



Maid2Clean Franchise Ltd
Caiden House
Canal Rd
Altrincham
Cheshire
UK WA14 1TD

Dear Sir / Madam

Re. Maid2Clean China Master License

Thank you for your interest in a Maid2Clean Master License for China.

Maid2Clean is not a traditional cleaning Franchise. It is a unique management **agency** concept in the domestic cleaning services sector. Franchisees are paid by domestic cleaning clients for six services.

The Master Licensee will gain access to the proven Maid2Clean franchise program that they will adapt to their country. The master franchise owner will recruit and award franchises within the geographic areas designated in their master franchise license, to individuals looking to run their own local Maid2Clean cleaning agency in China.

The Master License investment will be based on the size of the territory taken I.E. the number of potential Franchise licenses within the geographical Master Franchise area allocated. Fees will take the form of initial up-front payment and thereafter an ongoing royalty to be agreed between Maid2Clean and the Master Franchisor.

The Master Franchisor will need to bear the costs of localising the franchise package including the Operations Manual. The royalty from the Franchisee in China to the Master Licensee is a fixed monthly fee from month 12. We may consider a Joint Venture (JV) in the right circumstances also.

The Master Franchisee will be allowed to open or resell as many franchises as desired within the master franchise area.

As a Master Franchisor you would be the licensee of the China market and would be responsible for managing both your own Maid2Clean Cleaning Agency operation alongside selling Franchise licenses to prospect franchisees. These are two separate skill sets.

Essential Qualities and Skills you will need to become a Master Licensee are:



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- Successful background in business
- Strong ethics
- Good communicator (China) in verbal and written form
- Articulate, tenacious & hard working
- Possesses the financial capability and resources to recruit and support local franchisees
- Previous experience in developing and managing businesses.
- The ability and resources to build the Maid2Clean Brand
- Ability to run a pilot system for the network
- Ability to work alone and lead a team
- Sales experience
- Enthusiasm for and ability to fully participate in the continuous improvement of Maid2Clean's operational systems
- Good interpersonal, influencing and social skills
- Entrepreneurial spirit
- Accustomed to business environments and dealing with professionals and business people alike

Ideal qualities and skills that you will have are:

- Previous experience in franchising
- Strong sales experience
- Pioneering, entrepreneurial and enjoy being the first to market
- Industry knowledge



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The investment for the whole of China is shown below.

The figures and information set out are purely illustrative. They do not represent any representation or guarantee that the figures or any other aspects will be achieved. The success of a Master franchise is linked to many factors such as the location, ability of the Master Licensee and resources devoted to the business.	Country : China	Master Licensee Revenue \$ US Dollars	Maid2clean UK Licensor
Population	1,300,000,000		
Number of residences	448,275,862		
Minimum Number of Territories in Master Licence	4482		
Initial Master Licensor Investment Fee (per territory) in US Dollars	2,500		
Initial Master Licence Fee multiplied by number of licenses in US Dollars	11,205,000.00		11,205,000.00
Sale Price Per Territory	23,500		
Pre-break even split - License sales needed for Master Licensee to break even	477	11,209,500.00	1,406.25
After Break even split - example Sale price of each Franchise area from balance of territories in US Dollars	23,500	16,156.25	7,343.75
Remaining Fanchise Licenses Potential	4,005	64,705,781.25	29,411,718.75
Master Licensee Franchisee Sales in region.	Not Applicable	Not Applicable	Not Applicable
Example Royalty Fee per Franchisee \$210.63 per month for first 12 months in US Dollars	210.63	171.14	39.49
Example Royalty Fee per Franchisee \$412.5 per month (from month 12) in US Dollars	412.50	335.16	77.34
Example monthly royalty figure with all Franchise licenses trading in US Dollars	1848825	1,502,170.31	346,654.69

The cost model reflects a low investment level. Maid2Clean has a Master Franchise position to enable the successful applicant to localise the business model for the China market.



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Maid2Clean is seeking a long term player with strong managerial and commercial acumen.

You will have the experience of running your own business and developing a network of franchisees. You will need the ability to localize the Maid2Clean UK franchise package to work within the China market.

Maid2Clean is NOT seeking for single unit franchisees at this stage. If you believe you possess all the attributes needed to develop the Maid2Clean brand in China, we would be interested in speaking to you.

The demand for the service is virtually recession-proof as more couples go out to work. These busy people are grateful recipients of the Maid2Clean agency service. The Maid2Clean business is already a proven concept since 1993, with high profit margins and increasing customer demand. Houses gather dust no matter how the economy performs and demand for the service and franchise licenses remains strong, even in recessionary times.

The domestic services cleaning sector has grown exponentially over the last 20 years as more and more couples go out to work to service the life styles they desire. There is no cleaning involved by franchisees or Master License holders – both are managerial positions. As a Master Licensee (Franchisor), you would be well positioned to harness the power of the brand and grow a substantial franchise operation in China.

The Maid2Clean Master Franchise opportunity provides you with many advantages such as:

- Exclusive rights in your area as a franchisor, not just a Franchisee
- Satisfaction in knowing you are helping others grow their businesses as their residential cleaners provide a much needed service
- Low total investment compared to other Master License concepts
- Flexible working hours

To Maid2Clean, the ability to use business experience outweighs specific industry knowledge. That said Master Franchisor Applicants must possess certain attributes and if demonstrated, the Master License Package would grant you the exclusive development rights to operate the Maid2Clean Franchise system in your agreed region.

If the proposed territory above is too large then we would need to discuss whether the Northern China states would be a consideration. In the meantime I am sure you will study the numbers.

In advance of meeting I would be grateful if you would answer the following questions as your answers will enable me to understand your capabilities, knowledge and sincerity regarding your interest in a Master License.

SECTION A – MASTER LICENSEE

1. Please supply last two years audited accounts for Trade Pool Exhibitions Pvt. Ltd.



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2. Please state the names of the major shareholders in Trade Pool Exhibitions Pvt. Ltd.
3. Please provide CV's or business résumés of the shareholders and directors who would be actively involved in running the Master Licence, stating last 10 years employment history, education, and other relevant experience.
4. Please specify any direct franchise experience of any of the principal shareholders or directors.
5. Please specify direct or indirect experience in Franchising in the Domestic Sector of any of the principal shareholders or directors.

SECTION B – STATUS / NATURE OF THE PRESENT CHINA MARKET

Please state 3 findings from your research in this China services sector.

- 1.
- 2.
- 3.

SECTION C – SIZE OF THE MASTER LICENCE YOU ARE INTERESTED IN

1. What is the population of your desired Master License area if the whole of China is too large?
2. Please give the names and turnover of the businesses you would regard as the 5 biggest competitors to a Maid2Clean Franchise:-



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SECTION D – GOVERNMENT INVOLVEMENT

1. To what extent will the Government of China encourage Franchisors?
2. Are there any restrictions on remitting funds to the UK from China?
3. Is there any withholding tax on royalties to be remitted abroad? Is there a double taxation treaty between the UK and China?
4. Are there any restrictions on importing franchises into China?

SECTION E – LAWS OF CHINA

1. Does China law allow restraints against in term and post term competition?
2. Does China law allow the protection of Trade Marks and other intellectual property?
3. Does China competition law allow you to separate the country into territories and to forbid franchisees to trade outside them and, consequently, to stop franchisees trading in each other's territories.
4. Are there any special franchise laws in China particularly as regards disclosure of information to prospective franchisees?

I look forward to hearing from you anon. If you have any questions please do not hesitate to contact me. I can be contacted by Skype (Maid2Clean) or directly on +44 1270 820200.

Yours most sincerely

Mike Hanrahan



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(Franchisor)