

Overview financial model for PDD calculations

MYR	Jul-08	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	
Compost revenues			5,750,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	
COGs		0	4,217,747	5,106,122	5,106,122	5,106,122	5,106,122	5,106,122	5,106,122	5,106,122	5,106,122	5,106,122	5,106,123	Avg yrly cost
Operating costs		77,197	1,678,948	1,787,024	1,902,666	2,026,403	2,120,973	2,220,271	2,324,535	2,434,012	2,548,962	2,669,660	3,070,109	7,285,430
Operating cashflow	0	(77,197)	(146,695)	4,606,854	4,491,212	4,367,475	4,272,905	4,173,607	4,069,343	3,959,866	3,844,916	3,724,218	3,323,767	Total costs
Investment	19,600,000													99,739,730
Total cashflow	(19,600,000)	(77,197)	(146,695)	4,606,854	4,491,212	4,367,475	4,272,905	4,173,607	4,069,343	3,959,866	3,844,916	3,724,218	3,323,767	
IRR														
NPV														
Discount rate														
CER revenue		0	0	1,474,555	2,427,315	2,967,177	3,422,638	1,903,448	2,065,540	2,202,291	2,317,664	2,414,999	2,497,118	605,557
CER costs		130,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
CDM project cashflow	(19,600,000)	(207,197)	(216,695)	6,011,409	6,848,527	7,264,652	7,625,544	6,007,054	6,064,883	6,092,158	6,092,579	6,069,217	5,750,885	535,557
IRR														
NPV														
CER generation		0	36,864	60,683	74,179	85,566	95,172	103,277	110,115	115,883	120,750	124,856	30,278	
CER price		40	40	40	40	40	40	20	20	20	20	20	20	20
Revenue per tonne compost														
Revenue change														
Operating cost change														
Compost Production		0	11,500	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	11,500
Compost as % of EFBs														
FFBs Produced		0	200,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	200,000
EFBs Produced		0	46,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	46,000

12.2%

-2,628,177

15%

20.9%

6,434,881

500

0%

0%

25%

23%

Non-CDM project returns

Compost selling price MYR

12.2%	-5%	-3%	0%	3%	5%
0%	9.2%	10.4%	12.2%	13.9%	14.9%

operating costs

12%	-5%	-3%	0%	3%	5%
0%	12.8%	12.5%	12.2%	11.8%	11.6%

CDM project returns

Compost selling price MYR

20.9%	-5%	-3%	0%	3%	5%
0%	18.6%	19.5%	20.9%	22.2%	23.0%

operating costs

21%	-5%	-3%	0%	3%	5%
0%	21.3%	21.1%	20.9%	20.6%	20.4%

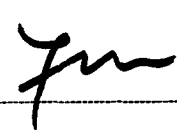
Table for PDD

		Change in fertilizer revenue				
		-5%	-3%	0%	3%	5%
Without CDM financing		9.2%	10.4%	12.2%	13.9%	14.9%
With CDM financing		18.6%	19.5%	20.9%	22.2%	23.0%

		Change in operating costs				
		-5%	-3%	0%	3%	5%
Without CDM financing		12.8%	12.5%	12.2%	11.8%	11.6%
With CDM financing		21.3%	21.1%	20.9%	20.6%	20.4%

I confirm that the Rate of Return (IRR) based on the cashflow projection for the years stated above (and before adjusting for income tax) are as follows:-

Without CDM Project	12.20%
With CDM Project	20.90%



FOONG WAI LIN CA(M), CPA

Date : 31 July 2008