



# **SINTRA FUND, LTD.**

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Report to Shareholders of the Sintra Fund, Ltd.

November 2022

November 29, 2022

Dear Investor,

We are pleased to provide this report for the month of November 2022. The exact monthly investment performance figures will be sent to investors later in December once the results are calculated by International Fund Management Corp., the Fund's calculation agent.

The top leadership of the US and China met this month. The purpose of these long delayed face-to-face exchanges is to cool off the mounting tensions between the countries. As an Obama administration China official commented, "Xi is seeking a certain degree of stability as part of his preparation for greater competition with the U.S."

An initial beneficiary of this cooling off was the Chinese stock market. It had a meaningful rebound in November until Covid-19 lockdown protest marches ensued. Shuangliang Eco-Energy System, which is a stalwart equity holding for the fund, declined -1.24% for a total positive year-to-date performance of 42.54%. The company is a market leader in bromine coolers and heat exchangers. It fits within the Chinese government's goal of carbon neutrality.

A more significant beneficiary of an improved market occurred with Jiangsu Yuyue Medical Equipment. It had a healthy 12.93% November price improvement until the protest demonstrations, and the equity declined -2.75% year-to-date. A 35% revenue increase was registered in the diabetes-care segment of the business with the launch of continuous blood-glucose monitors. A 40% revenue increase occurred in the infection-control solutions segment. Household medical devices, home electronic testing, vitro diagnostic products and disinfection products also saw sales improvement.

The company's growth is improving due to the expansion of product distribution beyond hospitals. One may comprehend the vision for the future as global leader, Tencent, has joined as a strategic investor in Jiangsu Yuyue. Tencent, a \$330 Billion China stock market behemoth, provides social networking, music, web portals, e-commerce artificial intelligence and technology solutions.

In Hong Kong, Shandong Weigao Group Medical Polymer Co. Ltd. grinded 2.96% forward for a 14.49% increase year-to-date. The gross profit margin for the enterprise is 50.7%. It is a medical devices company delivering a net profit increase of 20.6% for the first half of the year. Weigao's operating divisions include- medical device products for clinical care, wound management, medical testing equipment; anesthesia and surgical products; orthopedic products, tumor and blood vessel interventional instruments, production and sale of pre-filled syringes and flushing syringes; blood

management including the production and sale of blood bag products; blood transfusion equipment and blood irradiators. The company is also actively involved in finance leasing and factoring of its products for customers. The group prides itself on research and development. It has 584 product registration certificates and 698 patents in China. In the overseas markets, the Group had 772 product registration certificates and 203 patents. It is noteworthy that 20.9% of sales are overseas with the US comprising 8.8%. The company reported that Covid-19 problems in various regions of China affected both the supply chains and business of medical institution customers. It faced “tremendous challenges” to the Company’s production and logistics.

In the medical sector, CSPC Pharmaceutical also performed. It leaped 21.31% in the month, bringing the year-to-date performance to 15.58%. Although its base is antibiotic and generics drugs, the growth factor is innovative drugs. A National Reimbursement Drug List certification for its chemotherapy paclitaxel drug has assisted revenue growth. The company has now licensed asthma and chronic obstructive pulmonary disease (COPD) treatments from KeyMed Biosciences.

The continual lockdowns across the country from outbreaks of Covid-19 have created pressure upon the Chinese economy. The continued slowdown extinguishes the economic candle just as it starts to re-ignite. It is unclear just how the recent demonstrations against the covid lockdowns will sway the government to modify its strict quarantine policy. The whole situation is quite regretful as the western world’s vaccine, which could have eliminated the issue in China, was never utilized. The west is purposefully thwarting China’s ambitions when it comes to semiconductors. At the same time, China refuses to utilize the western medicine which would allow its citizens to get back to their lives and permit the economy to grow.

We are pleased to send our warmest holiday greetings.

Your support, trust, and confidence are very much appreciated.

Sincerely,

John H. Pinto