



# SINTRA FUND, LTD.

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Report to Shareholders of the Sintra Fund, Ltd.

September 2024

September 30, 2024

Dear Investor,

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

Throughout this year, Chinese leadership has clarified that its intention is to advance state-owned enterprises into the areas where the US has historically maintained its scientific lead. The government's goal is to advance in technology, so that foreign companies or governments do not maintain any advantages over China.

The concept that the Chinese government should be stimulating the economy and assisting consumer growth in the middle kingdom has been placed on the back burner. There was some positive movement at month end when China's central bank, cut short-term interest rates to 1.5% from 1.7%. It also pruned rates on existing mortgages, reduced minimum down payments for housing purchases, and freed the country's state-controlled commercial banks to lend a larger proportion of their assets.

While economists and analysts have clarified their goals to the government, the advice falls on deaf ears. President Xi Jinping has set the targets for his long march. It's quite believable that the Chinese government can achieve technological superiority. The educational framework in China is clearly advantageous in science and math. Extensive government support will encourage scientific discoveries.

For market participants, it's a different story as our investable universe has declined. We must succeed in the areas where the Chinese government is providing support. We have invested in such companies, but without dynamic increases in their stock prices. Over the last few years, state companies have increased their total market cap to almost 50%.

NARI Technology Co., Ltd. develops and manufactures power grid automation and industrial control products. The Company focuses on power dispatching automation, power grid security, stability analysis and control, substation automation, power distribution automation, power utilization, and demand-side management areas. The company's stock grew 6.18% this month and 17.03% year-to-date. NARI Technology reported its second-quarter earnings for 2024, with earnings per share (EPS) exceeding analysts' expectations. In 2024, NARI Technology Co., Ltd. reported a net income of \$384.28 million for the first half of the year, compared to \$354.5 million for the same period in 2023. This year, NARI Technology completed its acquisition of Shanghai NARI Industry Co., Ltd. and 13 other companies and raised \$864.98 million to fund these acquisitions.

Enn Natural Gas Co., Ltd., a leading natural gas distributor in China, offers natural gas, engineering investment, gas station construction, and energy equipment distribution services. Enn Natural Gas also operates coal materials, chemicals, and biopharmaceutical products trading businesses, benefiting from government's goal for carbon emission peak and carbon neutrality. The company stock price grew 6.99% month-to-date and 12.78% year-to-date. In 2024, ENN Natural Gas Co., Ltd. reported a net income of \$50.87 million for the first half of the year, which is a 14.8% increase compared to the same period in 2023. Recently, ENN Natural Gas Co., Ltd. officially released the company's sustainable development concept -- "With Wisdom, we Innovate Sustainable

Energy", on the occasion of the 30th anniversary of ENN's listing, the release of ESG concept is a new starting point for the company's sustainable development in the future, reflecting the company's environment, Deep thinking and commitment to social and governance. Morningstar Sustainalytics also released a rating report, ENN shares ESG risk score has further dropped from 32 points last year to 22.2 points (the lower the Sustainalytics score, the lower the company's ESG risk and the better its ESG management capabilities), ranking among the top 16% in the world in the gas utilities sector, and is a leading rating in the A-share gas industry.

Midea Group Co., Ltd. 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. Midea Group provides its products worldwide. This month, the company stock price increased by 12.50%. This year, the stock price has risen 33.63%. In the first half of 2024, Midea Group Co., Ltd. reported a net income of \$2.95 billion, which is a 14% increase compared to the same period in 2023. The company has invested heavily in R&D, acquiring over 5,000 new patents in 2024 and maintaining a global network of 17 R&D centers and 22 production bases. Midea's commitment to innovation is also reflected in its leadership in smart manufacturing and digital transformation. Midea Group was also successfully listed on the Hong Kong Stock Exchange, raising nearly \$4 billion in the city's largest share offering in almost four years. The shares saw a strong debut, rising as much as 9.5%.

Yutong Bus Co., Ltd. manufactures and distributes coaches, city buses, school buses, airport airfield buses, special vehicles, and other vehicles. Yutong Bus markets its products domestically and internationally. This month, the company stock price rose 15.99%, while year-to-date the stock price has jumped 86.72%. In 2024, Yutong Bus Co., Ltd. reported a net income of \$ 435.32 million. This represents a significant increase of 69.09% compared to the previous year's net income. In the first half of 2024, it produced 21,260 buses, a year-on-year increase of 36%. In the second quarter, it exported 4,000 buses. Among the buses exported, around 20% were electric. From my visit to the factory, I recall that the factory line was filled with brightly colored buses -many in tribal colors for the buses being exported to Africa. The percentage of EV buses in China, and for export has been steadily increasing. The rise of the Chinese buses (the space between the road and the first step of the bus is quite low). It's very easy and convenient for one to step onto a Yutong bus. That's in comparison to the SUV I'm trying to get into on a current trip out west. The company has accumulated cash that enables it to pay generous dividends to shareholders. The dividend payout ratio was 180% for FY23, and the dividend yield is 7.18%. The company has no bank loans.

Your trust and confidence are greatly appreciated.

Sincerely,

John H. Pinto