%, 10/30/09   |                |                | <b>635,175</b>      |
| <b>Other 0.2%</b>                          |   |                |                |                     |
|  | GE Capital Auto Lease Public  |                |                |                     |
| 16,000                                     | 2.05%, 7/3/07   |                |                | 390,991             |

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|   |   |     |                   |
|---|---|-----|-------------------|
| 105,000   | Nestle (Thai) Limited<br>2.16%, 6/19/08 | AAA | 2,476,358         |
|   |   |     | <u>2,867,349</u>  |
| Total Thailand corporates<br>(cost \$3,510,716)             |   |     | <u>3,502,524</u>  |
| Total Thailand long-term investments (cost<br>\$36,753,932) |   |     | <u>37,150,883</u> |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local****Currency**

|  |  | <b>Moody's</b> | <b>S&amp;P</b> | <b>Value</b>        |
|--|--|----------------|----------------|---------------------|
| <b>(000)*</b>                            | <b>Description</b>   | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>       |
| <b>UNITED STATES 36.3%</b>               |  |                |                |                     |
| <b>Yankee Bonds 36.3%</b>                |  |                |                |                     |
| <b>AUSTRALIA 0.1%</b>                    |  |                |                |                     |
| <b>Corporates 0.1%</b>                   |  |                |                |                     |
| <b>Banks and Financial Services 0.1%</b> |  |                |                |                     |
| <b>USD</b>                               |  |                |                |                     |
| 2,000                                    | St. George Bank Limited<br>5.30%, 10/15/15<br>(cost \$1,995,780) | A3             | A-             | <b>\$ 1,975,773</b> |
| <b>CHINA 1.2%</b>                        |  |                |                |                     |
| <b>Sovereign 0.7%</b>                    |  |                |                |                     |
| 10,000                                   | People's Republic of China<br>9.00%, 1/15/96                     | A2             | BBB+           | 12,047,010          |
| <b>Corporates 0.5%</b>                   |  |                |                |                     |
| <b>Utilities 0.5%</b>                    |  |                |                |                     |
| 7,400                                    | AES China Generating Co. Limited<br>8.25%, 6/26/10               | B2             | B+             | 7,400,000           |
|  |  |                |                | <b>19,447,010</b>   |
| <b>HONG-KONG 5.1%</b>                    |  |                |                |                     |
| <b>Quasi-Sovereign 1.0%</b>              |  |                |                |                     |
| 14,300                                   | Kowloon Canton Ry Corporation<br>8.00%, 3/15/10                  | A1             | A+             | 16,734,232          |
| <b>Corporates 4.1%</b>                   |  |                |                |                     |
| <b>Banks and Financial Services 1.3%</b> |  |                |                |                     |
| 4,100                                    | CITIC Ka Wah Bank<br>7.625%, 7/5/11                              | Baa3           |                | 4,451,002           |
| 6,950                                    | 9.125%, perpetual 5/31/12(h)                                     | Baa3           |                | 7,655,773           |
| 1,900                                    | New Asat Finance Limited<br>9.25%, 2/1/11                        | B3             | B              | 2,004,500           |
| 6,300                                    | PCCW-HKTC Capital Limited<br>7.75%, 11/15/11                     | Baa2           | BBB            | 6,379,133           |
| <b>Conglomerates 2.8%</b>                |  |                |                |                     |
| 5,500                                    | Hutchison Whampoa International Limited<br>5.45%, 11/24/10       | A3             | A-             | 5,423,715           |
| 6,000                                    | 7.00%, 2/16/11   | A3             | A-             | 6,422,160           |
| 18,700                                   | 6.50%, 2/13/13   | A3             | A-             | 18,842,851          |
| 9,400                                    | 6.25%, 1/24/14   | A3             | A-             | 9,226,908           |
| 6,300                                    | 7.45%, 11/24/33  | A3             | A-             | 6,214,358           |
|  |  |                |                | <b>83,354,632</b>   |
| <b>INDIA 0.5%</b>                        |  |                |                |                     |
| <b>Corporates 0.5%</b>                   |  |                |                |                     |

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**Other 0.5%**

|       |  |     |    |                  |
|-------|--|-----|----|------------------|
| 7,250 | Reliance Industries Limited<br>10.25%, 1/15/97<br>(cost \$5,917,600) | Ba2 | BB | <u>7,586,040</u> |
|-------|--|-----|----|------------------|

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local****Currency**

| (000)*                                   | Description                    | Moody's<br>Rating | S&P<br>Rating | Value<br>(US\$)   |
|--|--------------------------------|-------------------|---------------|-------------------|
| <b>INDONESIA 1.6%</b>                    |                                |                   |               |                   |
| <b>Sovereign 0.2%</b>                    |                                |                   |               |                   |
| <b>USD</b>                               |                                |                   |               |                   |
|  | Republic of Indonesia          |                   |               |                   |
| 3,100                                    | 6.75%, 3/10/14                 | B2                | B             | \$ 2,759,000      |
| <b>Corporates 1.4%</b>                   |                                |                   |               |                   |
| <b>Banks and Financial Services 0.5%</b> |                                |                   |               |                   |
|  | Excelcomindo Finance Company   |                   |               |                   |
| 2,750                                    | 8.00%, 1/27/09                 | B2                | B+            | 2,674,375         |
|  | PT Bank Mandiri Cayman         |                   |               |                   |
| 1,600                                    | 10.625%, 8/2/12                | B3                | B-            | 1,736,000         |
|  | PT Bank Negara Indonesia       |                   |               |                   |
| 1,500                                    | 10.00%, 11/15/12               | B3                | CCC+          | 1,596,562         |
|  | Semen Cibinong                 |                   |               |                   |
| 3,000                                    | 6.00%, 8/13/10(a)(i)           |                   |               | 2,550,000         |
| <b>Telecoms 0.2%</b>                     |                                |                   |               |                   |
|  | Indonesian Satellite Corp.     |                   |               |                   |
| 2,750                                    | 7.75%, 11/5/10                 | B2                | B+            | 2,748,810         |
| <b>Other 0.7%</b>                        |                                |                   |               |                   |
|  | Freeport McMoran Copper & Gold |                   |               |                   |
| 5,250                                    | 10.125%, 2/1/10                | B2                | B-            | 5,775,000         |
|  | Medco Energi Internasional     |                   |               |                   |
| 5,825                                    | 8.75%, 5/22/10                 | B3                | B+            | 5,642,025         |
|  |                                |                   |               | <b>25,481,772</b> |

**JAPAN 1.0%****Corporates 1.0%****Banks and Financial Services 1.0%**

|       |                              |      |      |                   |
|-------|------------------------------|------|------|-------------------|
|       | Mizuho Financial Group       |      |      |                   |
| 1,600 | 5.79%, 4/15/14               | Baa1 | BBB- | 1,586,592         |
|       | Sumitomo Mitsui Banking      |      |      |                   |
| 5,400 | 8.15%, perpetual 8/1/08(h)   | Baa1 |      | 5,790,485         |
|       | UFJ Finance Aruba AEC        |      |      |                   |
| 5,000 | 8.75%, perpetual 11/13/08(h) | Baa1 |      | 5,334,754         |
| 3,200 | 6.75%, 7/15/13               | Baa1 | BBB- | 3,378,919         |
|       |                              |      |      | <b>16,090,750</b> |

**MALAYSIA 3.5%****Sovereign 0.6%**

|                             |                           |      |    |           |
|-----------------------------|---------------------------|------|----|-----------|
|                             | Malaysia (Sovereign)      |      |    |           |
| 7,990                       | 7.50%, 7/15/11            | Baa1 | A- | 9,096,615 |
| <b>Quasi-Sovereign 2.4%</b> |                           |      |    |           |
|                             | Petroleum Nasional Berhad |      |    |           |
| 6,800                       | 7.00%, 5/22/12            | Baa1 | A- | 7,506,935 |

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|        |                  |      |    |            |
|--------|------------------|------|----|------------|
| 10,500 | 7.75%, 8/15/15   | Baa1 | A- | 12,100,305 |
| 4,000  | 7.875%, 5/22/22  | Baa1 | A- | 4,491,600  |
|        | Telekom Malaysia |      |    |            |
| 3,000  | 7.875%, 8/1/25   | Baa2 | A- | 3,276,600  |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.



## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local****Currency**

|  |   | <b>Moody's</b> | <b>S&amp;P</b> | <b>Value</b>      |
|--|---|----------------|----------------|-------------------|
| <b>(000)*</b>                            | <b>Description</b>                                    | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>     |
| <b>USD</b>                               |   |                |                |                   |
| 14,000                                   | Tenaga Nasional Berhad<br>7.50%, 1/15/96              | Baa2           | BBB            | \$ 12,329,800     |
| <b>Corporates 0.5%</b>                   |   |                |                |                   |
| <b>Banks and Financial Services 0.5%</b> |   |                |                |                   |
| 5,500                                    | Bumiputra Commerce Bank Berhad<br>5.125%, 10/16/13(i) | Baa2           | BBB-           | 5,485,716         |
| 3,000                                    | Malayan Banking Berhad<br>6.125%, 7/6/12              | Baa1           | BBB            | 3,197,701         |
|  |   |                |                | <b>57,485,272</b> |
| <b>PHILIPPINES 10.9%</b>                 |   |                |                |                   |
| <b>Sovereign 8.6%</b>                    |   |                |                |                   |
| 4,000                                    | Bangko Sentral ng Pilipinas<br>8.60%, 6/15/27         | Ba2            | BB             | 3,510,940         |
| 7,000                                    | National Power Corporation<br>8.40%, 12/15/16         |                | BB             | 6,293,595         |
| 3,000                                    | Republic of Philippines<br>7.50%, 9/11/07             | Ba2            | BB             | 3,133,125         |
| 9,100                                    | 8.875%, 4/15/08                                       | Ba2            | BB             | 9,850,068         |
| 15,250                                   | 8.375%, 3/12/09                                       | Ba2            | BB             | 16,012,500        |
| 22,000                                   | 9.875%, 3/16/10                                       | Ba2            | BB             | 23,925,000        |
| 28,658                                   | 8.375%, 2/15/11                                       | Ba2            | BB             | 28,586,355        |
| 1,000                                    | 8.25%, 1/15/14  | Ba2            | BB             | 970,000           |
| 14,100                                   | 9.375%, 1/18/17                                       | Ba2            | BB             | 14,699,250        |
| 2,000                                    | 6.50%, 12/1/17  | Ba2            | BB             | 1,913,344         |
| 16,050                                   | 9.875%, 1/15/19                                       | Ba2            | BB             | 16,491,375        |
| 12,879                                   | 10.625%, 3/16/25                                      | Ba2            | BB             | 13,844,925        |
| <b>Corporates 2.3%</b>                   |   |                |                |                   |
| <b>Banks and Financial Services 0.1%</b> |   |                |                |                   |
| 2,400                                    | Metropolitan Bank & Trust Company<br>8.50%, 11/20/12  | Ba2            |                | 2,337,000         |
| <b>Conglomerates 0.3%</b>                |   |                |                |                   |
| 4,450                                    | SM Investors Corporation<br>8.00%, 10/16/07           |                |                | 4,609,146         |
| <b>Telecoms 1.5%</b>                     |   |                |                |                   |
| 9,000                                    | Globe Telecom<br>13.00%, 8/1/09                       | Ba2            | BB             | 9,832,500         |
| 4,750                                    | 9.75%, 4/15/12  | Ba2            | BB             | 5,296,250         |
|  | Philippine Long Distance Telecom                      |                |                |                   |
| 2,300                                    | 9.875%, 8/1/05  | Ba2            | BB             | 2,456,260         |
| 1,500                                    | 9.25%, 6/30/06  | Ba2            | BB             | 1,602,873         |
| 2,000                                    | 10.625%, 5/15/07                                      | Ba2            | BB             | 2,212,095         |
| 1,300                                    | 10.50%, 4/15/09                                       | Ba2            | BB             | 1,447,654         |
| 1,000                                    | 11.375%, 5/15/12                                      | Ba2            | BB             | 1,105,000         |
| 1,000                                    | 8.35%, 3/6/17   | Ba2            | BB             | 885,000           |

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Other 0.4%

|       |                                   |     |    |                    |
|-------|-----------------------------------|-----|----|--------------------|
| 5,700 | Universal Robina<br>9.00%, 2/6/08 | Ba3 | BB | 5,814,000          |
|       |                                   |     |    | <u>176,828,255</u> |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local**

| Currency                                 |  | Moody's | S&P    | Value             |
|--|--|---------|--------|-------------------|
| (000)*                                   | Description                            | Rating  | Rating | (US\$)            |
| <b>SINGAPORE 2.9%</b>                    |  |         |        |                   |
| <b>Corporates 2.9%</b>                   |  |         |        |                   |
| <b>Banks and Financial Services 1.7%</b> |  |         |        |                   |
| <b>USD</b>                               |  |         |        |                   |
|  | DBS Bank                               |         |        |                   |
| 11,500                                   | 7.657%, perpetual 3/15/11(h)(i)        | A1      |        | \$ 12,979,784     |
| 5,000                                    | 7.125%, 5/15/11                        | Aa3     | A-     | 5,616,125         |
|  | Oversea Chinese Banking Corporation    |         |        |                   |
| 7,600                                    | 7.75%, 9/6/11                          | A1      | BBB+   | 8,829,258         |
| <b>Telecoms 0.6%</b>                     |  |         |        |                   |
|  | Singapore Telecommunications           |         |        |                   |
| 5,800                                    | 8.00%, 6/22/10                         | A2      | A+     | 6,750,673         |
| 2,600                                    | 6.375%, 12/1/11                        | A1      | A+     | 2,794,914         |
| <b>Other 0.6%</b>                        |  |         |        |                   |
|  | Flextronics International Limited      |         |        |                   |
| 9,600                                    | 6.50%, 5/15/13                         | Ba2     | BB-    | 9,720,000         |
|  |  |         |        | <b>46,690,754</b> |
| <b>SOUTH KOREA 6.9%</b>                  |  |         |        |                   |
| <b>Sovereign 0.6%</b>                    |  |         |        |                   |
|  | Republic of South Korea                |         |        |                   |
| 7,800                                    | 8.875%, 4/15/08                        | A3      | A-     | 9,141,600         |
| <b>Quasi-Sovereign 2.4%</b>              |  |         |        |                   |
|  | Industrial Bank of Korea               |         |        |                   |
| 3,900                                    | 4.375%, 12/4/07                        | A3      | BBB+   | 3,965,729         |
| 2,300                                    | 3.50%, 6/11/08                         | A3      | BBB+   | 2,228,877         |
|  | Korea Development Bank                 |         |        |                   |
| 3,000                                    | 5.25%, 11/16/06                        | A3      | A-     | 3,126,000         |
| 5,500                                    | 5.75%, 9/10/13                         | A3      | A-     | 5,619,152         |
|  | Korea Electric Power Corporation       |         |        |                   |
| 3,300                                    | 7.75%, 4/1/13                          | A3      | A-     | 3,858,112         |
| 10,000                                   | 7.00%, 2/1/27                          | A3      | A-     | 10,459,040        |
|  | Korea Highway Corporation              |         |        |                   |
| 2,200                                    | 4.90%, 7/1/13                          | A3      | A-     | 2,111,945         |
|  | Korea Hydro & Nuclear Power            |         |        |                   |
| 2,750                                    | 4.25%, 1/29/08                         | A3      | A-     | 2,742,873         |
|  | Korea South East Power Co. Limited     |         |        |                   |
| 3,900                                    | 4.75%, 6/26/13                         | A3      |        | 3,613,268         |
|  | National Agricultural Coop. Federation |         |        |                   |
| 1,500                                    | 3.45%, 6/20/08                         | A3      | BBB+   | 1,455,426         |
| <b>Corporates 3.9%</b>                   |  |         |        |                   |
| <b>Banks and Financial Services 2.9%</b> |  |         |        |                   |
|  | Cho Hung Bank                          |         |        |                   |
| 7,000                                    | 11.875%, 4/1/10                        | Baa2    | BB+    | 7,567,255         |
|  | Hana Bank                              |         |        |                   |
| 7,050                                    | 8.748%, perpetual 12/17/12(h)(i)       |         | BB+    | 8,089,875         |

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|       |                  |      |      |           |
|-------|------------------|------|------|-----------|
|       | Hanvit Bank      |      |      |           |
| 4,000 | 11.75%, 3/1/10   | Baa2 | BBB- | 4,287,732 |
| 4,000 | 12.75%, 3/1/10   | Baa2 | BB+  | 4,339,128 |
|       | Kookmin Bank     |      |      |           |
| 4,700 | 4.625%, 12/10/07 | A3   | BBB+ | 4,873,581 |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local****Currency**

| <b>(000)*</b>                                    | <b>Description</b>   | <b>Moody's<br/>Rating</b> | <b>S&amp;P<br/>Rating</b> | <b>Value<br/>(US\$)</b> |
|--|--|---------------------------|---------------------------|-------------------------|
| <b>USD</b>                                       |  |                           |                           |                         |
| 1,550  | Koram Bank<br>4.68%, 6/18/13   |                           |                           | \$ 1,534,944            |
| 3,550  | Korea Exchange Bank<br>13.75%, 6/30/10                               | Baa3                      | B+                        | 4,029,250               |
| 6,000  | Korea First Bank<br>5.75%, 3/10/13                                   | Ba1                       | BB                        | 6,042,188               |
| 3,950  | 7.267%, perpetual 3/3/34(h)(i)<br>Shinhan Bank                       |                           | BB                        | 4,062,176               |
| 1,600  | 6.25%, 9/8/13  | Baa2                      | BB+                       | 1,678,000               |
| <b>Other 1.0%</b>                                |  |                           |                           |                         |
| 7,800  | Hyundai Motors<br>5.50%, 9/12/08                                     | Ba1                       | BB+                       | 7,872,773               |
| 2,400  | 5.30%, 12/19/08  | Ba1                       | BB+                       | 2,391,874               |
| 4,000  | Pohang Iron & Steel Corporation<br>7.125%, 11/1/06                   | A3                        | A-                        | 4,352,600               |
| 2,000  | SK Corporation<br>7.50%, 5/31/06                                     | Ba2                       |                           | 2,085,578               |
|  |  |                           |                           | <b>111,528,976</b>      |
| <b>THAILAND 2.5%</b>                             |  |                           |                           |                         |
| <b>Sovereign 0.2%</b>                            |  |                           |                           |                         |
| 2,750  | Kingdom of Thailand<br>7.07%, 9/30/13                                | Baa1                      | BBB                       | 3,094,674               |
| <b>Corporates 2.3%</b>                           |  |                           |                           |                         |
| <b>Banks and Financial Services 1.8%</b>         |  |                           |                           |                         |
| 8,500  | Bangkok Bank Public Company<br>8.75%, 3/15/07                        | Baa2                      | B+                        | 9,562,500               |
| 14,000   | 9.025%, 3/15/29<br>Kasikornbank                                      | Baa2                      | B+                        | 15,580,537              |
| 4,700  | 8.25%, 8/21/16   | Baa2                      | B+                        | 5,334,500               |
| <b>Telecoms 0.5%</b>                             |  |                           |                           |                         |
| 7,300  | Total Access Communication Public<br>8.375%, 11/4/06                 | B1                        | BB                        | 7,843,000               |
|  |  |                           |                           | <b>41,415,211</b>       |
| <b>VIETNAM 0.1%</b>                              |  |                           |                           |                         |
| <b>Sovereign 0.1%</b>                            |  |                           |                           |                         |
| 1,600  | Vietnam Socialist's Republic<br>3.50%, 3/12/28<br>(cost \$1,121,395) |                           | BB-                       | 1,099,043               |
| <b>Total United States long-term investments</b> |  |                           |                           | <b>588,983,488</b>      |

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(cost \$545,305,778)

**Total Long-Term Investments**

(cost \$1,728,840,810)

**1,936,806,650**

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local****Currency**

|               |                    | <b>Moody s</b> | <b>S&amp;P</b> | <b>Value</b>  |
|---------------|--------------------|----------------|----------------|---------------|
| <b>(000)*</b> | <b>Description</b> | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b> |

**SHORT-TERM INVESTMENTS 11.1%****AUSTRALIA 2.7%****Quasi/Semi-Government 1.4%**

| <b>AUD</b> |  |     |     |                   |
|------------|--|-----|-----|-------------------|
|            | Commonwealth Bank of Australia                             |     |     |                   |
| 12,000     | 5.25%, 12/1/04   |     | AAA | \$ 8,653,184      |
|            | EFIC   |     |     |                   |
| 2,000      | 11.00%, 12/29/04   | Aaa | AAA | 1,490,362         |
|            | New South Wales Treasury Corporation                       |     |     |                   |
| 7,000      | 10.50%, 12/7/04  | Aaa | AAA | 5,188,116         |
|            | Tasmanian Public Finance Corporation                       |     |     |                   |
| 10,000     | 9.00%, 11/15/04  |     | AA  | 7,364,671         |
|            | Total Australian quasi/semi-government (cost \$23,059,783) |     |     | <b>22,696,333</b> |

**Corporates 1.3%****Banks and Financial Services 1.0%**

|        |                              |     |    |                   |
|--------|------------------------------|-----|----|-------------------|
|        | Bank Austria AG [Austria]    |     |    |                   |
| 11,278 | 10.875%, 11/17/04            | Aa3 |    | 8,337,192         |
|        | GE Capital Australia Limited |     |    |                   |
| 10,000 | 6.25%, 4/15/05               | Aaa | NA | 7,250,866         |
|        |                              |     |    | <b>15,588,058</b> |

**Telecoms 0.3%**

|       |   |     |     |                   |
|-------|---|-----|-----|-------------------|
|       | Telstra Corporation                             |     |     |                   |
| 7,000 | 8.00%, 9/15/04                                  | Aa3 | AA- | 5,094,837         |
|       | Total Australian corporates (cost \$19,150,120) |     |     | <b>20,682,895</b> |

|  |   |  |  |                   |
|--|---|--|--|-------------------|
|  | Total Australian short-term investments (cost \$42,209,903) |  |  | <b>43,379,228</b> |
|--|---|--|--|-------------------|

**MALAYSIA 0.2%****Government 0.1%**

| <b>MYR</b> |                                 |    |    |         |
|------------|---------------------------------|----|----|---------|
|            | Malaysia Government Bonds       |    |    |         |
| 3,000      | 5.00%, 4/15/05 (cost \$795,647) | A3 | A+ | 805,427 |

**Corporates 0.1%****Other 0.1%**

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|       |  |                  |
|-------|--|------------------|
| 9,000 | British American Tobacco Corporation<br>7.10%, 11/2/04<br>(cost \$2,542,026) | 2,415,316        |
|       | Total Malaysia short-term investments (cost<br>\$3,337,673)                  | <b>3,220,743</b> |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.



## Portfolio of Investments (unaudited) (continued)

April 30, 2004

**Principal****Amount****Local**

| <b>Currency</b>                            |  | <b>Moody's</b> | <b>S&amp;P</b> | <b>Value</b>      |
|--|--|----------------|----------------|-------------------|
| <b>(000)*</b>                              | <b>Description</b>   | <b>Rating</b>  | <b>Rating</b>  | <b>(US\$)</b>     |
| <b>NEW ZEALAND 0.0%</b>                    |  |                |                |                   |
| <b>Cash / Equivalent 0.0%</b>              |  |                |                |                   |
| <b>NZD</b>                                 |  |                |                |                   |
| 624  | New Zealand Call Deposit<br>4.50%, 5/3/04<br>(cost \$436,686)                            |                |                | <b>\$ 390,169</b> |
| <b>SOUTH KOREA 4.1%</b>                    |  |                |                |                   |
| <b>Government 2.2%</b>                     |  |                |                |                   |
| <b>KRW</b>                                 |  |                |                |                   |
| 2,000,000                                  | Korea Deposit Insurance Fund Bond<br>15.00%, 7/3/04                                      |                |                | 1,753,952         |
| 20,000,000                                 | Korea Monetary Stabilisation Bond<br>Zero Coupon, 8/12/04                                | A3             |                | 16,866,238        |
| 20,000,000                                 | 5.27%, 12/18/04  | A3             |                | 17,190,097        |
|  | <b>Total South Korea government</b><br>(cost \$35,687,107)                               |                |                | <b>35,810,287</b> |
| <b>Structured Investment Vehicles 1.9%</b> |  |                |                |                   |
| <b>USD</b>                                 |  |                |                |                   |
| 21,500                                     | HSBC-KRW Linked CD<br>Zero Coupon, 10/15/04(d)   |                |                | 21,179,890        |
| 12,000                                     | Korea Monetary Stabilisation Bond - Embarc<br>4.991%, 6/22/04(c)                         |                |                | 10,407,126        |
|  | <b>Total South Korea structured investment</b><br><b>vehicles</b><br>(cost \$31,370,989) |                |                | <b>31,587,016</b> |
|  | <b>Total South Korea short-term investments</b><br>(cost \$67,058,096)                   |                |                | <b>67,397,303</b> |
| <b>THAILAND 0.1%</b>                       |  |                |                |                   |
| <b>Government 0.1%</b>                     |  |                |                |                   |
| <b>THB</b>                                 |  |                |                |                   |
| 60,000                                     | Thailand Government Bonds<br>6.25%, 6/15/04<br>(cost \$1,496,309)                        |                |                | <b>1,507,846</b>  |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Portfolio of Investments (unaudited) (concluded)

April 30, 2004

**Principal****Amount****Local****Currency****Moody's****S&P****Value**

| <b>(000)*</b>   | <b>Description</b>  | <b>Rating</b> | <b>Rating</b> | <b>Value<br/>(US\$)</b> |
|---|---|---------------|---------------|-------------------------|
| <b>UNITED STATES 4.0%</b>   |   |               |               |                         |
| <b>Cash / Equivalent 4.0%</b>   |   |               |               |                         |
| <b>USD</b>  |   |               |               |                         |
| 64,547  | <b>State Street Bank &amp; Trust Company<br/>Repurchase Agreement</b><br>0.82% due 5/3/04 in the amount of<br>\$64,551,411 (cost \$64,547,000;<br>collateralized by United States Treasury<br>Bonds 8.75% due 5/15/20; value including<br>accrued interest-\$34,015,102 and 7.25%<br>due 8/15/22; value including accrued<br>interest-\$31,838,775) |               |               | <b>\$ 64,547,000</b>    |
| <b>Total Short-Term Investments</b>   |   |               |               |                         |
| <b>(cost \$179,085,667)</b>   |   |               |               | <b>\$ 180,442,289</b>   |
| <b>Total Investments 130.3%</b>   |   |               |               |                         |
| <b>(cost \$1,907,926,477)</b>   |   |               |               | <b>2,117,248,939</b>    |
| <b>Other assets in excess of liabilities 6.6%</b>   |   |               |               | 107,280,203             |
| <b>Liquidation value of preferred stock (36.9%)</b>   |   |               |               | (600,000,000)           |
| <b>Net Assets Applicable to Common Shareholders 100%</b>  |   |               |               | <b>1,624,529,142</b>    |
| <b>Net asset value per common share (\$1,624,529,142 / 264,897,530 shares of common stock issued and outstanding)</b> |   |               |               | <b>\$ 6.13</b>          |

\* Portfolio securities are categorized according to currency exposure. When the country of issuer differs from the currency exposure, the country of issuer is denoted parenthetically.

AUD Australian dollar

EUR Euro

JPY Japanese yen

KRW South Korean won

MYR Malaysian ringgit

NZD New Zealand dollar

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PHP Philippine peso

SGD Singapore dollar

THB Thailand baht

USD United States dollar

- (a) Illiquid Security.
- (b) Value of security is linked to the value of Government of Korea Bank bonds 4.02%-4.81%, 10/11/07-3/14/08 and the movement of the South Korean won.
- (c) Value of security is linked to the value of Government of Korea Bank bonds 4.99, 6/22/04 and the movement of the South Korean won.
- (d) Security is linked to the movement of the South Korean Won.
- (e) Security is linked to the movement of the South Korean Won using a currency swap.
- (f) Security linked to the Philippines Peso.
- (g) Represents a fair valued security.
- (h) The date presented for these instruments represents the next call date.
- (i) Indicates a variable rate security. The maturity date presented for these instruments is the latter of the next date on which the security can be redeemed at par or the next date on which the rate of interest is adjusted. The interest rate shown reflects the rate in effect at April 30, 2004.

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Statement of Assets and Liabilities (unaudited)

April 30, 2004

|  |                         |
|--|-------------------------|
| <b>Assets</b>  |                         |
| Investments, at value (cost \$1,907,926,477)   | \$ 2,117,248,939        |
| Foreign currency, at value (cost \$76,680,698)   | 73,331,104              |
| Cash   | 4,053,309               |
| Interest receivable  | 38,037,792              |
| Unrealized appreciation on interest rate and currency swaps  | 3,621,298               |
| Due from broker-variation margin   | 1,630,870               |
| Other assets   | 359,167                 |
| Unrealized appreciation on forward currency contracts  | 110,597                 |
|  | <hr/>                   |
| Total assets   | 2,238,393,076           |
|  | <hr/>                   |
| <b>Liabilities</b>   |                         |
| Dividends payable-common stock   | 9,271,413               |
| Withholding taxes payable  | 1,519,483               |
| Investment management fee payable  | 1,167,857               |
| Accrued expenses and other liabilities   | 807,533                 |
| Dividends payable-preferred stock  | 576,474                 |
| Administration fee payable   | 227,252                 |
| Payable on interest rate swaps   | 200,726                 |
| Unrealized depreciation on forward currency contracts  | 93,196                  |
|  | <hr/>                   |
| Total liabilities  | 13,863,934              |
|  | <hr/>                   |
| Preferred stock (\$.01 par value per share and \$25,000 liquidation value per share applicable to 24,000 shares; Note 5) | 600,000,000             |
|  | <hr/>                   |
| <b>Net Assets Applicable to Common Shareholders</b>  | <b>\$ 1,624,529,142</b> |
|  | <hr/>                   |
| Net assets were composed of:   |                         |
| Common stock:  |                         |
| Par value (\$.01 per share, applicable to 264,897,530 shares)  | \$ 2,648,975            |
| Paid-in capital in excess of par   | 1,784,944,763           |
|  | <hr/>                   |
|  | 1,787,593,738           |
| Accumulated net investment loss  | (53,186,110)            |
| Accumulated net realized loss on investments   | (20,347,051)            |
| Net unrealized appreciation on investments   | 25,965,647              |
| Accumulated net realized and unrealized foreign exchange losses  | (115,497,082)           |
|  | <hr/>                   |
| <b>Net Assets Applicable to Common Shareholders</b>  | <b>\$ 1,624,529,142</b> |
|  | <hr/>                   |
| Net asset value per common share: (\$1,624,529,142 ÷ 264,897,530 shares of common stock issued and outstanding)          | \$6.13                  |
|  | <hr/>                   |

Aberdeen Asia-Pacific Income Fund, Inc.

## Statement of Operations (unaudited)

Six Months Ended April 30, 2004

### Net Investment Income

|  |                   |
|--|-------------------|
| Income   |                   |
| Interest (net of foreign withholding taxes of \$3,226,681) | \$ 59,405,798     |
| Income from securities lending, net                        | 67,368            |
|  | <u>59,473,166</u> |

### Expenses

|   |                   |
|---|-------------------|
| Investment management fee                   | 5,987,302         |
| Administration fee                          | 1,288,583         |
| Custodian's fees and expenses               | 900,000           |
| Auction agent's fees and broker commissions | 833,000           |
| Reports to shareholders                     | 483,000           |
| Insurance expense                           | 386,000           |
| Legal fees and expenses                     | 350,000           |
| Directors' fees and expenses                | 292,000           |
| Transfer agent's fees and expenses          | 155,000           |
| Investor relations fees and expenses        | 95,000            |
| Independent accountant's fees and expenses  | 73,000            |
| Miscellaneous                               | 49,109            |
|   | <u>10,891,994</u> |

|                       |                   |
|-----------------------|-------------------|
| Net investment income | <u>48,581,172</u> |
|-----------------------|-------------------|

### Realized and Unrealized Gains (Losses) on Investments

#### and Foreign Currencies

|                                |                   |
|--------------------------------|-------------------|
| Net realized gain (loss) on:   |                   |
| Investment transactions        | 6,181,885         |
| Foreign currency transactions  | 24,020,616        |
| Financial futures transactions | (3,630,004)       |
| Interest rate swaps            | (3,975,916)       |
|                                | <u>22,596,581</u> |

#### Net change in unrealized appreciation (depreciation) on:

|                                  |                    |
|----------------------------------|--------------------|
| Investments                      | (16,573,182)       |
| Foreign currency translations    | 8,209,899          |
| Interest rate and currency swaps | 2,125,988          |
| Financial futures contracts      | 3,322,992          |
|                                  | <u>(2,914,303)</u> |

|  |                   |
|--|-------------------|
| Net gain on investments, foreign currencies, futures and swaps | <u>19,682,278</u> |
|--|-------------------|

|  |                   |
|--|-------------------|
| Net increase in Net Assets from operations | <u>68,263,450</u> |
|--|-------------------|

|  |             |
|--|-------------|
| Dividends from net investment income to preferred shareholders | (3,676,943) |
|--|-------------|

**Net Increase In Net Assets Applicable to Common Shareholders Resulting From Operations**

\$ 64,586,507

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.



## Statement of Cash Flows (unaudited)

Six Months Ended April 30, 2004

### Increase (Decrease) in Cash (Including Foreign Currency)

|   |               |
|---|---------------|
| Cash flows provided from (used in) operating activities                                     |               |
| Interest received from investments (excluding premium/discount amortization of \$5,216,343) | \$ 65,086,481 |
| Income received from securities lending   | 67,368        |
| Expenses paid   | (10,994,053)  |
| Maturities/Sales of short-term portfolio investments  | 55,614,575    |
| Purchases of long-term portfolio investments  | (187,710,590) |
| Proceeds from sales of long-term portfolio investments                                      | 188,880,125   |
| Loss on swaps and futures   | (7,950,400)   |
| Other Assets  | 378,795       |
|   | <hr/>         |
| Net cash provided from operating activities   | 103,372,301   |
|   | <hr/>         |
| Cash flows used for financing activities  |               |
| Dividends and distributions paid to common shareholders                                     | (55,597,345)  |
| Dividends paid to preferred shareholders  | (3,684,446)   |
|   | <hr/>         |
| Net cash used for financing activities  | (59,281,791)  |
|   | <hr/>         |
| Effect of changes in exchange rate  | 19,023,728    |
|   | <hr/>         |
| Net increase in cash  | 63,114,238    |
| Cash at beginning of period   | 14,270,175    |
|   | <hr/>         |
| Cash at end of period   | \$ 77,384,413 |
|   | <hr/>         |

### Reconciliation of Cash Provided From Operating Activities

|   |                |
|---|----------------|
| Net increase in total net assets resulting from operations                | \$ 68,263,450  |
|   | <hr/>          |
| Decrease in investments   | 57,600,090     |
| Net realized gain on investment transactions                              | (6,181,885)    |
| Net realized gain on foreign currency contracts                           | (24,020,616)   |
| Decrease in payable on interest rate swaps                                | (4,320,396)    |
| Net realized loss on financial future contracts                           | 3,630,004      |
| Net realized loss on interest rate swaps                                  | 3,975,916      |
| Net change in unrealized appreciation on investments                      | 16,573,182     |
| Net change in unrealized appreciation on foreign currency translation     | (8,209,899)    |
| Net change in unrealized appreciation on interest rate and currency swaps | (2,125,988)    |
| Net change in unrealized depreciation on financial futures contracts      | (3,322,992)    |
| Decrease in interest receivable   | 1,040,033      |
| Decrease in payable for preferred dividends                               | (7,503)        |
| Net decrease in other assets  | 378,795        |
| Decrease in payable for investments purchased                             | (3,103,011)    |
| Decrease in receivable for investments sold                               | 3,962,768      |
| Decrease in accrued expenses and other liabilities                        | (102,059)      |
| Increase in variation margin and swap appreciation                        | (657,588)      |
|   | <hr/>          |
| Total adjustments   | 35,108,851     |
|   | <hr/>          |
| Net cash provided from operating activities                               | \$ 103,372,301 |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Statement of Changes in Net Assets (unaudited)

|  | Six Months<br>Ended<br>April 30, 2004 | Year<br>Ended<br>October 31, 2003 |
|--|---------------------------------------|-----------------------------------|
| <b>Increase (Decrease) in Net Assets</b>   |                                       |                                   |
| Operations   |                                       |                                   |
| Net investment income  | \$ 48,581,172                         | \$ 105,845,892                    |
| Net realized gain (loss) on investments, foreign currency transactions, futures and swaps  | 22,596,581                            | 69,038,214                        |
| Net change in unrealized appreciation/depreciation on investments, foreign currency translations, and interest rate/currency swaps and financial futures contracts | (2,914,303)                           | 218,854,838                       |
| Net increase in net assets from operations   | 68,263,450                            | 393,738,944                       |
| Dividends from net investment income to preferred shareholders   | (3,676,943)                           | (8,478,619)                       |
| <b>Net increase in Net Assets applicable to common shareholders resulting from operations</b>  | 64,586,507                            | 385,260,325                       |
| Dividends from net investment income to common shareholders  | (55,605,868)                          | (82,520,630)                      |
| Tax return of capital distribution   |                                       | (28,632,083)                      |
| Total dividends and distributions to common shareholders   | (55,605,868)                          | (111,152,713)                     |
| Fund share Transactions:   |                                       |                                   |
| Dividend Reinvestment (243,530 shares)   | 1,569,730                             |                                   |
| Total increase (decrease) in net assets applicable to common shareholders  | 10,550,369                            | 274,107,612                       |
| <b>Net Assets Applicable to Common Shareholders</b>  |                                       |                                   |
| Beginning of period  | 1,613,978,773                         | 1,339,871,161                     |
| End of period  | \$ 1,624,529,142                      | \$ 1,613,978,773                  |

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Notes to Financial Statements (unaudited)

Aberdeen Asia-Pacific Income Fund, Inc. (the Fund) was incorporated in Maryland on March 14, 1986 as a closed-end, non-diversified management investment company. The Fund's investment objective is to seek current income. The Fund may also achieve incidental capital appreciation. The Fund will seek to achieve its investment objective through investment in Australian and Asian debt securities. In order to comply with a rule adopted by the Securities and Exchange Commission under the Investment Company Act of 1940 regarding fund names, the Board of Directors has adopted an investment policy that, for as long as the name of the Fund remains Aberdeen Asia-Pacific Income Fund, Inc., it shall be the policy of the Fund normally to invest at least 80% of its net assets plus the amount of any borrowings for investment purposes, in Asian debt securities, Australian debt securities and New Zealand debt securities. This 80% investment policy is a non-fundamental policy of the Fund and may be changed by the Board of Directors upon 60 days prior written notice to shareholders. There can be no assurance that the Fund will achieve its objectives. The ability of issuers of debt securities held by the Fund to meet their obligations may be affected by economic developments in a specific industry, country or region.

### Note 1. Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

#### *Basis of Presentation:*

The financial statements of the Fund are prepared in accordance with accounting principles generally accepted in the United States of America, using the United States dollar as both the functional and reporting currency.

#### *Security Valuation:*

The Fund's Board of Directors has adopted Pricing and Valuation Procedures (the Procedures) to be used in determining the value of the assets held by the Fund. In accordance with the Procedures, investments are stated at value. Investments for which market quotations are readily available are valued at the last trade price on the date of determination as obtained from a pricing source. If no such trade price is available, such investments are valued at the quoted bid price or the mean between the quoted bid and asked price on the date of determination as obtained from a pricing source. Short-term securities which mature in more than 60 days are valued at current market quotations. Short-term securities which mature in 60 days or less are valued at amortized cost. Securities for which market quotations are not readily available are valued at fair value in good faith using methods set forth in the Procedures.

#### *Repurchase Agreements:*

In connection with transactions in repurchase agreements with U.S. financial institutions, it is the Fund's policy that its custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including

Aberdeen Asia-Pacific Income Fund, Inc.

## Notes to Financial Statements (unaudited) (continued)

accrued interest. To the extent that any repurchase transaction exceeds one business day, the collateral is valued on a daily basis to determine its adequacy. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

### *Foreign Currency Translation:*

Australian dollar ( AUD ), New Zealand dollar ( NZD ) and Asian currency amounts are translated into United States dollars on the following basis:

- (i) market value of investment securities, other assets and liabilities at the exchange rates at the end of the reporting period;
- (ii) purchases and sales of investment securities, income and expenses at the rates of exchange prevailing on the respective dates of such transactions.

The Fund isolates 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 April 30, 2004. Similarly, the Fund isolates the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of portfolio securities sold during the reporting periods.

Net realized and unrealized foreign exchange gains include realized foreign exchange gains and losses from sales and maturities of portfolio securities, sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of interest, discount and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid and changes in unrealized foreign exchange gains and losses in the value of portfolio securities and other assets and liabilities arising as a result of changes in the exchange rate. Accumulated net realized and unrealized foreign exchange gains shown in the composition of net assets at April 30, 2004 represent foreign exchange gains for book purposes that may not have been recognized for tax purposes.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

The exchange rate at April 30, 2004 was USD0.72 to AUD1.00.

### *Securities Transactions and Investment Income:*

Securities transactions are recorded on the trade date. Realized and unrealized gains and losses from security and currency transactions are calculated on the identified cost basis. Interest income is recorded on an accrual basis. Discounts and premiums on securities purchased are accreted or amortized on an effective yield basis over the estimated lives of the respective securities. Expenses are recorded on the accrual basis.

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The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Aberdeen Asia-Pacific Income Fund, Inc.

## Notes to Financial Statements (unaudited) (continued)

### *Forward Currency Contracts:*

A forward currency contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The Fund enters into forward currency contracts in order to manage its foreign currency exposure. The contracts are valued daily at current forward exchange rates and any unrealized gain or loss is included in net unrealized appreciation or depreciation on investments. Gain or loss is realized on the settlement date of the contract equal to the difference between the settlement value of the original and renegotiated forward contracts. This gain or loss, if any, is included in net realized gain (loss) on foreign currency transactions. Risks may arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

### *Financial Futures Contracts:*

A financial futures contract is an agreement to purchase (long) or sell (short) an agreed amount of securities or commodities at a set price for delivery on a future date. Upon entering into a financial futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. This amount is known as the initial margin. Subsequent payments, known as variation margin, are made or received by the Fund periodically, depending on the periodic fluctuations in the value of the underlying security or commodity. Such variation margin is recorded for financial statement purposes on a daily basis as unrealized gain or loss. When the contract expires or is closed, the gain or loss is realized and is presented in the statement of operations as net realized gain (loss) on financial futures contracts.

The Fund invests in financial futures contracts to manage its interest rate exposure. Under a variety of circumstances, the Fund may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts and the underlying assets.

### *Securities Lending:*

The Fund's investment policies permit the Fund to lend to banks and broker-dealers, portfolio securities with an aggregate market value of up to 15% of the Fund's total assets when it deems advisable. Pursuant to a securities lending agreement ( Agreement ) between the Fund and State Street Bank and Trust Company ( State Street ), any loans made under the Agreement must be secured by collateral (consisting of any combination of cash, U.S. Government securities, irrevocable letters of credit or other high-quality debt securities) in an amount at least equal (on a daily marked-to-market basis) to the current market value of the securities loaned. An amendment to the Agreement provides that the cash collateral may be invested in State Street Securities Lending Prime Portfolio, an affiliate of State Street, and proceeds from this investment are divided 70% as to the Fund and 30% as to State Street.

The Agreement also provides that the Fund may terminate the loans at any time and obtain the return of the securities, and that the Fund will continue to receive any interest or

Aberdeen Asia-Pacific Income Fund, Inc.

## Notes to Financial Statements (unaudited) (continued)

dividends obtained on any of the loaned securities and will continue to have voting rights with respect to the securities.

If the Fund makes investments with cash collateral received for securities loaned, the Fund records the investments in the portfolio of investments and records a corresponding liability in the statement of assets and liabilities.

In the event the Fund lends its portfolio securities, the Fund may be exposed to counterparty risk, which may result in the delay in recovery of the loaned securities or possible loss of right in the collateral should the borrower become insolvent. However, under the amendment to the Agreement, State Street will indemnify the Fund in the case of borrower default.

### *Interest Rate and Currency Swaps:*

The Fund may engage in certain swap transactions in order to obtain a desired return at a lower cost than if the Fund had invested directly in the asset that yielded the desired return or to hedge the AMPS.

An interest rate swap is an agreement between two parties which involves the exchange of floating and fixed rate interest payments (an interest rate and currency swap involves the exchange of interest rate payments in another currency) for a specified period of time. Interest rate and currency swaps involve the accrual and exchange of interest payments between the parties.

During the term of the swap, changes in the value of the swap are recognized as unrealized gains or losses by marking-to-market to reflect the fair market value of the swap. When the swap is terminated, the Fund will record a realized gain or loss equal to the difference, if any, between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract.

Periodic payments made or accrued under interest rate swap agreements were previously included within interest income but, as a result of a recent FASB Emerging Issues Task Force consensus and subsequent related SEC staff guidance, are now shown as a component of either realized gain/(loss) or unrealized appreciation/(depreciation) in the Statement of Operations. The impact on this change on prior years' net investment income and net realized and unrealized gain/(loss) in the Statement of Changes in Net Assets and net investment income and net realized and unrealized gain/(loss) per share amounts and ratios in the Financial Highlights were not material.

A significant type of risk associated with interest rate swaps is the risk that the counterparty may default or file for bankruptcy, in which case the Fund would bear the risk of loss of the amount expected to be received under the swap agreement. There can be no assurance that the Fund will have an interest rate swap in place at any given time nor can there be any assurance that, if an interest rate swap is in place, it will be successful in hedging the Fund's interest rate risk with respect to the AMPS. The implementation of this strategy is at the discretion of the AMPS Pricing Committee of the Board of Directors.





## Notes to Financial Statements (unaudited) (continued)

### *Dividends and Distributions:*

It is the Fund's current policy to pay dividends from net investment income supplemented by net realized foreign exchange gains, net realized short-term capital gains and return of capital distributions if necessary, on a monthly basis. The Fund will also declare and pay distributions at least annually from net realized gains on investment transactions and net realized foreign exchange gains, if any. Dividends and distributions to common shareholders are recorded on the ex-dividend date. Dividends and distributions to preferred shareholders are accrued on a weekly basis and are determined as described in Note 6.

Income distributions and capital and currency gains distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences are primarily due to differing treatments for foreign currencies, loss deferrals and recognition of market discount and premium.

### *Taxes:*

For federal income and excise tax purposes, the Fund's transactions are accounted for using the Australian dollar as the functional currency. Accordingly, only realized currency gains and losses resulting from the repatriation of Australian dollars into United States dollars or transactions in New Zealand dollars or Asian country currencies are recognized for tax purposes.

No provision has been made for United States income taxes because it is the Fund's policy to continue to meet the requirements of the United States Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to shareholders. The chart below summarizes the withholding tax rates in effect on interest income at the period end.

| Country     | Withholding<br>Tax Rate |
|-------------|-------------------------|
| Australia   | 10%                     |
| China       | 10                      |
| Japan       | 10                      |
| Korea       | 12                      |
| Malaysia    | 30                      |
| New Zealand | 10                      |
| Philippines | 15                      |
| Singapore   | 30                      |
| Thailand    | 15                      |

### *Cash Flow Information:*

The Fund invests in securities and makes distributions to common shareholders from net investment income and net realized gains from investment and currency transactions, and to the extent necessary, from return of paid-in capital. These distributions are paid in cash or



## Notes to Financial Statements (unaudited) (continued)

are reinvested at the discretion of shareholders. These activities are reported in the Statement of Changes in Net Assets and additional information on cash receipts and cash payments is presented in the Statement of Cash Flows. Cash includes domestic and foreign currency.

### Note 2. Agreements

In December 2003, the Fund's Board of Directors approved the transfer by Aberdeen Asset Managers (C.I.) Limited (AAMCIL) to Aberdeen Asset Management Asia Limited (AAMAL) of the rights and obligations of AAMCIL under the management agreement and the advisory agreement with the Fund. Effective March 8, 2004, AAMAL became the investment manager of the Fund (the Investment Manager). Aberdeen Asset Management Limited (the Investment Adviser) serves as the investment adviser to the Fund pursuant to an advisory agreement. The Investment Manager and the Investment Adviser are direct or indirect wholly-owned subsidiaries, respectively, of Aberdeen Asset Management PLC.

The Investment Manager makes investment decisions on behalf of the Fund on the basis of recommendations and information furnished to it by the Investment Adviser, including the selection of and the placement of orders with brokers and dealers to execute portfolio transactions on behalf of the Fund.

The management agreement provides the Investment Manager with a fee, computed weekly and payable monthly, at the following annual rates: 0.65% of the Fund's average weekly total net assets of common and preferred shareholders up to \$200 million, 0.60% of such assets between \$200 million and \$500 million, 0.55% of such assets between \$500 million and \$900 million, 0.50% of such assets between \$900 million and \$1,750 million and 0.45% of such assets in excess of \$1,750 million.

The Investment Manager pays fees to the Investment Adviser for its services rendered. The Investment Manager informed the Fund that it paid \$2,589,774 to the Investment Adviser during the period ended April 30, 2004.

Prudential Investments LLC (the Administrator) serves as administrator to the Fund pursuant to an agreement. The administration agreement provides the Administrator with a fee at the annual rate of 0.15% of the Fund's average weekly total net assets of common and preferred shareholders up to \$900 million, 0.10% of such assets between \$900 million and \$1,750 million and 0.07% of such assets in excess of \$1,750 million. During the six months ended April 30, 2004, the Administrator remitted \$120,000 to AAMCIL for certain compliance related administrative services provided.

Under terms of an Investor Relations Services Agreement, Aberdeen Asset Management Inc. (Aberdeen), an affiliate of the Fund's Investment Manager and Investment Adviser, serves as the Fund's investor relations services provider. This agreement provides Aberdeen with a monthly retainer fee of \$10,000 plus out-of-pocket expenses. During the six months ended April 30, 2004, the Fund incurred fees of approximately \$60,000 for the services of Aberdeen. As of April 30, 2004, \$10,000 of this amount was due to Aberdeen. Investor



## Notes to Financial Statements (unaudited) (continued)

relations fees and expenses of \$95,000 in the Statement of Operations include certain out-of-pocket expenses.

### Note 3. Portfolio Securities

Purchases and sales of investment securities, other than short-term investments, for the six months ended April 30, 2004 aggregated \$184,917,357 and \$156,847,738, respectively.

The Fund entered into an interest rate and foreign currency swap on February 16, 1999. Under the terms of the swap, the Fund receives interest at a rate of 11.50% based on a notional amount of KRW5,124,367,250 and pays interest at a rate of 3.70% based on a notional amount of JPY500,000,000. Net receipts or payments of such amounts are exchanged semi-annually. At April 30, 2004, the unrealized appreciation on this swap was \$130,122. The swap is scheduled to terminate on April 26, 2006.

As previously reported to shareholders, the Fund entered into an interest rate swap agreement, based on an aggregate notional amount of \$480,000,000, which represents 80% of the total AMPS outstanding. Under the terms of the agreement, the Fund receives a floating rate of interest (one month USD-LIBOR BBA rate), and pays fixed rates of interest for the terms and based upon the notional amounts set forth below:

| Counterparty | Termination Date | Notional Amount (000) | Fixed Rate | Unrealized Appreciation |
|--------------|------------------|-----------------------|------------|-------------------------|
| UBS AG       | October 31, 2005 | \$ 96,000             | 2.1025%    | \$ 129,084              |
| UBS AG       | October 31, 2006 | 96,000                | 2.6900%    | 505,210                 |
| UBS AG       | October 31, 2007 | 144,000               | 3.1600%    | 1,249,729               |
| UBS AG       | October 31, 2008 | 144,000               | 3.5400%    | 1,607,153               |
|              |                  |                       |            | <b>\$ 3,491,176</b>     |

At April 30, 2004 the Fund had outstanding forward currency contracts to buy and sell foreign currency against United States dollars as follows:

| Foreign Currency Purchase Contract | Value at Settlement Date |               |  | Appreciation (Depreciation) |
|------------------------------------|--------------------------|---------------|--|-----------------------------|
|                                    | Payable                  | Current Value |  |                             |
| Philippine Peso                    |                          |               |  |                             |

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|                         |                      |                      |                  |
|-------------------------|----------------------|----------------------|------------------|
| settlement date 8/12/04 | \$ 6,732,000         | \$ 6,842,597         | \$ 110,597       |
| <b>South Korean Won</b> |                      |                      |                  |
| settlement date 9/20/04 | 14,000,000           | 13,906,804           | (93,196)         |
|                         | <u>\$ 20,732,000</u> | <u>\$ 20,749,401</u> | <u>\$ 17,401</u> |

Aberdeen Asia-Pacific Income Fund, Inc.

## Notes to Financial Statements (unaudited) (continued)

During the period ended April 30, 2004, the Fund entered into financial futures contracts. Cash has been segregated with the custodian to cover requirements for the following open futures contracts. Details of open contracts at April 30, 2004 are as follows:

| <u>Number of Contracts</u> | <u>Type</u>                                  | <u>Expiration Date</u> | <u>Value at April 30, 2004</u> | <u>Value at Trade Date</u> | <u>Unrealized Appreciation/ (Depreciation)</u> |
|----------------------------|--|------------------------|--------------------------------|----------------------------|--|
| 25                         | Short Positions:<br>30yr U.S. Treasury Bonds | June 04                | \$ 2,677,344                   | \$ 2,809,961               | \$ 132,617                                     |
| 350                        | 10yr U.S. Treasury Notes                     | June 04                | 38,675,000                     | 39,820,383                 | 1,145,383                                      |
| 175                        | 5yr U.S. Treasury Notes                      | June 04                | 19,239,063                     | 19,649,219                 | 410,156  |
| 55                         | 3yr Australian Treasury Bonds                | June 04                | 4,002,364                      | 4,061,533                  | 59,169   |
| 12                         | 10yr Australian Treasury Bonds               | June 04                | 869,223                        | 907,779                    | 38,556   |
|                            |  |                        |                                |                            | <u>\$ 1,785,881</u>                            |

### Note 4. Tax Information

For federal income tax purposes, the Fund has a net capital loss carryforward as of October 31, 2003 of approximately \$19,311,000 which expires in 2010. Accordingly, no capital gains distributions are expected to be paid to shareholders until net gains have been realized in excess of such carryforward.

Aberdeen Asia-Pacific Income Fund, Inc.



## Notes to Financial Statements (unaudited) (continued)

The United States federal income tax basis of the Fund's investments and the net unrealized appreciation as of April 30, 2004 were as follows:

| <u>Tax Basis of<br/>Investments</u> | <u>Appreciation</u> | <u>Depreciation</u> | <u>Net<br/>Unrealized<br/>Depreciation</u> |
|-------------------------------------|---------------------|---------------------|--|
| \$ 2,132,942,992                    | \$43,918,891        | \$ (59,612,944)     | \$ (15,694,053)                            |

The difference between book basis and tax basis was primarily attributable to deferred losses on wash sales, differing tax treatment for foreign currencies and recognition of discount and of premium amortization.

### Note 5. Common Stock

There are 400 million shares of common stock authorized. At April 30, 2004, there were 264,897,530 common shares issued and outstanding.

On March 1, 2001, the Board of Directors approved a stock repurchase program. The stock repurchase program allows the Fund to repurchase up to 10% of its outstanding common stock in the open market during any 12 month period if and when the discount to net asset value is at least 10%. There were no shares repurchased or cancelled under this program for the six month period ended April 30, 2004 or the year ended October 31, 2003.

### Note 6. Preferred Stock

The Preferred Stock shareholders have rights as determined by the Board of Directors. The 24,000 shares of Auction Market Preferred Stock ( Preferred Stock ) outstanding consist of nine series as follows: Series A 3,000 shares, Series B 3,000 shares, Series C 2,000 shares, Series D 4,000 shares, Series E 2,000 shares, Series F 2,000 shares, Series G 3,000 shares, Series H 2,500 shares and Series I 2,500 shares.

Dividends on each series of Preferred Stock are cumulative at a rate established at the initial public offering and are typically reset every 28 days for Series A through D and every seven days for Series E through I based on the results of an auction. Dividend rates ranged from 0.9% to 2.0% during the six months ended April 30, 2004. Under the Investment Company Act of 1940, the Fund may not declare dividends or make other distributions on shares of common stock or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Stock would be less than 200%.

The Preferred Stock is redeemable at the option of the Fund, in whole or in part, on any dividend payment date at liquidation value plus any accumulated but unpaid dividends. The Preferred Stock is also subject to mandatory redemption at liquidation value plus any accumulated but unpaid dividends if certain requirements relating to the composition of the assets and liabilities of the Fund as set forth in the Charter are not

satisfied.

Aberdeen Asia-Pacific Income Fund, Inc.

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## Notes to Financial Statements (unaudited) (concluded)

The holders of Preferred Stock have voting rights equal to the holders of common stock (one vote per share) and will vote together with holders of shares of common stock as a single class. However, holders of Preferred Stock are also entitled to elect two of the Fund's directors.

### **Note 7. Subsequent Distributions**

Subsequent to April 30, 2004, the Board of Directors declared a monthly distribution of 3.5 cents per share payable on June 11, 2004 and July 16, 2004 to common shareholders of record as of May 28, 2004 and June 30, 2004, respectively (ex-dividend dates May 26, 2004 and June 28, 2004, respectively).

Subsequent to April 30, 2004, dividends and distributions declared and paid on Preferred Stock totaled approximately \$860,065 for the nine outstanding preferred share series in the aggregate through June 10, 2004.

Aberdeen Asia-Pacific Income Fund, Inc.

## Financial Highlights (unaudited)

|  | Six Months<br>Ended<br>April 30, 2004 |
|--|---------------------------------------|
| <b>PER SHARE OPERATING PERFORMANCE*:</b>                                       |                                       |
| Net asset value per common share, beginning of period                          | \$ 6.10                               |
| Net investment income  | 0.19                                  |
| Net realized and unrealized gain (loss) on investments and foreign currencies  | 0.06                                  |
| Dividends from net investment income to preferred shareholders                 | (.01)                                 |
| <b>Total from investment operations</b>  | <b>0.24</b>                           |
| Dividends from net investment income to common shareholders                    | (.21)                                 |
| Tax return of capital distribution   |                                       |
| Distributions from net capital and currency gains to preferred shareholders    |                                       |
| Distributions from net capital and currency gains to common shareholders       |                                       |
| <b>Total dividends and distributions</b>                                       | <b>(.21)</b>                          |
| Capital reduction with respect to issuance of shares                           |                                       |
| Increase resulting from Fund share repurchase                                  |                                       |
| Net asset value per common share, end of period                                | \$ 6.13                               |
| Market price per common share, end of period                                   | \$ 5.37                               |
| <b>TOTAL INVESTMENT RETURN BASED ON :</b>                                      |                                       |
| Market value   | (7.84%)                               |
| Net asset value  | 3.99%                                 |
| <b>RATIOS TO AVERAGE NET ASSETS OF COMMON SHAREHOLDERS/SUPPLEMENTAL DATA#:</b> |                                       |
| Expenses   | 1.30%                                 |
| Net investment income available to common shareholders                         | 5.34%                                 |
| Portfolio turnover rate  | 8%                                    |
| Net assets of common shareholders, end of period (000 omitted)                 | \$ 1,624,529                          |
| Average net assets of common shareholders (000 omitted)                        | \$ 1,689,774                          |
| Senior securities (preferred stock) outstanding (000 omitted)                  | \$ 600,000                            |
| Asset coverage of preferred stock at period-end                                | 371%                                  |

\* Calculated based upon average shares outstanding during the period.  
Total investment return is calculated assuming a purchase of common stock on the first day and a sale on the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions. Total investment return for periods less than one year are not annualized.

Includes expenses of both preferred and common stock.  
Annualized

# Ratios calculated on the basis of income, expenses and preferred share dividends applicable to both the common and preferred shares relative to the average net assets of common shareholders. Expense ratios relative to the average net assets of common and preferred shareholders are 0.96%, 1.03%, 1.03%, 1.03%, .98% and .95%, respectively. Ratios to average net assets of net investment income before preferred stock dividends are 5.78%, 7.07%, 8.18%, 10.76%, 10.52% and 9.79%, respectively. Ratios to average net assets of preferred stock dividends are 0.44%, .57%, .97%, 2.28%, 2.30% and 1.45%, respectively.

## Less than \$0.005 per share.

### Effective November 1, 2001, the Fund has adopted the provisions of the AICPA Audit and Accounting Guide for Investment Companies and began amortizing premiums on debt securities. The effect of this change for the year ended October 31, 2002 was to decrease net investment income per share by \$0.05 and increase net realized and unrealized gain (loss) per share by \$0.05 and decrease the ratio of net investment income from 8.31% to 7.21%. Per share amounts and ratios for the years ended prior to October 31, 2002 have not been restated to reflect

this change in presentation.

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Financial Highlights (unaudited) (concluded)

Year Ended October 31,

| 2003         | 2002 <sup>###</sup> | 2001         | 2000         | 1999         |
|--------------|---------------------|--------------|--------------|--------------|
| \$ 5.06      | \$ 4.65             | \$ 4.78      | \$ 6.20      | \$ 7.33      |
| .40          | .40                 | .53          | .60          | .67          |
| 1.09         | .50                 | (.01)        | (1.28)       | (.35)        |
| (.03)        | (.05)               | (.11)        | (.13)        | (.10)        |
| 1.46         | .85                 | .41          | (.81)        | .22          |
| (.31)        | (.16)               | (.22)        | (.39)        | (.63)        |
| (.11)        | (.28)               | (.32)        | (.21)        | (.02)        |
|              |                     |              | (.01)        | (.09)        |
| (.42)        | (.44)               | (.54)        | (.61)        | (.74)        |
|              |                     |              |              | (.61)        |
|              | ##                  |              |              |              |
| \$ 6.10      | \$ 5.06             | \$ 4.65      | \$ 4.78      | \$ 6.20      |
| \$ 6.03      | \$ 4.25             | \$ 4.02      | \$ 3.86      | \$ 6.00      |
| 53.64%       | 17.01%              | 18.74%       | (26.73)%     | 20.96%       |
| 30.55%       | 19.65%              | 10.91%       | (12.19)%     | (5.15)%      |
| 1.45%        | 1.51%               | 1.51%        | 1.36%        | 1.26%        |
| 6.51%        | 7.21%               | 8.48%        | 8.22%        | 8.34%        |
| 37%          | 36%                 | 47%          | 64%          | 89%          |
| \$ 1,613,979 | \$ 1,339,871        | \$ 1,241,841 | \$ 1,279,346 | \$ 1,657,365 |
| \$ 1,496,312 | \$ 1,280,112        | \$ 1,299,044 | \$ 1,530,638 | \$ 1,775,894 |
| \$ 600,000   | \$ 600,000          | \$ 600,000   | \$ 600,000   | \$ 600,000   |
| 369%         | 326%                | 308%         | 316%         | 376%         |

NOTE: Contained above is operating performance for a share of common stock outstanding, total investment return, ratios to average net assets of common shareholders and other supplemental data for each of the years indicated. This information has been determined based upon financial information provided in the financial statements and market value data for the Fund's common shares.

See Notes to Financial Statements.

Aberdeen Asia-Pacific Income Fund, Inc.

## Supplemental Proxy Information (unaudited)

The Annual Meeting of Shareholders of Aberdeen Asia-Pacific Income Fund, Inc. was held on April 20, 2004 at Hilton Newark Gateway, Raymond Boulevard, Newark, New Jersey. The meeting was held for the following purposes:

- (1) To elect three Directors to serve as Class I Directors for a three-year term expiring in 2007:  
 Anthony E. Aaronson  
 Beverley Hendry  
 Neville J. Miles
  
- (2) To elect two directors to represent the interests of the holders of preferred stock for the ensuing year:  
 Dr. Anton E. Schrafl  
 John T. Sheehy

The results of the voting on the above matters were as follows:

- (1) Election of Class I Directors:

| Director            | Votes For   | Votes Withheld |
|---------------------|-------------|----------------|
| Anthony E. Aaronson | 231,905,755 | 3,154,652      |
| Beverley Hendry     | 232,009,578 | 3,050,829      |
| Neville J. Miles    | 232,067,839 | 2,992,568      |

- (2) Election of Preferred Directors:

| Director             | Votes For | Votes Withheld |
|----------------------|-----------|----------------|
| Dr. Anton E. Schrafl | 16,623    | 33             |
| John T. Sheehy       | 16,623    | 33             |

Directors whose term of office continued beyond this meeting are as follows: David L. Elsum, Martin J. Gilbert, P. Gerald Malone, Peter J. O'Connell, William J. Potter, Peter D. Sacks and Brian M. Sherman.

Aberdeen Asia-Pacific Income Fund, Inc.

## Directors

## Officers

Martin J. Gilbert, *Chairman*

Martin Gilbert, *President*

Anthony E. Aaronson

Alison Briggs, *Vice President*

David L. Elsum

Christian Pittard, *Treasurer and Assistant Secretary*

Beverley Hendry

Roy M. Randall, *Secretary*

P. Gerald Malone

Timothy Sullivan, *Assistant Treasurer*

Neville J. Miles

Andy Williams, *Assistant Treasurer*

Peter J. O'Connell

Jack R. Benintende, *Assistant Treasurer*

William J. Potter

Sander M. Bieber, *Assistant Secretary*

Peter D. Sacks

Anton E. Schrafl

John T. Sheehy

Brian M. Sherman

The accompanying Financial Statements as of April 30, 2004 were not audited and accordingly, no opinion is expressed thereon.



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Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase, from time to time, shares of its common stock in the open market.

Aberdeen Asia-Pacific Income Fund, Inc.

## Corporate Information

**Investment Manager**

Aberdeen Asset Management Asia Limited 21 Church Street

#01-01 Capital Square Two

Singapore 049480

**Investment Adviser**

Aberdeen Asset Management Limited Level 6, 201 Kent Street

Sydney, NSW 2000, Australia

**Administrator**

Prudential Investments LLC

Gateway Center Three

100 Mulberry Street

Newark, NJ 07102-4077

**Custodian**

State Street Bank and Trust Company One Heritage Drive

North Quincy, MA 02171

**Transfer Agent**

Through July 25, 2004:

EquiServe Trust Company, N.A.

P.O. Box 43011

Providence, RI 02940-3011

1-800-451-6788

Effective July 26, 2004:

The Bank of New York

Shareholder Relations Department

P.O. Box 11258

Church Street Station

New York, NY 10286

1-800-432-8224

**Auction Agent**

Deutsche Bank Trust Company Americas 280 Park Avenue, 9th Floor

New York, NY 10018

**Independent Registered Public Accounting Firm**

PricewaterhouseCoopers LLP

1177 Avenue of the Americas

New York, NY 10036

**Legal Counsel**

Dechert LLP

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1775 I Street, N.W.

Washington, DC 20006

The Seidler Law Firm

Level 12, The Chifley Tower

2 Chifley Square

Sydney, NSW 2000, Australia

Aberdeen Asset Management Inc.

45 Broadway, 21st Floor

New York, NY 10006

1-800-522-5465

InvestorRelations@aberdeen-asset.com

**Investor Relations**

**Aberdeen Asset Management Asia Limited**

The common shares of Aberdeen Asia-Pacific Income Fund, Inc. are traded on the American Stock Exchange and on the Pacific Stock Exchange under the symbol FAX. Information about the Fund's net asset value and market price is published weekly in *Barron's* and in

the Monday edition of *The Wall Street Journal*.

This report, including the financial information herein, is transmitted to the shareholders of Aberdeen Asia-Pacific Income Fund, Inc. for their general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person. Past performance is no guarantee of future returns.

FAXSA

Item 2 Code of Ethics

Not required in this filing

Item 3 Audit Committee Financial Expert

Not required in this filing

Item 4 Principal Accountant Fees and Services

Not required in this filing

Item 5 Audit Committee of Listed Registrants

Not required in this filing

Item 6 Schedule of Investments

Included as part of the report to shareholders filed under item 1 of this Form N-CSR

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies

Not required in this filing

Item 8 Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers

REGISTRANT PURCHASES OF EQUITY SECURITIES

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| Period                                 | (a)                              | (b)                          | (c)   | (d)   |
|--|----------------------------------|------------------------------|---|---|
|  | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>1</sup> | Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs <sup>1</sup> |
| November 1, through, November 30, 2003 | 0                                | 0                            | 0   | 26,465,400  |
| December 1 through December 31, 2003   | 0                                | 0                            | 0   | 26,465,400  |
| January 1 through January 31, 2004     | 0                                | 0                            | 0   | 26,465,400  |
| February 1 through February 29, 2004   | 0                                | 0                            | 0   | 26,465,400  |
| March 1 through March 31, 2004         | 0                                | 0                            | 0   | 26,465,400  |
| April 1 through April 30, 2004         | 0                                | 0                            | 0   | 26,465,400  |
| <b>Total</b>                           | <b>0</b>                         | <b>0</b>                     | <b>0</b>  | <b>26,465,400</b>   |

<sup>1</sup> The Fund's stock repurchase program was announced on March 19, 2001 and allows the Fund to repurchase up to 10% of its outstanding common stock in the open market during any 12 month period if and when the discount to net asset value is at least 10%.

Item 9 Submission of Matters to a Vote of Security Holders

Not applicable

Item 10 Controls and Procedures

- (a) It is the conclusion of the Registrant's principal executive officer and principal financial officer that the effectiveness of the Registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the Registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the Registrant has been accumulated and communicated to the Registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.
- (b) There have been no changes in the Registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 11 Exhibits

- (a)(2) Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 Attached hereto
- (b) Certifications pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 Attached hereto

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Aberdeen Asia-Pacific Income Fund, Inc.

By: */s/ Martin Gilbert*

\_\_\_\_\_  
Martin Gilbert,  
President of  
Aberdeen Asia-Pacific Income Fund, Inc.

Date: July 1, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: */s/ Martin Gilbert*

\_\_\_\_\_  
Martin Gilbert,  
President of  
Aberdeen Asia-Pacific Income Fund, Inc.

Date: July 1, 2004

By: */s/ Christian Pittard*

\_\_\_\_\_  
Christian Pittard,  
Treasurer of  
Aberdeen Asia-Pacific Income Fund, Inc.

Date: July 1, 2004