

Q2 JULY 2016



Investment Quarterly Update

Investment Name: _____ Kudos Asia Investments Ltd (Cool Blue Samui)

Asset Class: _____ Property

Launch Date: _____ December 2011

Date of first and subsequent interest payments: _____ 5th year anniversary of original investment

Redemption Date: _____ 5th year anniversary of original investment

Previous Report Dated: _____ Unknown (Glenmuir International)

Below Is The Quarterly Update From Cool Blue

Following the Q1 Report issued by the Product Principle of Cool Blue, Venture International Holdings (VIH) received several questions from Investors and Trustees. In order to address these questions specifically we arranged a call with Andrew Moore (AM) of Cool Blue. Below you will find the questions asked and answers provided, this represents the Q2 Report.

Naturally Venture International Holdings will continue to request further updates as the site sale progresses.

VIH The reasons as to why has the project not progressed as planned?

AM The project became reliant on funding from external investment, primarily from investment groups and individuals in the UK. During the course of the project's construction phase the FCA changed the rules on investment promotions which made it more difficult to raise funds from Investors. This in turn would have meant that a larger proportion of funds would have been spent on administration due to the longer time period it would have taken to complete the project and thus, the decision has unfortunately made that the project become uneconomic.

Subsequently, further decisions have been taken to protect the project and the underlying Investors and so we are now looking to sell the project, after clearing the bank debt. Had the project proceeded as it stood, the bank debt would have been far greater and the risk of repossession of the property, which would have affected Investors, would have been a possibility, and so it was felt that the course of action we have taken preserved the best position for Investors.

The current sale price of the project is based on Broker recommendations and is slightly below the land and current construction value in order to attract buyers quickly. In addition, the project is being offered to buyers to include the land, all construction (roads, water wells, villa shells) planning and build permits plus architect drawings and 3D renderings etc. This would also provide further opportunity to obtain a sale quicker than usual.

VIH How is this proposed buyer payment plan to work?

AM This will depend on buyer requirements, and there is no set proposal. Any deal agreed (on the basis of any sort of payment plan) would mean the buyer would forfeit their initial deposit if the plan was not followed and adhered to. However when payments are made, all sale proceeds will come into the Cool Blue Samui Ltd Company until the final sale payment is made. Funds will then be used to distribute to investors.

VIH How is the project being marketed for sale?

AM The project is being marketed through a network of local agents nationally, in Thailand and throughout the region. A number of viewings have already taken place with some interest, although no sale has yet been agreed.

There will be no bank debt on the site so there is no risk of the site being repossessed. Investors currently have an unencumbered, tangible asset, which simply needs to be realised to enable repayments to Investors.

VIH The first Tranche of Investors are due out in December 2016 – what is the likelihood that the site will sell in time for this first exit?

AM There are further viewings scheduled throughout July. Should an offer be received then it is anticipated that completion could take place shortly after, as this is usual for the region. The timing of payment to Investors very much depends on the company achieving a sale and therefore it is impossible to say when this may be. However, we do remain hopeful that we will gain traction with a sale during July/August 2016.

VIH Are there any photos of the project in its current state that can be shared with Investors?

AM The next report will include full set of images that will be taken in August to show the current status of construction and state of the site itself.

THIS REPORT IS ISSUED BY VENTURE INTERNATIONAL HOLDINGS.