

PRESS RELEASE

FOR IMMEDIATE RELEASE

China Merchants Port to acquire 90% of Brazilian container terminal TCP from Advent International and TCP's founding shareholders

- China Merchants Port to pay R\$2.9 billion for its stake, valuing TCP at R\$3.2 billion
- Transaction is the first investment by China Merchants in Latin America

XIAMEN, China, September 4, 2017 – China Merchants Port Holdings Company Limited (“CMPort”), Advent International (“Advent”) and the founding shareholders of TCP Participações (“TCP”) today announced that they have signed a binding agreement whereby CMPort will acquire 90% of TCP’s shares for approximately R\$2.9 billion (US\$925 million). TCP manages the Terminal de Contêineres de Paranaguá, one of the largest container terminals in South America, and the logistics company TCP Log.

Under the terms of the agreement, CMPort will acquire the 50% stake in TCP owned by Advent International and a 40% stake owned by the founding shareholders of TCP – Galigrain S.A. (“Galigrain”), Grup Maritim TCB S.L. (“TCB”), Pattac Empreendimentos e Participações S/A (“Pattac”), Soifer Participações Societárias S.A. (“Soifer”) and TUC Participações Portuárias S/A (“TUC”). Advent, Galigrain and TCB will sell all of their shares in TCP, while Pattac, Soifer and TUC will together retain a 10% stake in the company.

The transaction, which values 100% of TCP’s shares at approximately R\$3.2 billion (US\$1 billion), is one of the largest ever announced in the container terminal sector in Latin America. It is also the first investment by CMPort in Latin America. The closing of the transaction is subject to certain customary conditions, including regulatory approval and approval from Brazil’s antitrust authority. The acquisition is expected to be completed by the end of 2017.

With annual capacity of 1.5 million twenty-foot equivalent container units (TEUs) and ongoing expansion that will increase its capacity to 2.4 million TEUs by 2019, TCP has the concession to operate one of the largest container terminals in Brazil. Located in the port of Paranaguá in Paraná State, the terminal is one of the main hubs for the import and export of cargo in Brazil, moving approximately 10% of all the containers handled in the country. Goods handled by TCP include frozen meat, a segment in which the company is the market leader with the largest number of refrigerated containers in the country; wood; components for the auto industry; chemicals; and electronic equipment. In addition to the container terminal, TCP is involved, through its TCP Log subsidiary, in door-to-port logistics, providing complete, integrated solutions to its importer and exporter clients and the largest shipping companies in the world.

CMPort is one of the largest container terminal operators globally and handled more than 95 million TEUs in 2016. In China, the group has operations in major shipping hubs such as Hong Kong, Shenzhen, Shanghai, Ningbo, Qingdao, Dalian, Tianjin, Zhanjiang and Xiamen Bay. It also has container terminal operations in countries such as the United States, Sri Lanka, Nigeria, Djibouti, Togo and Turkey as well as various countries in Asia and Europe.

“China Merchants Port has rapidly expanded its overseas presence and understands that the entry into Latin America, especially Brazil, is crucial for the global expansion of its terminal network,” said Dr. Bai Jingtao, managing director of CMPort. “TCP is not only China Merchants’ cornerstone to enter Brazil, but also the future hub of the rising commodity and goods trade flow between Brazil and China. China Merchants Port will also leverage its international port operation experience and local connectivity to help TCP continue its success story as one of the leading ports in Brazil and Latin America.”

Dr. Bai added: “This landmark acquisition demonstrates CMPort’s confidence in the Brazilian economy and its commitment to contribute to the development of the country’s infrastructure and the increased flow of business between BRICS countries.”

Dr. Hu Jianhua, Executive Vice President of China Merchants Group and Vice Chairman of CMPort, reiterated the group’s spotlight on Brazil: “Brazil is the largest economy in Latin America with huge market potential and abundant resources and reserves. Brazil is also a member of the BRICS group of nations and is China’s most important comprehensive strategic partner and trade counterpart in Latin America. The transaction serves China Merchants Group’s intention to promote commercial cooperation with the BRICS countries and the ‘China Brazil Joint Action Plan’.” The transaction will help us achieve our commercial objectives, and at the same time, enhance the trade development between Brazil and China and the comprehensive strategic cooperation relationship of the two countries.”

“China Merchants is one of the most successful companies in the port sector globally, and we are very excited to welcome them as the new majority owner of TCP,” said Luiz Antonio Alves, who led the transformation of TCP into one of the best-operated terminals in Brazil and expanded its services into fully integrated logistics solutions. Mr. Alves will remain as CEO of the company. “We believe CMPort will contribute significantly to our next phase of growth by capturing synergies among its various terminals worldwide and bringing its global expertise for the benefit of TCP’s customers. We look forward to working with CMPort and continuing to build on our positive momentum.”

Mr. Alves also acknowledged the support from Advent International and TCP’s founding shareholders in the project to modernize and expand the TCP terminal, which started in 2011. “Advent and our founding shareholders have been instrumental in supporting the transformation of TCP’s operations. Our annual capacity has expanded from 800,000 TEUs in 2011 to 1.5 million TEUs today, while our average productivity has increased from less than 30 moves per hour to 90 moves per hour. These improvements have enabled TCP to deliver superior customer service and driven our evolution from a container terminal with capacity and operational constraints to a world-class provider of ‘port-to-door’ logistics services.”

“We are proud of TCP’s many accomplishments over the past six years,” said Patrice Etlin, a Managing Partner at Advent International in São Paulo. “TCP’s substantial improvement in the quality of its services was the result of a major investment in equipment, implementation of modern and agile governance, strengthening of the executive team, replacement of operating systems and expansion of the terminal through construction of a new berth and warehouses in the hinterland. By working with management to eliminate operational bottlenecks, Advent and our fellow shareholders in TCP have enabled the company to meet the large demand for port and logistics services in the region and grow at an accelerated pace. We are confident the company will continue its success under the guidance of CMPort.”

BTG Pactual and Morgan Stanley are serving as financial advisors to the selling shareholders in the transaction. Santander is acting as financial advisor to CMPort. Mattos Filho is serving as legal advisor to the selling shareholders, while Linklaters and Pinheiro Neto are acting as legal advisors to CMPort.

ABOUT TCP PARTICIPAÇÕES

TCP manages the Terminal de Contêineres de Paranaguá, one of the largest container terminals in South America, and the logistics company TCP Log. Following investments of R\$365 million, one of the largest private-sector investments in Brazil in recent years, TCP has the capacity to handle 1.5 million TEUs per year, has 320,000 square meters of storage area and offers three berths with a total extension of 879 meters, as well as exclusive dolphins for the operation of vessels with vehicle cargo. TCP is currently investing in the expansion of its capacity, which will increase to 2.4 million TEUs per year by 2019. The terminal's operation is complemented by TCP Log, which offers logistics chain integration services such as storage, facilities and equipment for the loading and unloading of containers, container yard, and rail and road transportation to the terminal in Paranaguá. For more information, visit www.tcp.com.br.

ABOUT CMPORT

China Merchants Port Holdings Company Limited is a major conglomerate based in Hong Kong and is involved in a range of businesses such as port investment and operations and value-added marine logistics services related to the port industry. At present, the company’s investments and operations extend across China’s Coastal areas including Hong Kong, Shenzhen, Shanghai, Ningbo, Qingdao, Tianjin, Dalian, Zhanjiang, Xiamen Bay and Taiwan, and internationally in Sri Lanka, Nigeria, Djibouti, Togo, Turkey, the United States and a number of countries in Asia, Europe and the Mediterranean region. For more information, visit www.cmport.com.hk/en.

ABOUT ADVENT INTERNATIONAL

Founded in 1984, Advent International is one of the largest and most experienced global private equity investors. The firm has invested in over 325 private equity transactions in 41 countries and as of June 30, 2017, had \$43 billion in assets under management. With offices on four continents, Advent has established a globally integrated team of 190 investment professionals across North America, Europe, Latin America and Asia. The firm focuses on investments in five core sectors, including business and financial services; healthcare; industrial; retail, consumer and leisure; and technology, media and telecom. After more than 30 years dedicated to international investing, Advent remains committed to partnering with management teams to deliver sustained revenue and earnings growth for its portfolio companies. For more information, visit www.adventinternational.com.

ABOUT TCP'S FOUNDING SHAREHOLDERS

TCP was founded by a group of five Brazilian and Spanish companies involved in the infrastructure and construction sectors. These companies won the concession to manage the Terminal de Contêineres de Paranaguá in 1998, after which they privatized the business and made the first significant investments in the terminal.

- Galigrain S.A., a subsidiary of Grupo Nogar, is a provider of transportation services and investor in logistics and port companies in Europe and Latin America. www.en.gruponogar.es
- Grup Maritim TCB S.L., a subsidiary of APM Terminals, manages 11 container terminals in Europe and Latin America. www.apmterminals.com
- Pattac Empreendimentos e Participações S/A is a holding company with interests in infrastructure, highway concessions, ports, park management, entertainment assets, renewable energy production and logistics. www.pattac.com.br/en
- Soifer Participações Societárias S.A. is a holding company with investments in real estate/shopping centers, logistics, tourism and agribusiness. www.gruposoiifer.com.br
- TUC Participações Portuárias S/A has investments in several sectors, including energy, construction, toll roads, parks and ports. www.tucumann.com.br

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