



# **SINTRA FUND, LTD.**

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

August 2024

August 29, 2024

Dear investor,

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

At the end of August, the story was released that over the past year, Wang Yi, China's top foreign policy official, met covertly with Jake Sullivan, the US national security advisor. Meetings were held in Vienna, Malta and Bangkok. This secret back channel for in-depth discussions played a vital role in managing relations between the two superpowers in a period fraught with tension.

China has been a whipping post by both Republicans and Democrats during this election period. Thus, it is excellent that the waters are calmed by communications between political heavyweights of both countries.

The Fortune Global 500 list of the world's largest companies was released in August. The United States ranked first with 139 companies that brought in total revenue of \$ 13.8 trillion. Greater China (including Taiwan) had 133 companies, producing \$11 trillion in revenue. Our goal is to have the Fund profit from the growth of these Chinese companies.

In April of this year, the State Council issued the "Nine Point Guidelines" outlining the measures to enhance supervision on share listing, delisting and trading activity as well as requesting companies to lift shareholder returns. The government's push to improve the quality of listed companies includes encouragement for share buybacks, resulting in share count reduction, rather than increasing treasury shares. (i.e. earnings-per-share accretive). While this is occurring in China, back in the US, Senators Bernie Sanders, and Elizabeth Warren have stated that share buybacks are to be discouraged because capital should simply be reinvested in the business.

Zhuzhou CRRC Times Electric Company is an international company which operates in 20 countries including the U.S. It manufactures trains and electric vehicle systems. The Company

also produces platform screen doors, rail maintenance vehicles, train borne electrical systems and urban rail systems. Zhuzhou CRRC Times Electric also produces auxiliary power supply equipment. The company is dedicated to developing products for wind power generation, photovoltaic energy generation, electric vehicles, and ship propulsion systems based on their transportation power converting technology. Analysts project a 27.6% increase in sales. Zhuzhou's second quarter 2024 results show a net income of \$211.56 million (up 31% from 2Q 2023). Year-to-date, the stock price powered ahead by 28.98%.

Midea Group Co., Ltd. operates in more than 195 countries outside of China. It has a market cap of approximately \$64.18 billion. Midea is ranked #277 in the Fortune Global 500 Rankings. It manufactures, markets and installs household electrical appliances, compressors and components. Midea also provides services in information technology, corporate investment consultation, software and hardware development, property management and corporate engineering support. Month-to-date, the stock price increased by 1.93%, and, year-to-date, the stock price grew by 18.85%.

Midea's revenue surpassed \$14.04 billion for two consecutive quarters, reaching an impressive \$30.62 billion in the first half of the year. This represents a 10% year-over-year increase. Notably, their revenue in Mainland China grew by 8%, demonstrating strong market penetration. Internationally, the company experienced a remarkable 13% leap in revenue. Additionally, Midea invested \$1.1 billion in research and development (R&D), acquiring over 5,000 new patents in 2024, placing them among the top 10 global patent holders. Midea's commitment to environmental, social, and governance (ESG) principles is underscored by adherence to the UN Women's Empowerment Principles and an A2 Moody's credit rating. Midea Group's innovative edge is reflected in cutting-edge manufacturing, including 3 zero-carbon, 9 5G-enabled, and 5 World Lighthouse Factories. Globally recognized, Midea consistently ranks in the Fortune Global 500 and Forbes Global 2000 lists. Despite economic volatility, Midea Group has shown resilience with significant semi-annual revenue growth, emphasizing a balanced strategy combining innovation, operational excellence, and global presence.

China Merchants Shekou Industrial Zone Holdings Co., Ltd. focuses on the comprehensive development and operation of industrial parks and residential communities. The company operates through three major business segments of development business, asset operation and urban services, providing customers with full-dimensional and full-cycle products and services, building "good houses", operating "good assets" and providing "good services". It has a market cap of approximately \$11.70 billion. The Company conducts land and real estate development and management, community development, and other services. China Merchants Shekou Industrial Zone Holdings provides services in China. Month-to-date, the stock price increased by 0.68%. Additionally, for the half-year ended June 30, 2024, the net

income was \$596.36 million. China Merchants Construction Management has undertaken more than 530 projects in more than 23 cities, with a total construction area of more than 18 million square meters, serving customers covering local governments and various enterprises, showing excellent agency construction strength.

Your trust and confidence are greatly appreciated.

Sincerely,

John H. Pinto