WINTAAI HOLDINGS LTD.
110 Sheppard Ave. East
Suite 301 Box 18
Toronto ON, M2N 6Y8, Canada

2022 WINTAAI HOLDINGS ANNUAL LETTER TO SHAREHOLDERS

March 31, 2023

To the Shareholders of Wintaai Holdings Ltd:

During the fiscal year 2022, the GAAP book value of Stonetrust increased from $178.72 million CAD on December 31, 2021 to $181.04 million CAD, an annual increase of 1.3%. In U.S. dollars, the Stonetrust book value decreased from $140.97 million to $133.66 million, an annual decrease of 5.2%. The difference in returns is because the Canadian dollar depreciated against the U.S. dollar during the quarter, positively affecting the book value in CAD.

Similarly, the adjusted book value per share of Wintaai increased from $33.50 CAD on December 31, 2021 to $33.92 CAD on December 31, 2022, an annual increase of 1.3%. In U.S. dollars, it decreased from $26.42 on December 31, 2021 to $25.05 as of December 31, 2022, an annual decrease of 5.2%.

For further details, please refer to the Wintaai 2022 annual financial statement and adjusted book value calculations included in the email. The financials were audited by Wintaai's auditor McGovern Hurley LLP. Please refer to Appendix below for the quarterly numbers. For clarification, all dollar amounts in the letter are listed in USD unless specified otherwise.

Key Annual Financial Figures

	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	YTD % Change	Q4 % Change
Wintaai Adjusted Book Value per Share (CAD)	$14.98	$19.41	$24.20	$33.50	$33.92	1.3%	3.7%
Wintaai Adjusted Book Value per Share (USD)	$10.98	$14.94	$19.01	$26.42	$25.05	-5.2%	4.9%
Stonetrust GAAP Book Value (*CAD in Mils*)	$90.23	$110.06	$129.03	$178.72	$181.04	1.3%	3.7%
Stonetrust GAAP Book Value (*USD in Mils*)	$66.14	$84.74	$101.34	$140.97	$133.66	-5.2%	5.0%

Stonetrust's Financial and Operating Results – GAAP Basis

The consolidated results of the Stonetrust companies (Stonetrust Commercial Insurance Company and its wholly owned subsidiary, Stonetrust Premier Casualty Insurance Company) for the three and twelve month periods ending December 31, 2022 and 2021 on a GAAP basis are as follows:

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All figures in $USD

	Unaudited 4th Quarter 2022	Unaudited 4th Quarter 2021	Audited Twelve Months 2022	Audited Twelve Months 2021
Gross premiums written	$ 10,931,894	$ 9,921,488	$ 52,541,708	$ 47,433,025
Net premiums written	$ 10,253,096	$ 9,290,920	$ 49,887,038	$ 45,003,523
Net premiums earned	$ 12,285,053	$ 11,610,015	$ 48,074,432	$ 44,777,401
Underwriting profit	$ 4,701,923	$ 5,636,257	$ 18,017,204	$ 15,121,846
Net investment income	1,185,248	853,550	3,687,714	8,405,400
Operating income	5,887,171	6,489,807	21,704,918	23,527,246
Net gain (losses) on investments (1)	4,368,250	9,954,691	(25,634,483)	30,896,391
Interest expense, bad debt expense & other income	103,441	85,395	(133,153)	(242,209)
Pre-tax income (loss)	10,358,862	16,529,893	(4,062,718)	54,181,428
Income tax (expense) benefit	(4,564,488)	(3,933,824)	700,068	(11,750,287)
Net income (loss)	$ 5,794,374	$ 12,596,069	$ (3,362,650)	$ 42,431,141
Underwriting profit:				
Loss & LAE - accident year	56.8%	61.4%	57.8%	60.0%
Underwriting expenses	44.5%	43.5%	40.2%	41.2%
Combined ratio - accident year (2)	**101.3%**	**104.9%**	**98.0%**	**101.2%**
Net (favorable) adverse reserve development	-39.6%	-53.4%	-35.4%	-35.0%
Combined ratio - calendar year (2)	**61.7%**	**51.5%**	**62.5%**	**66.2%**
Ending Stockholders' Equity			**$ 133,664,660**	**$ 140,974,680**

(1)*Net gains (losses) on investments includes realized gains (losses) on disposals and changes in the unrealized gains (losses) recognized on equity investments.*

(2)*The combined ratio is the traditional performance measure of underwriting results for property and casualty companies and is calculated by the company as the sum of the loss ratio (claims losses and loss adjustment expenses expressed as a percentage of net premiums earned) and the expense ratio (commissions, premium acquisition costs and other underwriting expenses expressed as a percentage of net premiums earned). The accident year loss ratio excludes the net favorable or adverse development of reserves established for claims that occurred in previous accident years. The calendar year loss ratio includes the accident year's loss ratio and the net favorable or adverse development of reserves established for claims that occurred in previous accident years. The combined ratios shown in the exhibit above and discussion below are net of reinsurance.*

Net written premiums were $10,253,096 for the fourth quarter of 2022 and $49,887,038 for the calendar year ended December 31, 2022. This was an increase of 10.4% and 10.9% from the same periods in the prior year. Additionally, net premiums earned were $12,285,053 for the fourth quarter of 2022 and $48,074,432 for the twelve months ended December 31, 2022, an increase of 5.8% and 7.4% from the same periods in the prior year.

The calendar year combined ratios for the quarters ending December 31, 2022 and 2021 were 61.7% and 51.5%, respectively, while the calendar year combined ratios for the twelve months ending December 31, 2022 and 2021 were 62.5% and 66.2%, respectively.

The accident year combined ratios for the quarters ending December 31, 2022 and 2021 were 101.3% and 104.9%, respectively, while the accident year combined ratios for the twelve months ending December 31, 2022 and 2021 were 98.0% and 101.2%, respectively.

Net favorable reserve development of approximately $17.0 million and $15.7 million was recognized during the twelve months ending December 31, 2022 and 2021, respectively. As a result, the calendar year combined ratios for 2022 and 2021 were reduced by 35.5% and 35.0%, respectively.

Underwriting profit was $4,701,923 and $5,636,257 for the fourth quarter of 2022 vs. 2021 and $18,017,204 vs. $15,121,846 for the calendar years 2022 and 2021, while pre-tax net income was $10,358,862 and $16,529,893 for the fourth quarters of 2022 and 2021, respectively. A pre-tax net loss of $4,062,718 was recognized for the calendar year 2022 while a pre-tax net gain of $54,181,428 was recognized for the calendar year 2021. The decrease of approximately $58.2 million was largely due to losses recognized on equity securities during the period.

Stonetrust Fixed Income Instruments

Below is a table highlighting the major investments in fixed income securities as of December 31st, 2022. All numbers are in USD.

Company	Maturity	Coupon	Par Value	Cost Base	Market Value	Unrealized gains/(losses)
Federal Farm Credit Banks Funding	2023-11-09	5.05%	10,000,000	10,000,005	10,001,500	1,495
MBIA Global Funding LLC	2031-12-15	0.00%	13,200,000	5,250,196	5,544,000	293,804
Cleco Corporate Holdings LLC	2026-05-01	3.74%	5,000,000	4,726,000	4,725,950	(50)
Lamar Media Corp	2028-02-15	3.75%	4,925,000	4,932,958	4,408,417	(524,541)
B Riley Financial	2028-08-31	5.25%	207,816	5,163,111	3,790,564	(1,372,547)
Entergy Corporation	2026-09-01	2.95%	3,540,000	3,462,408	3,290,430	(171,978)
Rain CII Carbon LLC	2025-04-01	7.25%	2,365,000	2,461,877	2,179,348	(282,530)
Lamar Media Corp	2031-01-15	3.63%	2,000,000	2,000,005	1,653,460	(346,545)
Eagle Point Credit Company Inc	2029-01-31	5.38%	61,427	1,474,332	1,310,852	(163,480)
1375209 BC LTD	2028-01-30	9.00%	807,000	807,000	785,816	(21,184)

With the exception of Federal Farm Credit Banks, B. Riley Financial, Eagle Point Credit Company, and 1375209 BC Ltd, the remaining fixed-income securities are domiciled in Louisiana. We need a certain percentage of investable assets invested in Louisianan securities to qualify for the premium tax credits.

Stonetrust Equity Securities

Below is a table highlighting the major investments in equity securities as of December 31st, 2022. During the period, Alphabet Inc executed its 20-for-1 stock split on July 15th, 2022. All numbers are in USD.

Equity Holdings	Shares	Cost Base	Market Value	Unrealized gains/(losses)
Berkshire Hathaway Inc	25	7,901,245	11,717,774	3,816,529
Alphabet Inc	76,640	1,999,885	6,800,267	4,800,382
Exor N.V.	90,021	4,000,022	6,391,491	2,391,469
Stellantis N.V.	426,388	3,464,884	6,054,710	2,589,826
Apple Inc	44,000	1,862,693	5,716,920	3,854,227
MBIA Inc	321,000	2,030,024	4,124,850	2,094,826
Pool Corp	10,636	1,253,830	3,215,582	1,961,752
Lumen Technologies Inc	610,000	7,161,626	3,184,200	(3,977,426)
EXCO Resources	133,377	1,597,954	2,811,587	1,213,634
Hertz Global (Warrant)	329,049	2,694,384	2,453,060	(241,324)
Bank of America	50,000	1,359,510	1,656,000	296,490
Wells Fargo	40,000	1,027,529	1,651,600	624,071
Moody's Corporation	5,899	583,551	1,643,579	1,060,028
Ally Financial	49,839	1,196,085	1,218,564	22,478

In addition, we had no naked call option position as of December 31st, 2022.

WINTAAI Holdings Securities

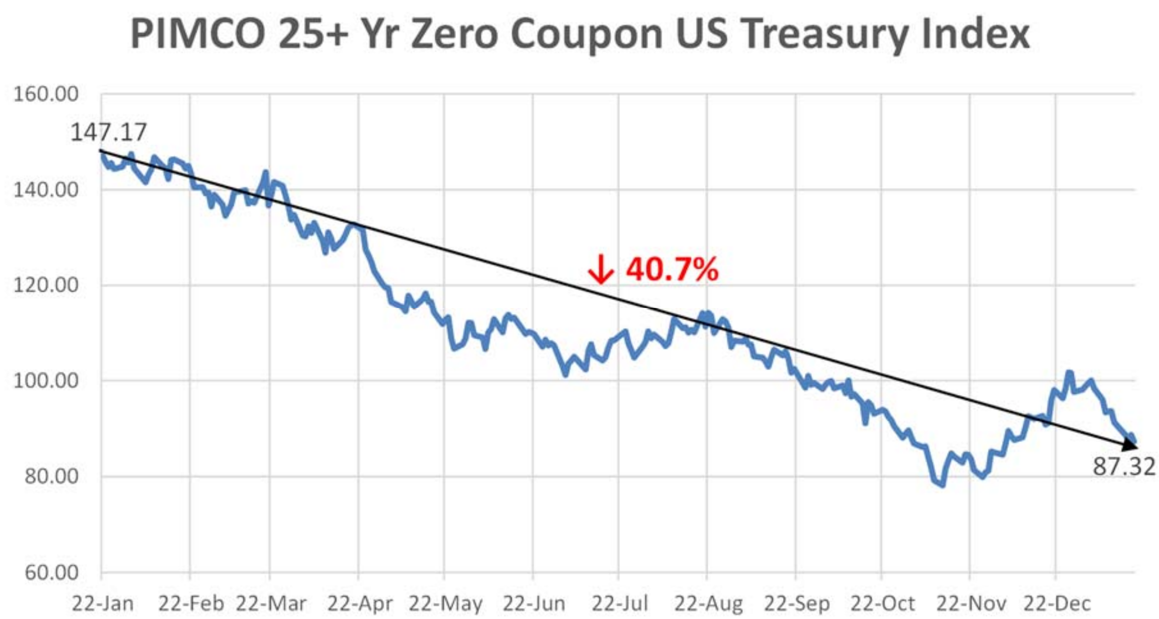
At WINTAAI, we held Synchrony Financial as of December 31st, 2022. All numbers are in USD.

Equity Holdings	Shares	Cost Base	Market Value	Unrealized gains/(losses)
Synchrony Financial	22,500	$ 297,637	$ 739,350	$ 441,713

Be Careful with the Conventional Definition of Safety

When 2021 ended, we were concerned that inflation would raise its ugly head. It is unprecedented how much money has been printed over the last 15 years, and we felt it was a matter of time before you had to pay the piper. We were happy to stay in cash/short-term treasury bills unless we found a mispriced opportunity. We were not enthused with buying long-duration treasury bills to gain an extra 50 basis points in yields, and we felt that any investor buying any A-rated paper with a long duration was playing with fire. An investor trades for a gain of 50 basis points (0.5%) in interest income for a potential capital loss of 40%. We were happy staying in cash equivalents which were virtually paying 0%.

If you look at the chart on the next page, you can see the devastation caused by buying a long-duration A-rated paper such as treasury bills, supposedly the safest security in the world.



At the beginning of 2022, it was trading at $147.17 but dropped to $87.32 at the end of 2022 for a loss of 40.7%. So much for being the safest security in the world!!

At the Stonetrust's Board of Directors meeting on December 8th, 2022, I presented this chart and alerted the directors on the potential problems inherent with many financial institutions that held long-duration treasury bills.

We are wary of buying any financials such as banks or insurance companies whose assets consist of large portions of long-duration treasury bills, fixed-income assets, or 30-year fixed residential mortgages. Below, you can see the devastation caused to the Tangible Common Equity of large banks with their holdings of long-duration treasury bills.

	Unrealized losses			Total Unreal. Losses
	Available for Sale	Held to Maturity	Tangible Common Equity	% of TCE
Bank of America	(4,477)	(108,569)	174,123	63%
Truist Financial	(12,255)	(9,922)	23,933	61%
US Bancorp	(8,540)	(10,866)	29,771	51%
KeyCorp	(6,435)	(597)	8,164	48%
Bank of New York Mellon	(3,184)	(6,202)	18,686	43%
State Street	(1,279)	(6,787)	17,696	43%

HISTORIC Moment – Stonetrust is rated A- (Excellent) by AM Best

Below is the announcement from AM Best in May 2022.

AM Best has upgraded the Financial Strength Rating (FSR) to A- (Excellent) from B++ (Good) and the Long-Term Issuer Credit Ratings (Long-Term ICR) to "a-" (Excellent) from "bbb+" (Good) of Stonetrust Commercial Insurance Company and its reinsured subsidiary, Stonetrust Premier Casualty Insurance Company. The outlook of these Credit Ratings (ratings) has been revised to stable from positive. The companies are domiciled in Omaha, NE, and are known collectively as Stonetrust Insurance Group.

The ratings reflect Stonetrust Insurance Group's balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, limited business profile and appropriate enterprise risk management (ERM).

Please read the Annual Letter included at the end of this letter that Mike Dileo wrote on how well Stonetrust is doing. Under his leadership, Stonetrust hit several milestones that seemed unthinkable a few years ago - Stonetrust achieved the A- rating and passed $100 million in Surplus (Shareholders' Equity). According to Mike, "the best is yet to come."

Loggerhead Reciprocal Interinsurance Exchange (LRIE)

The insurance terms are confusing, and you may ask:

WHAT IS A RECIPROCAL? *A reciprocal insurance exchange is one of the ways insurance organizations can be structured and capitalized. In a traditional "stock" insurance company, capital is provided by shareholders, who invest for a profit. A reciprocal has no shareholders. Instead, the insurer is owned and financed by its policyholders, also known as "Members." As a Member, a portion of your annual payments are set aside as capital or "surplus" for the insurer. Apart from this, start-up capital was provided as debt in the form of surplus notes issued to third-parties. The reciprocal structure is common. Some well-known companies that organize themselves as reciprocals include USAA and Farmers.*

Stonetrust purchased a $30 million 9% Surplus Note of LRIE. This is the initial capital that will allow LRIE to start writing business in Florida. The operation started on December 1st, 2022, and so far, they have met expectations. The Surplus Note was structured to qualify for Louisiana Premium Tax Credits.

Florida was hit by hurricane Ian and, as a result, it created huge capacity constraints in the insurance industry. LRIE was created to take advantage of this situation. It is founded and led by experienced stalwarts, CEO Jim Santo and COO Todd Dixon. Jim and Todd's great track record at AAA (pronounced as "Triple A") starting in 2008 showed us what they can accomplish, and right away, we were sold on their idea. In December alone, LRIE was able to roll over approximately $40 million in premiums to its books without any acquisition costs. This will result in approximately $20 million of Net Written Premiums for the year ending 2022. Normally, a start-up company fights to get premiums, but here, other insurance companies are approaching LRIE to get the insurance premiums off their books. We expect LRIE to generate $64 million of Gross Premiums and, after ceding premiums for reinsurance, net earned premiums of around $39 million for the year 2023. Below, the table shows how rapidly LRIE's Policyholders' Surplus is projected to build up over the next five years. This makes the $30 million Surplus Note safer as time passes.

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($ 000s, except for %)	**Actual**	**---------------------------- Forecasted ----------------------------**				
Income Statement:	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Gross Premium Written	-	64,063	111,010	168,155	206,720	243,975
Ceded Premium Written	-	(17,297)	(32,193)	(48,765)	(59,949)	(70,753)
Net Premium Written	19,794	46,766	78,817	119,390	146,771	173,222
Net Premium Earned	2,667	39,183	58,974	98,053	135,136	158,923
Combined Ratio	47.7%	84.4%	95.9%	96.8%	98.0%	98.4%
Policyholders Surplus:						
Member Contributions	-	5,233	16,334	33,151	53,824	78,104
Surplus Notes	30,000	30,000	30,000	30,000	30,000	30,000
Deferred Tax Asset/(Liability)	1,103	1,011	1,923	2,670	3,209	3,817
All Other Surplus		(4,065)	(8,410)	(11,964)	(12,103)	(12,128)
Total Policyholders Surplus	31,103	32,179	39,848	53,857	74,931	99,792

Although we are excited with how the operations are progressing with LRIE, it is still at an early stage, and as they say, “One swallow does not make a summer.”

Sincerely,

Francis Chou

Francis Chou
Chief Executive Officer
Wintaai Holdings Ltd.

March 31, 2023

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Annual Letter to Wintaai Shareholders from Stonetrust President Michael G. Dileo

As we celebrate Stonetrust Commercial Insurance Company's *30th Anniversary*, I am pleased to provide this report on our 2022 operating results and plans for continued success.

Last year was a monumental year in Stonetrust's evolution - highlighted in June by our AM Best financial strength rating upgrade to A – Excellent. This is the highest evaluation in the company's history and is the culmination of many years of hard work by the talented team that we have assembled at Stonetrust. Best's evaluation rated Stonetrust's balance sheet strength as *Very Strong* and included extremely positive comments about our underwriting and investment performance in the past five years. The report also noted that Stonetrust's calendar and accident year loss reserve development has been consistently favorable, and its strong liquidity has been enhanced by positive underwriting and operating cash flows year over year.

Some key performance highlights from 2022 - based on statutory accounting principles - are as follows:

- 2022 Calendar Year Combined Ratio is 62.5%
- Net premium income of $48.1 million as compared to 2021 net premium income of $44.8 million
- Net underwriting gain of $18.0 million as compared to last year's net underwriting gain of $14.6 million
- Net Investment gain of $1.8 million
- Overall net income of $15.3 million
- Ending surplus of $132.8 million

2022 represented the strongest underwriting year in Stonetrust's history. In addition to our underwriting success, we also continued to expand our underwriting and marketing footprint with the addition of our 11th and 12th states, Iowa and Georgia. Seven new states have now been added since 2016 in the mid-west and southeastern region, and we are planning for additional state expansion in the next five years. We also successfully implemented a comprehensive operating system conversion which has improved our operating efficiency and reporting capabilities and has enabled policyholders to have direct access to policy financial data.

The achievement of the AM Best A – rating has created new opportunities for accelerated premium and surplus growth. We are off to another great start this year and our vision and goal for the company is to be the premier or "First Choice" workers' compensation carrier in all of our operating markets. Although the current underwriting environment continues to be extremely competitive, we have built a solid reputation as a financially strong company that is easy to work with and extremely committed to outperforming our peers. Because of the talented team that we have at Stonetrust, my expectation is that we will continue to have more success to celebrate along with our 30th Anniversary this year!

Sincerely,

Sincerely,

Michael G. Dileo

Michael G. Dileo, CPCU
President and Chief Executive Officer

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Appendix

Date	Wintaai Holdings Adjusted Book Value per Share (CAD)	Wintaai Holdings Adjusted Book Value per Share (USD)
Dec. 31, 2018	$14.98	$10.98
Mar. 31, 2019	$16.77	$12.56
June 30, 2019	$17.44	$13.33
Sept. 30, 2019	$18.04	$13.62
Dec. 31, 2019	$19.41	$14.94
Mar. 31, 2020	$15.70	$11.16
June 30, 2020	$20.60	$15.13
Sept. 30, 2020	$21.96	$16.48
Dec. 31, 2020	$24.20	$19.01
Mar. 31, 2021	$27.42	$21.81
June 30, 2021	$29.44	$23.75
Sept. 30, 2021	$31.23	$24.51
Dec. 31, 2021	$33.50	$26.42
Mar. 31, 2022	$32.32	$25.86
June 30, 2022	$31.05	$24.22
Sept. 30, 2022	$32.72	$23.87
Dec. 31, 2022	**$33.92**	**$25.05**