



SINTRA FUND, LTD.

2100 S. Ocean Blvd., S204 – Palm Beach FL 33480 - Tel 212-644-0309-Fax 212-644-0320

e-mail: jhpinto@sintracapital.com www.sintracapital.com

Report to Shareholders of the Sintra Fund, Ltd.

December 2022

December 20, 2022

Dear Investor,

The Chinese New Year 2023 will be the Year of the Rabbit

Within this theme, and heralding the future in China, subsidies are being advanced for assisted reproductive technologies. These active fertility support measures by the Chinese government have been introduced to the cities of Hangzhou and Jingmen. Such fertility support measures are expected nationally.

We are pleased to provide this report for the month of December 2022. Due to staff travel over the upcoming holidays, this letter is being sent prior to year-end. The exact monthly investment performance figures will be sent to investors later in January 2023 once the results are calculated by International Fund Management Corp., the Fund's calculation agent.

The gradual opening of the economy is occurring as the Chinese government reduces its draconian covid restraints. It's always been clear that once the strict covid shackles were lifted, life for the populace would improve. The continuation of zero-Covid in China, and continued stagnation in the property market, would lower China's growth from 4.5% to 2%. Of course, in China, bureaucracy reigns. The ninth version of the State Council's guidance on covid control and the subsequent issuance of 20 supplementary measures have less emphasis on physical constraints than previously. There is now a shortened quarantine time for inbound overseas visitors as well as an increase in international flights. Regional governments have substantial autonomy as to the plan's implementation. The reopening will not be instant with a worsening of the pandemic situation likely over the winter before recovery. However, through fits and starts, the covid lockdowns should be disappearing. Of course, there is a risk that zero Covid lasts longer. Guarded optimism is the most likely approach. Foreign residents in China have received a benefit from the visit of Germany's Chancellor Scholz to China. Now foreign residents are permitted to receive BioNtech's new mRNA vaccine. Thus, Pfizer's partner has made inroads into China. CSPC Pharmaceutical group is still researching its own mRNA vaccine for the Chinese. Chinese vaccine has been dosed to 90.7% of the elderly over age 60.

The best performing equity in the portfolio is Lotus Pharmaceutical of Taiwan. The stock is up 143.08% year-to -date. This is principally due to a recent 65% jump in price because of the expanded US launch of Lenalidomide, its blood cancer drug used to treat multiple myeloma. Due to the Covid -19 outbreak, the market has shown a decline because of the postponing of multiple myeloma treatments. It is

estimated that less than 15% of patients have been diagnosed. As covid restrictions are eased, normalcy is expected to return to the market. This generic drug supplier now has approvals for the drug in 14 European countries. Lotus's business proposition is a focus upon high growth, difficult-to-make generics in oncology, cardiology, nephrology and central nervous system disease.

It's gratifying that, in a difficult market, other Chinese healthcare equities in the portfolio are doing well. Shandong Weigao Group Medical Polymer Co. Ltd. edged up 4.59% and 21.89% year-to-date. The company specializes in single use medical devices. Its broad product pipeline, particularly in wound healing and syringes is gaining traction. We addressed the fundamentals of the company, its 50.7% gross profit margins and wide distribution capability in November's investor letter.

Ningbo Menovo Pharmaceutical Co.Ltd. has expanded its relationship with Merck through a strategic cooperation agreement. The companies will be working together in veterinary medicine and animal healthcare. Menovo manufacturers active pharmaceutical ingredients along with contract manufacturing and development. The stock is up 4.46% this month and 15.11% for 2022. Jiangsu Nhwa Pharmaceutical Co. Ltd. a manufacturer of central nervous system drugs is up 13.09% month-to-date and 37.44% year-to-date.

The Chinese government expects GDP growth in 2023 to recover to 5% from 2022's low. This growth target is dependent upon on how fast consumption can recover. The pandemic and government covid control measures are the wild card. UBS believes that Chinese consumers have accumulated excess savings during the pandemic. UBS estimates that the excess savings would translate into an additional 10% consumption growth by urban dwellers. Yum China should do well due to its resilient business model (multi-channel, multi-format) with KFC, Pizza Hut, Little Sheep, Huang Ji Huang, Shaofaner, Lavazza and Taco Bell brands and accelerated store expansion in lower-tier cities. Increased consumption demand during the holidays should bode well for Fund holding Wuliangye Ybin, the first-tier liquor brand. The equity brought us some cheer by rising 14.72% this month. The party continued with Jiangsu King's Luck Brewery. The company benefited from a strong brand and improving product mix for a 16.67% rebound in December.

We are pleased to send our warmest holiday greetings.

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

Sincerely,

John H. Pinto