

IN THE GRAND COURT OF THE CAYMAN ISLANDS

783
CAUSE No. of 2002 ✓

IN THE MATTER OF HPH CAYMAN LIMITED

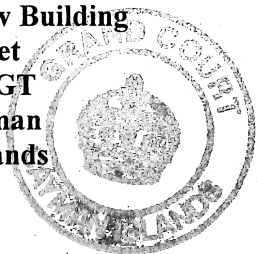
AND IN THE MATTER OF THE COMPANIES LAW (2002 REVISION)

PETITION

TO THE GRAND COURT OF THE CAYMAN ISLANDS

THE PETITION OF HPH CAYMAN LIMITED

C/o Hunter & Hunter
The Huntlaw Building
75 Fort Street
Po Box 190 GT
Grand Cayman
Cayman Islands



1. The object of this petition is to seek the sanction of the Court pursuant to section 86 of the Companies Law (2002 Revision) to a Scheme of Arrangement between HPH Cayman Limited and Daventree Resources Limited ("the Scheme") as further detailed below. A copy of the Scheme is annexed to this petition.

2. **Definitions**

Holding company

in relation to the Company, to Daventree and to HPH the expression "holding company" shall have the meaning given to it by section 736 of the United Kingdom Companies Act 1985 (as amended) with the word "company" in that section including any body corporate wherever incorporated

The Company

HPH Cayman Limited - a company incorporated in the Cayman Islands as an Exempted Company on October 2002 under the Companies Law (2002) Revision of the Cayman Islands and a wholly-owned subsidiary of Daventree

Daventree	Daventree Resources Limited - a company incorporated in Cyprus as a private limited company under Cyprus Companies Law (CAP 113) and a wholly owned subsidiary of HPH. Daventree owns 25% of the issued shares in Kantupan
The Daventree Transfer	The transfer by Daventree of the Surplus Cash to the Company which is proposed to take place in consideration of the allotment of shares in the Company prior to the meeting at which the Scheme is considered by the members of the Company
Effective Date	the date seven days after the grant of sanction to this Scheme of Arrangement by the Grand Court of the Cayman Islands
HPH	Harvadsky Prumyslovy Holdings a.s. - a company incorporated in the Czech Republic
HPH Shareholders	members of HPH whose names appear on the records of the Securities Centre of the Czech Republic and who are defined as beneficiaries in the Trust
The Memorandum	The Memorandum is the explanatory Memorandum sent by the Company to Daventree and to the board of directors and supervisory board of HPH which is annexed hereto at appendix 2
The Scheme	The Scheme of Arrangement in its present form with or subject to modifications or additions imposed or approved by the Grand Court
The Surplus Cash	the sum of US\$107 million to be transferred by Daventree to the Company
The Trust	A settlement on the terms set out in the draft trust deed which is annexed hereto at Appendix 1. The Trust is subject to the laws of the Republic of Cyprus.
The Trustees	Daventree Trustees Limited (a company incorporated in the Republic of Cyprus) whose directors are to be Mr Polakis Sarris and Mr Tomas Sevcik, or if appropriate, the trustees for

the time being of the Trust, who will conduct the affairs of the Trust in the Republic of Cyprus.

The Company

3. The Company was incorporated on 23 October 2002 as an Exempted Company under the Companies Law (2002 Revision).
4. The registered office of the Company is situated at Huntlaw Corporate Services Ltd. P.O. Box 1350 GT, the Huntlaw Building, 75 Fort Street, George Town in the Island of Grand Cayman.
5. The Company's authorised share capital is US\$50,000 divided into ordinary shares of US\$ 1 each of which 3 ordinary shares have been issued fully paid. One is held by Daventree and the remaining two shares are held by professional nominees for Daventree.

Daventree

6. The Company is a wholly owned subsidiary of Daventree Resources Limited ("Daventree") which is a company incorporated under the Companies Law (CAP 113) of the Republic of Cyprus.

HPH

7. Daventree is a wholly owned subsidiary of Harvadskyi Prumyslovy Holdings a.s. ("HPH") a company incorporated under the laws of the Czech Republic.
8. The issued shares in HPH are held by about 240,000 members who are principally resident in the Czech Republic.

The Company's Objects

9. The Company has unrestricted objects which include the following powers:
 - a. To settle any of the property or assets of the Company on trusts for the benefit of its members and, at the discretion of its directors, any person having a direct or indirect interest in the Company including, for the avoidance of doubt, any members of any immediate holding company

or superior holding company and/or any beneficiaries under a trust whose trustees are members of the Company;

- b. To distribute any of the property of the Company among its members and, at the discretion of its directors, any person having a direct or indirect interest in the Company, including, for the avoidance of doubt, any members of any immediate holding company or superior holding company and/or beneficiaries under a trust whose trustees are members of the Company, in specie;
- c. Except as prohibited or limited by the laws of the Cayman Islands, the Company shall have full power and authority to carry out any object and shall have and be capable of from time to time and at all times exercising any and all of the powers at any time and from time to time exercisable by a natural person or body corporate in any part of the world whether as principal, agent, contractor or otherwise.

10. The Company does not intend to carry on any business or trading activity save only to the limited extent necessary for the purposes of carrying into the effect the Scheme of Arrangement.

The Daventree Transfer

11. Daventree is in the course of arranging for the making of the Daventree Transfer as a result of which the Surplus Cash will be transferred to the Company in consideration of the allotment to Daventree of 97 further shares of the Company. The Daventree Transfer will have been completed before the date of the Court Meeting

The Scheme of Arrangement

12. The Scheme of Arrangement is between the Company and Daventree.
13. The object and purpose of the Scheme is to enable a distribution of the assets and property of the Company to be made to the members of HPH more quickly and more advantageously than could be achieved by HPH in the Czech Republic.

14. The substance of and reasons for the Scheme have been set out in the Memorandum which has been circulated to Daventree and to the board of directors and supervisory board of HPH. A copy of the Memorandum is attached to this petition.
15. The substance of and reasons for the Scheme as set out in the Memorandum have been approved by Daventree and by the board of directors and supervisory board of HPH.
16. The mechanism of the Scheme upon its becoming effective is that:
- a. the Company will settle the Surplus Cash on trust for the benefit of the members of HPH.
 - b. the terms of the Trust will provide for the Trustees to make payments, subject to their discretion to provide for the costs of the administration of the trust and their remuneration, to members of HPH rateably in proportion to their shareholdings;
 - c. Daventree's shares in the Company will be cancelled and the Company will issue and allot new shares ("the New Shares"), in substitution for those held by Daventree, to the Trustees to be held by them on trust for the benefit of the members of HPH save that no distribution in specie of the New shares will be made to the members of HPH.
17. The Trustees will carry out the terms of the Trust in such a way as to provide for distributions of the assets to members of HPH as soon as is reasonably practicable.

Court Meeting

18. On presentation of the petition, the Company will apply by summons for an order giving the Company liberty to convene a meeting ("the Meeting") and directions for the holding and conduct of such a meeting at which Daventree can consider the Scheme and, if thought fit, approve it (with or without modifications) in accordance with GCR O.102 r.21.

19. Following the holding of the meeting the Company will file further evidence providing the information required by GCR O. 102 r.21(8) and will give notice to Daventree of the date and time of the hearing of the petition.

20. In the event that the Scheme is approved at the Meeting, the Company will petition for an order sanctioning the Scheme. If the Scheme is not approved at the Meeting, the Company will seek an order dismissing the petition.

Your petitioner therefore humbly prays as follows:

(1) that the Scheme of Arrangement be sanctioned by the court so as to be binding on the Company and on Daventree;

(2) Such other or further relief as the Court may think fit.

Dated the 25th Day of October 2002

HUNTER & HUNTER
Hunter & Hunter
Attorneys-at-Law for the
Petitioner

NOTE: It is intended that this petition is only served on Daventree

ENDORSEMENT

The petition having been presented at the Grand Court of the Cayman Islands on the 25th day of October 2002 will be heard at the Grand Court of the Cayman Islands on the ___ day of October, 2002 at 10 o'clock in the forenoon (or as soon thereafter as the petition can be heard).

This Petition was presented by Hunter & Hunter, Attorneys-at-Law for the Petitioner whose address for service is The Huntlaw Building, 75 Fort Street, P.O. Box 190, George Town, Grand Cyaman