

Due Diligence Process Land Banking & Walton Int'l Group

Part 1. What is Land Banking / Walton International Group?

- Googled on 'Land Banking' / WIG for complaints / frauds / problems / scams / law suits
- **26 yrs globally, 11 yrs in Singapore** (as at 2006)
- Detailed history search on WIG on **Commercial info/news database** (see history-wig.zip)
- Purchased **SG Govt ACRA** biz report on WIG, paid up capital = **\$500,000**
- Purchased most recent Walton.SG **audited financial statement** filed with ACRA
- **PWC Canada** wrote back to me confirming the **recommendation letter** written for WIG HQ
- Borrowed **books from SG library** - 'Investing in Bare Land' & Alberta
- Found at least **33 online forums** discussing about WIG & Land banking
- Consulted with **close friends** who have invested in other form of securities
- Intensive rounds of **Q&A with WIG consultants**
- How many investors in through WIG Singapore? **>6000** (as at Nov 2005)

Conclusion: 1. Walton International Group > Pass
2. Land Banking as a credible investment vehicle > Pass

Part 2: How good is the Investment Opportunity? (ROI assessment)

- Review of their completed projects (1989-Bridlewood, 1991-Shepard, 1993-Evanston)
- Review of consultants own investments
- Review of how many project offers per year (to assess how fast each project are sold out) - pretty fast, avg. 1.5 projects a month (est. 90 acres per project, or 180 buyers)
- Capital protection via put option (review the put option agreement, it's protected by a 3rd party company - Adair Assurance, Inc)
- Review land tax after sales - can reduce land tax via mortgage financing & having more than one owner)

Conclusion: Raw land investment > Pass

Part 3: Can I cash-in / liquidate earlier? (Liquidity assessment)

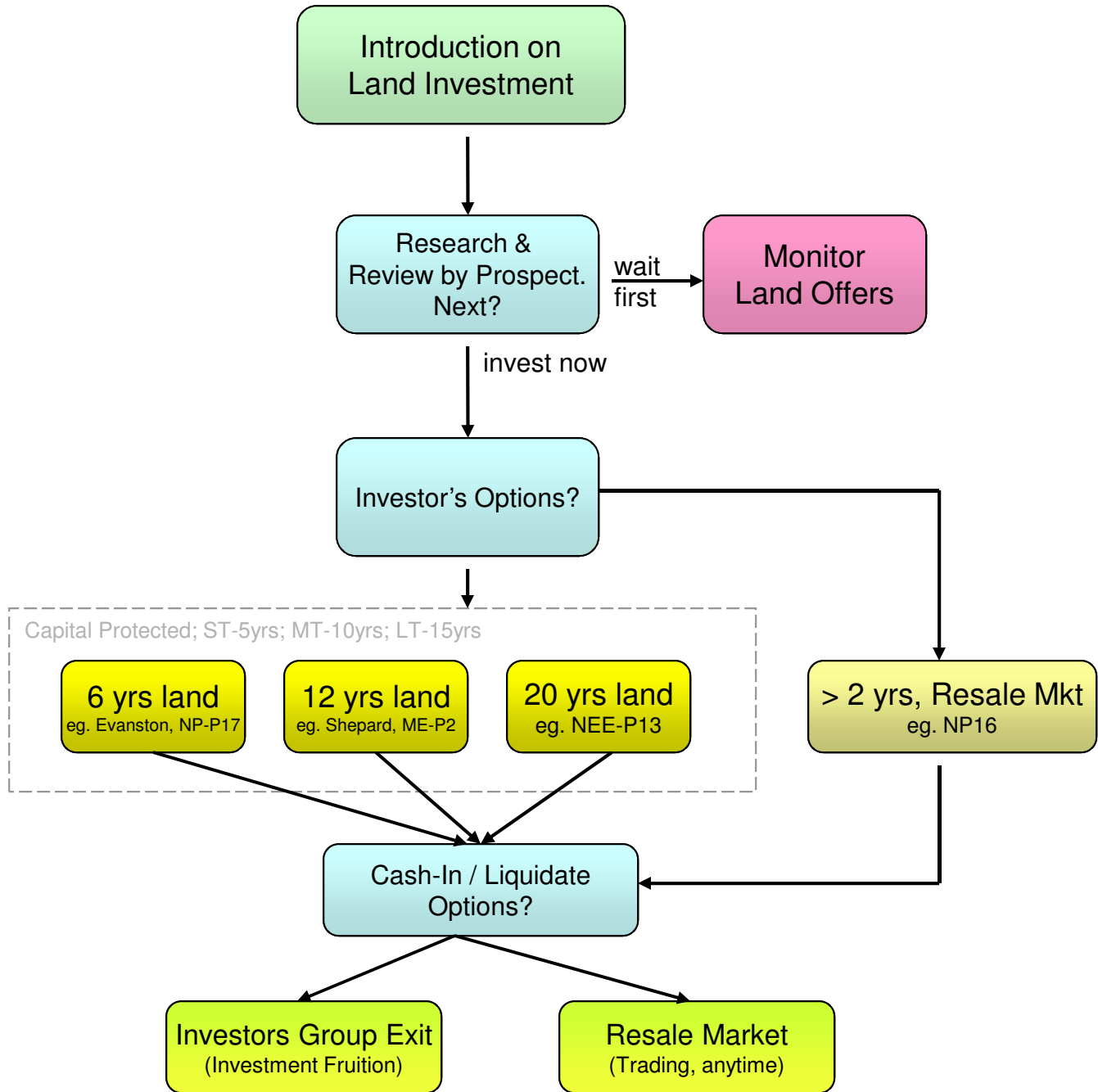
- What if I want cash out early, how easy is it to sell my land via the resale (secondary) market?
- Obtained all May05 records from the Resale Market (both sold land and listing) from consultant
- Did an intensive statistical analysis on the resale market - most land sold were above the buying price, with varying degrees of profit. Best in Year 8, 2. Worse in Year 4-5. In other words, may be good to buy a 4th-5th yr resale land as part of profit maximisation- need to confirm

Conclusion: Raw land trading > Pass

- Invested in Calgary North Point Residential – P16 (Resale Mkt), **C\$28,000, 1/3a, 6yrs**
- Invested in Greater Golden Horseshoe – P2 (New land offer), **C\$10,000, 1/3a, 8yrs**

Land Investment/Trading Process

(Walton International Group)



Statistics based on Completed Projects*

- o Average investment (C\$): **21,500** (7,000 / 30,000)**
- o Average profit (C\$): **52,833** (28,000 / 68,000)
- o Average holding time (year): **8.8** (4.5 / 13.5)
- o Average ROI: **284.6%** (226.7 / 400.0)
- o ROI / yr: **32.3%** (25.8 / 45.5)

* see stats-completed_projects.pdf & stats-resale_sold-market.pdf
 ** (min / max)

Statistics based on May05 Transactions in the R.M.*

- o Average investment (C\$): **20,268** (7,500 / 47,000)
- o Average profit (C\$): **8,504** (-3,140 / 67,921.28)
- o Average holding time (year): **2.7** (0.6 / 9.0)
- o Average ROI: **42.2%** (-7.2 / 328.9)
- o ROI / yr: **15.6%** (-2.6 / 121.8)