

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>Matthews Emerging Asia Fund</b>		2 Issuer's employer identification number (EIN) <b>46-2122902</b>	
3 Name of contact for additional information <b>Matthews Asia</b>	4 Telephone No. of contact <b>800-789-ASIA(2742)</b>	5 Email address of contact <b>correspondence@matthewsasia.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>4 Embarcadero Center, Suite 550</b>		7 City, town, or post office, state, and Zip code of contact <b>San Francisco, CA 94111</b>	
8 Date of action <b>Tax Year Ended 12/31/2013</b>		9 Classification and description <b>Investor Class</b>	
10 CUSIP number <b>577125883</b>	11 Serial number(s)	12 Ticker symbol <b>MEASX</b>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **It was determined subsequent to Matthews Emerging Asia Fund's December 31, 2013, tax year end that a portion of the Fund's distribution to its shareholders had exceeded its earnings and profits for the tax year. Accordingly, the distribution made in December 2013 is comprised of an earnings distribution and a return of capital distribution (non-dividend distribution). A non-dividend distribution is a distribution that is not paid out of the earnings and profits of the fund. It is non-taxable to the shareholder and is considered a return of the shareholder's investment. Shareholders who receive such a distribution should not include this amount in taxable income for their respective taxable year. Pursuant to Internal Revenue Code § 1016(a), this amount is a reduction of the applicable share's cost basis upon which the distribution was paid. To determine the reduction in the shareholder's basis, a shareholder should multiply the per share amount as reflected in line 15 below by the number of shares held on the ex-date and subtract that amount from the original purchase price or adjusted cost basis for those specific shares. The purchase price or adjusted cost basis should be maintained in the shareholder's records until the shareholder disposes of the shares.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Each shareholder's return of capital portion of the distribution is applied as a reduction to the shareholder's basis in the Fund. To the extent the reduction is greater than the shareholder's basis in the Fund it results in a taxable capital gain. The following amount represent the per share return of capital for the shareholders.**

Distribution Ex-date	Return of Capital Per Share
12/12/13	\$ 0.00839

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **The Fund's 12/31/2013 tax year end earnings and profits as calculated based upon book earnings and adjusted for all applicable tax accounting adjustments (created by GAAP versus tax accounting differences) was less than the Fund's tax year distribution, creating a return of capital. Please refer to lines 14 and 15 above for details relating to the basis adjustment calculation.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
IRC §61(a)(7) - Gross income defined - Dividends  
IRC §316 - Dividend defined  
IRC §301 - Distributions of property  
IRC §317 - Other definitions  
IRC §1016 - Adjustment to basis.

18 Can any resulting loss be recognized? ▶ Not applicable

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
The adjustment reflected above relates to the distribution received in December 2013. Please see the details and explanation on lines 14 and 15 above.

All of the aforementioned information on this form is being provided pursuant to Internal Revenue Code Section 6045B(e), as amended. The tax information contained herein is provided for informational purposes only and should not be construed as legal or tax advice. Please consult an attorney or tax professional for assistance as to how this information will impact your specific tax situation.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶ /s/ Shai Malka Date ▶ 1/10/14

Print your name ▶ Shai Malka Title ▶ VP Fund Accounting and Operations

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>Jonathan Franke</u>	<u>Jonathan Franke</u>	<u>01/10/2014</u>		<u>P00291766</u>
	Firm's name ▶ <u>PricewaterhouseCoopers LLP</u>	Firm's EIN ▶ <u>13-4008234</u>		Phone no. <u>415-498-5000</u>	
Firm's address ▶ <u>3 Embarcadero Center, 22nd Floor San Francisco, CA 94111</u>					