

Franchise Fees

The initial fee is from HK\$800,000 for franchises in Hong Kong

A fixed monthly royalty based on 10% of gross sales

A fixed monthly fee of HK\$6,000 to cover shared advertising costs to benefit all centres

The initial fee and royalties cover the following:

The right to use the trade names, branding, intellectual property and copyright

Exclusive territory rights, determined on the basis of demographics and local trends

The full business system, including operations manuals and proprietary computer softwares

Initial intensive training, ongoing training, consultation and support

Assistance and guidance with organisation, employee recruitment and training

Ongoing research and development of new programmes, services and curricula

Proprietary products and materials

Franchise term

A minimum of three years, with an option to renew for each further three-year period subject to mutual agreement

Franchise investment

An estimated minimum of HK\$1,280,000 would be required to successfully franchise LDP

The following example shows the investment plan for opening a branch of LDP

Investment in franchise

Initial fee

To franchisor

800,000

Investment in centre

Premises (based on an area of approx. 2000 sq.ft.) (3 months rental deposit)

120,000

Fitting-out costs

250,000

Equipment, furniture and materials

50,000

Computers and printers

20,000

Professional fees

20,000

Insurance

20,000

1,280,000

