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Local Sponsors purchased 3,306,600 shares of Tk. 10/- each i.e., 88.18% of the sponsors control in equity.

The Salient Features of the Agreement between the parties are as follows :

Dividend Participation
No dividend will be paid to the Company ENGENHARIA in first five year but in subsequent five years it will be mutually decided how much profit shall have to be paid to ENGENHARIA.

Transfer of Share

If at any time one of the parties hereto desire to transfer all or any equity shares held by it in the Company it shall offer such share in the first instance to the other party hereto. Such offer shall be made by Notice in writing setting out the number of shares being offered such offers shall not apply to the public shares but related to transfer between ENGENHARIA and LEGACY.

Machinery Supply and Erection
ENGENHARIA agrees to deliver to LEGACY and LEGACY agrees to purchase from ENGENHARIA machinery and equipment for a shoe factory. ENGENHARIA shall execute the erection and commissioning and trial and commercial production of the machinery and equipment.

Technical Know How

"TECHNICAL KNOW HOW" shall mean service such as conception of plant and machinery as well as production process, machinery, layout, power organization and working place description, material flow, machinery specification including operations and maintenance instruction, training of experts abroad, commissioning of plant and machinery pilot production being part of planning and engineering. This also include supply know how, assisting in development of show models, designing, pattern making of the sample of shoe development of shoe components/lasts/moulds, development of cutting dies.

Foreign Training

LEGACY will depute two personnel from its factory to ENGENHARIA's facilities in Portugal and ENGENHARIA will arrange for their training at their maintenance facilities, which may include training at reputed manufacturers in Portugal or elsewhere in Western Europe. The duration of the training period will be six weeks.

Information Sharing

ENGENHARIA shall furnish to LEGACY the relevant information in improvement or in connection with the latest fashion trends and machine developments so as to enable LEGACY to keep in touch of the latest trends.

Technical Supervision (if required)

In consideration of ENGENHARIA fulfilling all the covenants in terms of this agreement by way of providing technical know-how and assistance, including visit of their Senior Technical Personnel at least once every 45 days so as to ensure stipulated quality and quantity of production at International Standards at LEGACY's factory at most effective costs, as also ensuring sourcing of all material and components of best quality at most competitive prices. LEGACY shall pay an annual Technical fee of US\$ 75,000.00 for a period of 5 years.

Marketing Assurance

LEGACY shall sell and ENGENHARIA shall market and arrange to purchase entire production of leather footwear produced by LEGACY. The entire quantity of the products supplied by LEGACY are to be sold by ENGENHARIA under this agreement.

Agreement Validity

This technical know-how agreement shall remain effective for a period up to 5 years after the unit starts with commercial production. On the expiration of this agreement the know how hereof delivered to LEGACY shall remain the property of LEGACY for full and free use thereof. These terms shall be reviewed and renewed after mutual discussion at the end of 5 years, subject to notice for six months from either side. In the absence of this notice the agreement shall automatically stand renewed for next 5 years.

Arbitration

All disputes arising in connection with this Joint Venture Agreement shall be finally settled by Arbitration. This Arbitration shall be held in Zurich and conducted in accordance with the rules of Arbitration and conciliation of the International Chambers of Commerce by a court of Arbitration consisting of three (3) Members.

A) ENGENHARIA P.E. MADEIRA S.A.
RUA DOS MURCAS, 68
9000 FUNCHAL
PORTUGAL

AURELIO PAULO GOVEIA
DIRECTOR

B) M/S LEGACY FOOTWEAR LTD
64 SHAHEED SUHWARYD AVENUE
BIJUYNAGAR, DHAKA
BANGLADESH

Q F MD ZULFIQUEER
MANAGING DIRECTOR

Sealed and attested

Opoto/Portugal
13th June, 1996

DESCRIPTION OF MATERIAL PATENTS, TRADE MARKS, LICENCE OR ROYALTY AGREEMENT

The Company has no agreement regarding material patents, trade marks, license or royalty.

MANPOWER

The numbers of employees are 100, all of them are full time employees and there is no part time employee. The categories of which are as follows:

Technical 157
Administrative 99
Total Number of Employee 166

DESCRIPTION OF PROPERTY

LOCATION OF THE PROJECT

The project is situated at mauza Vannara, P.O. Mouchuk, P.S. Kaliakoir of Dist. Gazipur adjacent to the Mouchuk Scout Camp on a plot of land measuring 163 decimal (5 bighas) with all infrastructural facilities like water, power, gas, manpower, etc. The condition of the property is excellent.

BUILDING AND CIVIL WORKS

Share Capital shown in the Balance Sheet dated 30/04/99 was piled up by the sponsors directors on various dates and was utilized for the purpose of major part of Civil Construction and other costs. Shares were issued to the sponsor shareholders against the deposit made by them. The construction of building and civil works were performed and executed under direct supervision of the sponsor directors. The cost has already incurred and to be incurred may be shown in the following manner:

(Tk. in '000)

Sl. No	Items	Cost in Foreign Currency	Eqvt in Taka	Local Currency	Total Cost in Taka	Inurred	To be Inurred
						Inurred	To be Inurred
Building & Other Civil Works:							
a)	Main Factory Building		10,800		10,800		
b)	Raw Materials Godown		1,350		1,350		
c)	Finished Goods Godown		1,350		1,350		
d)	Bonded Ware House		675		675		
e)	Staircase, Sub-station room, Compressor room, Lobby, Ladies & Gent's toilet		3,600		3,600		
f)	Administrative Office with toilet, quality control & store room		2,800		2,800		
g)	Officer's Quarter		3,482	456	3,946		
h)	G. M's Bangal		2,000		2,000		
i)	Pump house & Guard Room		116		116		
	Sub-Total		23,453	3,258	26,711		
a)	Other Civil Works						
b)	Water tank (overhead & under ground)		443		443		
c)	Boundary wall with gate		386	1,111	1,500		
	Total:			1,215	2,100	3,315	
	24,668	5,358	30,026				

DETAILS OF BUILDING AND OTHER CIVIL WORKS (AS PER complete estimated)

SL. NO	Item of Construction	Type of construction i.e. Specification	Size and Covered Area	Rate of construction in Tk./sqft.	Estimated total Cost of Tk./sqft. in '000
1	GROUND FLOOR	Main wall 5"bb, R.C.C. frame structure which includes upper components, section, sewing section, Finishing sections such as heel section, sole, section, brushing, Polishing, spraying etc. Shoe components store, bast store Raw material: Godown	(150' X 90') = 13,500 sqft	800	10,800
a)	Main Factory Building which includes upper components, section, sewing section, Finishing sections such as heel section, sole, section, brushing, Polishing, spraying etc. Shoe components store, bast store Raw material: Godown	Do (40' x 45') = 1800 sqft	750	1,350	
b)	Do (40' x 45') = 1800 sqft	750	1,350		
c)	Do (40' x 45') = 1800 sqft	750	1,350		
d)	Do (40' x 45') = 1800 sqft	750	675		
e)	Do (40' x 45') = 1800 sqft	750	3,600		
f)	Do (40' x 45') = 1800 sqft	750	2,800		
g)	Do (40' x 45') = 1800 sqft	750	2,000		
h)	Do (40' x 45') = 1800 sqft	750	116		
	Total: Main wall 5"bb, Partition wall 5"bb, R.C.C. frame structure which includes		800	4,280	3,315

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