

Section 1 — Chinese FDI in March - April 2018

In the second two-month period of 2018, six Chinese investment projects were reported in Brazil. Three of them had amounts reported, adding up to US\$ 992.7 million. The table below shows a summary of these data.

- 1) March 07th - PetroChina, CNPC's international expansion, announced that it will buy 30% of TT Work, a fuel distributor based in Recife, PE. The value was not disclosed.
- 2) March 13th - Midea announced the launch of an e-commerce platform to directly sell products from its residential line. The approximate investment is US\$ 900,000.
- 3) March 16th - The ULBRA Group had part of its structure auctioned due to labor debts. Glory Top group bought five higher education institutions for about US\$ 391.8 million.
- 4) April 12th - A consortium with the participation of Shandong Kerui Petroleum won a Petrobras' bidding process to implement a project of "Engineering, Procurement and Construction" (EPC) of a Natural Gas Processing Unit (NGPU) at the COMPERJ Complex, located in Itaboraí, RJ. The approximate investment is US\$ 600 million.
- 5) April 23rd - YDF Valves, a Chinese company benchmark in the valves manufacture, announced the acquisition of part of IPPG Brasil based in Sorocaba, SP.
- 6) April 28th - The Chinese company SZ DJI, the world market leader in easy-to-fly drones and aerial photography systems, inaugurated, in Curitiba, PR, its second physical store in Brazil.

Investor company	Project or Company	Public / Private	Sector	Status ¹	State	Value (US\$ million)	Modality of investment ¹
PetroChina (CNPC)	TT Work	Pub	Retail business	Announced	-	NA	M&A
Midea	E-commerce platform	Priv	Retail business	Confirmed	-	0,9	Greenfield
Glory Top	CEULP/ULBRA	Priv	Education	Confirmed	*Sev.	391,80	M&A
Shangdong Kerui Petroleum e Método Potencial	EPC Project - NGPU (COMPERJ - Petrobras)	Priv	Oil and Gas	Confirmed	RJ	600,00	Public Concession ¹
SZ DJI Technology	Official physical store	Priv	Retail business	Confirmed	PR	NA	Greenfield
YDF Valves	IPPG Brasil	Priv	Machinery	Confirmed	SP	NA	M&A

*SEVERAL — AM, GO, PA, RO e TO NA — Not available 1 — To methodology, see section 5

Retroactive Adjustments

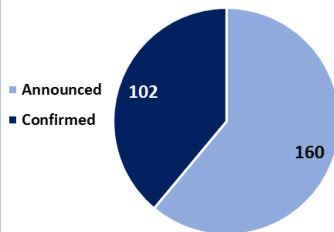
Until the closing of this issue, two other announcements were identified referring to December, 2017 :

- 1) Chint Group, a Chinese electrical equipment company, announced that it would invest about US\$ 34.2 million in a solar module plant in Extrema, MG.
- 2) YAPP Automotive Parts, a manufacturer of plastic tanks for the automotive sector, is preparing to invest US\$ 24.63 million to install a plant in Gravataí, RS, until the second half of 2019, ratifying the news published in Section 3 of this Newsletter 2nd edition, released on January 18th, 2018.

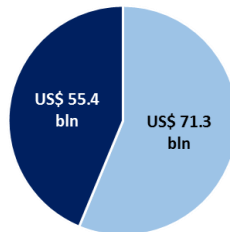
Section 2 — Compilation of Chinese investment in Brazil

Chinese Projects in Brazil — 2003 - Apr 2018

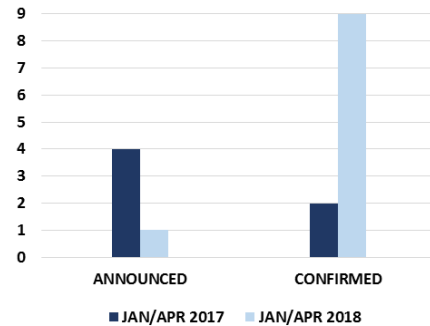
Number of Projects



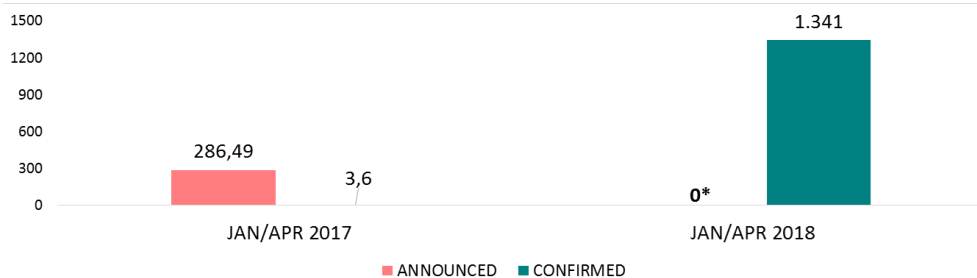
Projects Value



Number of projects per periods



Investment amount per period (US\$ million)



* The investment amount of the only project announced in 2018 has not been disclosed.

Section 3 — Announcements of Chinese investment intentions in Brazil - Mar / Apr 2018

March 06th — After the closing of a unit of the JBS company in his city, Valdo Rocha, Mayor of Morro Grande, SC, met with the President of the Brazil-China Chamber of Commerce and Industry (CCIBC), Charles Tang, to discuss Chinese investment that can reach the amount of R\$ 3 billion. (Source: Engplus Notícias)

March 08th — The Governor of the State of Mato Grosso met with representatives of the company Sepco1 Construções do Brasil Ltda, a consortium of the state-owned company Powerchina, when the project to build the first solar park in the State was presented. Other projects to produce electricity from biomass are expected, with an investment forecast of more than US\$ 1.5 billion. (Sources: Só Notícias, Cenário MT, Macauhub)

March 21st — Corona Energy Technology's representatives met with the President of the Mato Grosso State's Development Agency, João Alexandre Gebara, interested in investing in the production of solar energy panels in that State. (Sources: Só Notícias, Cenário MT, Macauhub)

April 22nd — After Petrobras disclosed willingness to negotiate 60% of the Landulpho Alves Refinery (RLAM) in São Francisco do Conde, BA, the Chinese company Qingdao Xinyutian Chemical began negotiations with the Brazilian company to purchase the unit. The Refinery is responsible for 20% of tax collection throughout the State of Bahia. (Source: Bahia Notícias)

April 23rd — The chemical industry Adama, controlled by ChemChina, announced that it plans to invest up to US\$ 50 million by 2020 to expand the production capacity of two plants in Brazil, located in Londrina, PR and Taquari, RS. (Source: DCI)

Section 4 — News

- 1) On March 3rd, Petrobras reported that it has transferred to the Chinese shipyard CIMC Raffles the construction of the P-71 platform, in charge of the Rio Grande Shipyard, RS. The bidding process was completed in the first week of March. (Source: Folha MAX)
- 2) On March 14th, the Chinese wind turbine manufacturer Goldwind, the third in the global industry ranking, announced its first contract to supply equipment in Brazil. The arrival of Goldwind indicates additional competition in the industry . (Source: Extra)
- 3) Also on March 14th, a technical cooperation agreement was signed between the City of Campinas, CPFL Energia and BYD do Brasil for development of an electric mobility model for the city's urban public transport system. The Government's goal is to include 150 electric buses in the central city area by 2020. (Source: Diário do Transporte)
- 4) On March 19th, the China Communications Construction Company (CCCC), responsible for the construction of the Private Use Port Terminal (TUP, abbreviation in Portuguese) in São Luís, MA, announced that it has started the construction of a project with an estimated cost of US\$ 245 million and the creation of around 4,000 jobs during the four years foreseen for completion. (Source: Valor, MacaHub, Folha)
- 5) On the same date, Gree Electric Appliances Chairman Dong Mingzhu said the company intends to explore the foreign market as part of the Chinese "Belt and Road initiative" and that Brazil will be one of the target countries. (Source: China Radio International)
- 6) On March 20th, during an event at the Federation of Industries of the State of Rio Grande do Sul, the President of the Brazil-China Chamber of Commerce and Industry, Charles Tang, said there are two projects planned for implementation in that State: a tractor manufacturing plant and a complex dedicated to breeding and slaughtering of pigs.(Source: Jornal do Comércio)
- 7) On March 27th, the Fosun Group reported that is studying to acquire part of the Austral Group dedicated to the insurance administration. The Group has already analyzed other assets in Brazil, such as Notre-dame Intermédica (health plans operator and owner of 18 hospitals), the Hospital Aliança Complex in Bahia, as well as companies in the civil construction sector. (Source: Exame)
- 8) On March 28th, Brazilian Electricity Regulatory Agency (ANEEL, abbreviation in Portuguese) has published its authorization in the Federal Official Gazette for EDP Renováveis and China Three Gorges to start the commercial operation of a wind farm in Rio Grande do Norte composed of 12 wind turbines adding up to 28.2 megawatts of installed capacity. (Source: Extra)
- 9) After the association between the Brazilian group Caoa with the Chinese company Chery, it was announced on March 29th the launching of the first SUV designed and manufactured jointly by China and Brazil. (Source: ChinaDaily)
- 10) During the Seminar "More Development", promoted by the Government of the State of Maranhão, in the late March, CBSteel presented the project (announced in 2016) of a steel mill that the company intends to build in the municipality of Bacabeira, MA. Work will begin in the second half of this year. The planned investment is up to US\$ 8 billion, in two phases. (Source: O Petróleo)

Section 4 — News

11) On April 19th, Petrobras reported that it would be preparing an agreement in which China National Petroleum Corp. (CNPC) would invest in an oil refinery plant in exchange for crude oil, potentially giving China the first opportunity for refining oil in the Americas. (Source: Reuters, Estadão)

12) On April 27th, the Government of the State of Santa Catarina announced that it has committed to release R\$ 370 thousand for the Municipality of Major Vieira, SC for a land acquisition to the installation of a Chinese plant of the laminated eucalyptus industry. (Source: Jornal Correio do Norte)

Section 5 — Methodology

Merger & Acquisition — An Investment is included in this category when it involves the purchase of a company's share in Brazil by a Chinese company, whether minority or majority.

Concession/Permission/Authorization (C/P/A) — An Investment is included in this category when it involves the provision of public service, preceded or not by the execution of public works, delegated to the private initiative. If the delegation is for a greenfield, the project will be specified as C/P/A greenfield.

Greenfield — An Investment is included in this category when the investor puts resources into the construction of a new structure necessary for the operation. In other words, when the operation is not based on a pre-existing structure.

Brownfield— An Investment is included in this category when there is a pre-existing Project or a project to be updated that will be based on an existing structure.

Confirmed investment (Confirmed group) — An Investment is included in this category when it is directed to projects or companies in Brazil, whose information can be confirmed by more than one data source, including institutional pages of companies or institutions directly involved.

Announced Investment (Announced group) — An Investment is included in this category when there are formal announcements of future investment, which become subject to be accompanied by the market and interested institutions. When this Investment is confirmed it leaves this group and joins "Confirmed" group.

Announcements of Investment intention — An Investment is included in this category when there are formal manifestations divulged in the media regarding initiatives of Chinese companies interested in investing in the country. Considering that they are still in the field of intentions, these values, even when available, are not considered in the "Announced" group.

News — An Investment is included in this category when there are rumors and information related to possible Chinese investments in the country, which can serve as reference for further research on the formalization of announcements or confirmation of investment.

ANNEX

China-Brazil Cooperation Fund for the Expansion of the Productive Capacity - News

On April 4th, the second ordinary meeting of the Technical Working Group (TWG) of the Brazil-China Cooperation Fund for the Expansion of Production Capacity was held, in which six projects were examined.

After initial analysis, based on the current information, the TWG Chinese members considered that five projects could facilitate industrial cooperation between Brazil and China, and the Brazilian members had no objection for further analysis of those projects.

These projects cover the energy, logistics, infrastructure and technology sectors, and have requested a total of US\$ 2.4 billion from the Brazil-China Cooperation Fund. They will be submitted to analysis by financial institutions from both sides. Following the approval by a Brazilian and a Chinese investor, the TWG members will hold another meeting to deliberate on the final classification proposal, to be submitted to the Steering Committee of the Fund for final decision.

For more information, visit the Fund's website: <http://www.planejamento.gov.br/assuntos/internacionais/brazil-china-cooperation-fund/>

Sources:

Websites of the named companies, federative entities, China's Embassy in Brasil and Brazil's Embassy in China, database from China-Brazil Business Council, Financial Times (FT), The Heritage Foundation & American Enterprise Institute and other referenced communication vehicles, highlighted: Agência Brasil, Aiddata, Bloomberg, China Daily, Dealogic, Estadão, Exame, Folha, Gazeta Mercantil, G1, Investing.com, Istoé, MacaHub, Reuters, Terra, UOL, Valor Econômico.

Produced by:

GENERAL COORDINATION OF INTERNATIONAL INVESTMENTS - SECRETARIAT OF INTERNATIONAL AFFAIRS

CONTACT: PRESS OFFICE - IMPrensa@planejamento.gov.br

PHONE: +55 (61) 2020-4547/5309/4159

Link to the Newsletter - <http://www.planejamento.gov.br/assuntos/internacionais/boletim-bimestral-de-investimentos>