



# **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](mailto:jhpinto@sintracapital.com) [www.sintracapital.com](http://www.sintracapital.com)

## Report to Shareholders of the Sintra Fund, Ltd.

May 2024

May 29, 2024

Dear investor,

We are pleased to provide this report for the month of May 2024. The exact monthly investment performance figures will be sent to investors later in June, once the results are calculated by International Fund Management Corp., the Fund's calculation agent.

There is currently a moderation of tensions which are existent between the USA and China. However, President Xi Jinping's recent goodwill tour to Europe did not appear to go very well. It's difficult for China to overcome the incessant barrage of negativism from both the media and politicians. China's increasing economic support for Russia, while war rages in Ukraine, is not beneficial to the west.

In the face of this, China is going back to its old playbook of encouraging foreign investment as well as tourism to the Middle Kingdom. China points out, from the business perspective, that foreign investment is welcome. There are presently 400 million people in the Chinese middle class. This is anticipated to expand to 800 million by 2050. Investors are being encouraged to ride the wave of this expanding middle-class.

Foreign businesses are being educated to the fact that a greater awareness of China's government policies is required for economic success. The leadership wants more than a slow dribble down of commercial success to be shared with the people. The goal of "common prosperity" requires businesses to provide more benefits. The capitalistic methodology by which businesses have operated in China has changed. Commercial enterprises must be more aware of government policies and deal with a government which is not going to let businesses run independently as the Chinese government wishes to be more closely involved.

If the Chinese birth rate is to increase, families must believe that the cost of raising and educating children can be met. Business must do its part by bearing more of this burden by providing greater remuneration to employees and cutting costs.

The difficulty for China in seeking foreign investment is that is that while businesses see that there will be an increasing middle class, profitability will not be that easy. A company must be constantly aware of the Chinese governments overview and willingness to use its power to intercede in the

business. There's greater complexity now in running a commercial business in China. The businesses see that the route to profitability may be hindered by the government.

China would like to benefit from American tourist dollars. Its efforts to encourage tourists to return to the middle kingdom are stymied because of the geopolitical tensions between the two countries. At this point, only one third of the number of aircraft flights which had been taking place (pre-Covid) between the USA and China are operational.

We are maintaining the focus in our fund investments towards companies which are working pursuant to the Chinese government's vision for sustainability and innovation.

China's exports have started to pick up, supporting economic growth, despite a prolonged property slump and flagging consumption. Chinese policymakers may feel their factory-driven growth strategy is being vindicated.

Wuliangye Yibin Co., Ltd. manufactures and markets liquor. The company also manufactures carbon and lactic acid. It has operations in printing and packaging materials. Yibin's stock increased 6.93% year-to-date. Analysts predict revenues of \$12.85 billion for 2024, reflecting a 6.9% improvement compared to the last 12 months. We have confidence in the continuation of a strong liquor demand from Chinese consumers.

Hangcha Group Co., Ltd. designs, produces, and sells forklift trucks, tractors, and other logistics equipment globally. The company offers a wide range of products, including combustion forklifts, electric forklifts, and other industrial vehicles. Year to date, the stock increased 18.17%. For the first quarter of 2024, Hangcha reported strong sales growth compared to the same period last year. Net income was reported at \$52.34 million. On May 20th, the company held a groundbreaking ceremony for the "Hangcha Technology Park Phase IV Intelligent Production Base," set to produce ten thousand units of automation equipment annually. This new project involves a \$143 million investment to construct a 133,000 square meter plant which will be operational by the end of 2025. This plant is anticipated to generate an estimated \$ 145 million in annual revenue. We have a positive outlook for the future of this key player in the industrial vehicle industry.

Enn Natural Gas Co.,Ltd., offers natural gas, engineering investment, gas station construction, and energy equipment distribution services. It also operates coal materials, chemicals, and a biopharmaceutical product trading business, benefiting from the government's goal for carbon emission peak and carbon neutrality. Gas sales are the primary growth drivers. The company's stock was up 2.77% this month and has risen 10.34% year to date. Efforts to increase the number of China's liquefied natural gas (LNG) carriers will deepen the country's ability to transport LNG independently and help its importers close long-term purchase agreements. For example, Japan's Mitsui O.S.K. Lines Ltd has signed a long-term charter contract for three new LNG carriers with ENN. These carriers will be engaged in the transport to China of LNG, procured by ENN under a long-term purchase contract. Despite the high costs involved in building such vessels, China 's goal

is to construct a fleet of LNG carriers to ensure its energy security and encourage state-owned, private, and foreign companies to jointly invest in purchasing LNG tankers.

Jiangsu Yuyue Medical Equipment & Supply Co. Ltd. develops, manufactures, and distributes medical equipment. Their offerings encompass medical electronic equipment, diagnostic and rehabilitation equipment, medical imaging equipment, wheelchairs, walking aids, electronic blood pressure monitors, oxygen inhalators, and gynecological and obstetrical instruments. Month to date, the company stock rose by 2.85%. Year to date, the stock has returned 14.95%. Looking ahead, analysts predict that the company's revenue will grow at an average rate of 20% per year over the next 2 years.

Your trust and confidence are greatly appreciated.

Sincerely,

John H. Pinto