



Danish Energy Management

A part of Danish Management Group

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18th Sept 2007

Attn: Mr.Chee Keong Lai

Sir,

**Response to Request for Review for “Golden Hope Composting Project- Lavang”
(Ref.no. 0984)**

Referring to the request for review from CDM EB for *Golden Hope Composting Project-Lavang*, we have prepared the responses to the 3 requests.

We have also made the necessary changes to the PDD according to the response given and have enclosed it with this letter.

The contact person for further correspondence will be;

Mr.Henrik Rytter Jensen (hrj@dem.dk) for Danish Energy Management who is the CDM consultant for the above project.

Yours truly,

Henrik Rytter Jensen
Chief Consultant
Danish Energy Management

Encl.: Clarifications to the request for review.

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Clarifications to the request for review

Request 1. The PP/DOE shall further demonstrate the additionality of the project activity by adequately substantiating the benchmark utilized.

The benchmark used for the calculation is based on the expected return on investment by the Golden Hope Plantations Berhad. The 10% benchmark is in accordance with the average return on assets (ROA) for the Group as a whole. This benchmark is verified by the Financial Reports of the Group, where the average ROA for the 5-year period (1998-2002) prior to the project was 10%. The financial highlight can be found on Golden Hope Plantations Berhad's web site: http://www.ghope.biz/financial_highlights.htm.

Request 2. Project activity emissions from diesel consumption should be accounted for when calculating the emission reductions.

The project emission from diesel consumption will be taken into account when calculating emission reductions. The PDD is updated accordingly.

Request 3. Clarification is required as to why diesel consumption is included in Annex 5 of the PDD but not in the table of data to be monitored in D.3.

Diesel consumption is included in Section D.3 and the PDD has been amended accordingly with the data parameter Q_{diesel} .