

MASTER Q&A FOR LOFTHILL RESIDENCE

COLLABORATION PARTNER:



PREPARED BY:
FIVE SENSES BY WIT VENTURES

| No | Nature of Questions | Responses |
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| COMPANY OVERVIEW | | |
| 1. | How many units are you managing now? | As of July-2024, we are present at 18 buildings and managing total units of 750+ units and moving forward in year 2023, we will be entering another 9 buildings with most of it are awarded as appointed Short Term Rental Operator and will be managing more than 3,000 units. |
| 2. | What is the difference between renting the unit, Airbnb rental and doing Digital Investment Property? | <p>The difference is conventional rental only can rely on one source of rental income which is either Airbnb Rental or Long-Term Rental.</p> <p>Where else, our model uses Digital Model concept where we have Multiple Rental Option (MRO) and Multiple Income Stream to maximize owner income at all point of time.</p> |
| 3. | What is your strength of such MRO and Digital Property Management? | We are offering our Multiple Rental Option ("MRO") strategy, where our digital property management comprises the best of both Hotels and Short-Term Rental, plucking the best cherry of both worlds became the renowned hybrid model, as you can see hotels are limited to some platforms, and we are not limited to it, and we are being recognised by the largest Hotels Chain in the world, Marriot and became their collaboration partners. |
| 4. | When I Buy a property for short stay, what is the sharing percentage for the owner and Five Senses Experience? | Revenue is to be shared 80 percent property owner and 20 percent to Five Senses Experience |
| 5. | What is Pool Sharing? | <p>Pool Sharing here means where all owners in a single site share all costs and income. Meaning by Pool, not by Individual unit.</p> <p>All the income are distributed equally among all owners of the same building, dividing by sq. feet and also operating days.</p> |
| 6. | What if owner buys bigger unit? Should the sharing be the same? | <p>Income earning in pool sharing is based in per square feet and bigger units get bigger share of income for example: 555 sq. ft/ 452 sq. ft get pool income of</p> <p>$555 \times 3.80 = \text{RM}2,109 \text{ Monthly}$ $452 \times 3.80 = \text{RM}1,717 \text{ Monthly}$</p> |
| 7. | Are there any minimum units for you to operate in a single building? | <p>Yes, it would require minimum 50-100 units for us to operate in view of the economies of scale.</p> <p>As the costs are shared across all units under our management, 50 units are the minimum number of units for us to operate to maintain favourable percentage of cost.</p> |

| CONTRACTS | | |
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| 8. | How long is the contracts tenure? | <p>Our contracts are executed based on 2 years with an option to extend to another 2 years indefinitely.</p> <p>Every owner can terminate the contract by giving 6-month notice upon commencement without any penalty incurred.</p> |
| 9. | Are there any free stays? | Every owner that participates in our Digital Property Management program, is entitled to 7-nights free stay across all the units under our management (subject to availability) and cannot be used 2 days before and after the Malaysia Public Holiday |
| 10. | What are the costs that borne by owners? | <p>Maintenance fee, sinking fund, fire insurance, assessment bill and quit rent are payable by respective owner to the authorities or Management Office</p> <p>Owner can appoint us to pay all the above cost on behalf from the nett rental income (80% of revenue sharing after less expenses)</p> |
| 11. | What are the costs that payable by Pool Revenue Sharing? | <p>All the costs are stated clearly inside the agreement as below: -</p> <p>means, without limitation, housekeeping supplies, room amenities, electricity charges, pest control, basic replacement of fittings, water charges, Wi-Fi charges, insurances (if applicable), laundry expenses, and in the control, operation, supervision, cleaning, lighting, repair, replacement and/or maintenance of the Demised Premises</p> <p>All these costs would be paid on monthly basis</p> |
| 12. | When will be the pay-out? | All the rental income would be paid out before 14 th of the following month |
| 13. | What is Minimum Performance Assurance? | <p>Minimum Performance Assurance ("MPA") is referring to the minimum amount that Operator guaranteed throughout the whole agreement period in regardless of whether there is rental or not.</p> <p>This is to safeguard owners' interest and investment.</p> <p>The calculation of 4% Minimum Performance Assurance would be as below: -</p> <p>Nett Property Purchase Price: RM500,000 MPA of 4%: RM500,000*4% = RM20,000</p> |

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| | | Monthly MPA pay out: RM1,666.67 |
| 14. | How does the Minimum Performance Assurance works? | We have Minimum Performance Assurance which is 4.0% and is guaranteed to owner and should our actual revenue-sharing performance is higher than the Minimum Performance Assurance, we will pay owner whichever is higher basis. |
| OPERATION | | |
| 15. | Should the 2 years contract with short stay operator have any damages on property and furniture, who will be liable for the cost of repair? | During the 2 years contract period, it will be fully borne by operator (Five Senses Revenue Pool sharing) should there be any repair or furniture spoilt. OTA have insurance to protect the property. |
| 16. | What are the report owners can get when managed under Five Senses? | <p>There will be a monthly statement to be furnished to owner of the respective building, which included Profit & Lost statement, Maintenance Record, Payment Receipts & Invoice.</p> <p>However, if building where MPA is applicable, after the MPA kick-started, profit statement will be furnished quarterly.</p> |
| 17. | Can owner view the live time occupancy? | Owner will get their individual log in credentials to our Property Management System ("PMS"), to view the live time occupancy of your unit and all others unit under the same building. |
| 18. | Is there any insurance undertake by Operator? | <p>We have undertaken a Public Liability Insurance with insured amount of USD1,000,000 to ensure zero worries for respective owner that participate in our digital property management program</p> <p>Other than that, there is an RM5,000/unit/annum of insurance that protect owner from any intentionally damage on the furniture/electrical appliances.</p> |
| 19. | How much is your cost of cleaning/laundry? | It will be RM20/time upon check out and laundry cost around RM10-12/time upon check out. So, totalling up to RM30-32 for each checkout. |
| 20. | What does your concierge service offer? | We do offer car rental, airport transfer, laundry & property maintenance. |
| 21. | How are the self-check-in kiosk works? | <p>Our self-check-in kiosk will capture the QR code generated prior to the arrival of the guest and able to store the information of the guest (NRIC/driving licence/passport) and capture a picture of the checking-in guest.</p> <p>This information would be stored at our</p> |

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| | | <p>database and in the event of unfortunate incident happens, we have all the records.</p> <p>This information would be shared to Management office also as this would enhance the security system.</p> |
| 22. | What if the self-check-in kiosk not functioning? | <p>We have also placed a receptionist to assist in the check-in process should the self-check-in kiosk not functioning.</p> <p>The receptionist would be placed at the building from 9am-10pm daily.</p> |
| 23. | How much is the self-check-in kiosk? | The self-check-in kiosk together with the inhouse property management software are amount to near to RM70,000 which is fully borne by us. |
| 24. | Is there any refurbishment cost after first term ended? | There is no fixed cost to be implemented during the expiry of the tenure, as we have our on-site maintenance team that carry out any repair/maintenance should there be any defect. Hence this will drastically reduce the refurbishment cost by the end of the first tenure. |
| MARKETING | | |
| 25. | How do you market the units? | <p>Through all the top 30 Online travelling agencies and Platform in the world, Booking.com, Airbnb, Agoda, Traveloka, Expedia etc. Furthermore, we perform Google Marketing, Website, Agency partnership, and advertise on every available platform from offline to online.</p> <p>On top of it, we are the first collaborating partners with Marriot in Malaysia, that we are marketing our unit in their platform of Homes and Villas Marriot International.</p> |
| 26. | What is your marketing strategy? | Other than that, we are collaborating with other parties such as travel agency, corporate partners. |
| 27. | How do you manage your ADR? ("Average Daily Rate") | <p>We have an experienced team to monitor and also created occupancy rules, which is similar to airline mechanism, and higher the occupancy would lead to higher ADR.</p> <p>However, during super-peak period, we would manually adjust the ADR to higher rate to cater all the guests.</p> |
| PROJECTION OF INCOME | | |
| 28. | What is the targeted projection income post pandemic and during this pandemic situation | Our current projection of income for all buildings under management stood around 6-8% return net income based on our track record. |

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| | | Looking at our track record, averagely our rental income would be outperformed the long-term market rental by 15-25% |
| 29. | What's your average occupancy level across all buildings? | As per our current performance, our average occupancy stood around 70-90% across all buildings under our management, some of the buildings even able to maintain at least by 95% occupancy across non-peak. |
| FINANCE RELATED | | |
| 30. | What is the operation manpower and turnaround manpower? | Turnaround manpower means the maintenance staff and cleaners that are located in the buildings and operation manpower are referring to the receptionist and operation colleague that are assisting in checking in of guest and also housekeeping of the units. |
| 31. | If cash buyer which mentioned that they may not have local bank account, any supporting documents for them to open a local bank accounts? | The booking form and official receipt from developer should suffice to open an account with any local bank |