



# The Best Approach to Solving Climate Change: ROI<sup>TM</sup> or Financial Approaches to CER

Presented by: MGIP Capital Sdn. Bhd.



## Financial Approaches to CER

Return on Investment (ROI) is the **Best Approach** to solving Climate Change because

Green Investments that result in ROI preferably with hurdle rate above 20% per annum initiates a ***positive feedback loop*** for additional investments



## ROI Hurdle Rate

- At ROI of less than 5%: meets only inflation rate, no real net increase in wealth
- At ROI of between 8% to 15%: when stable and predictable meets with investment criteria of major institutional investors
- At ROI of above 20%: meets investment criteria of most companies. The best investor in the world, Warren Buffet, achieves an ROI about 23% per annum



## Green Investment Sub-Strategies

*3 sub-strategies of Green Technology and Green-based Projects:*

- Energy Efficiency
- Renewable Energy
- Pollution Reductions and Resource Efficiency



## Commercial ROI's low-hanging fruit

*3 sub-strategies of Green Technology and Green-based Projects:*

- **Energy Efficiency**
- Renewable Energy
- Pollution Reductions and Resource Efficiency



## Case Study Selection on Energy Efficiency (EE)

- EE Specialized case study – relevant to particular corporate sector
- EE Ventilation and Lighting – corporate and individual capex with delay in retrofitting or new built environment
- EE Transportation – corporate and individual capex with immediate effect on CER



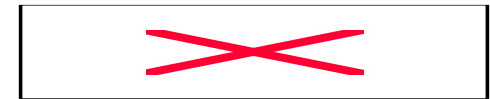
## EE Transportation Case Study

- Replace or supplement corporate fleet with hybrid electric cars
- Replace or supplement individual family car(s) with hybrid electric cars



## Financial or Cost Savings from EE

- 100 cars with RM400 per month fuel costs for large companies > 1,000 staff
- Conventional cars vs hybrid cars: 40% to 60% reduction in fuel costs i.e from 10 km/l to 16 km/l
- Total cost savings: up to RM240 per month or RM2.8k per year per car or RM288 k per year for fleet of 100 cars



# Thank You!



## Team Profile – MGIP Capital

### **TAN SRI DATO SRI ANWAR NOR, EXECUTIVE CHAIRMAN, MGIP CAPITAL**

Admiral (Ret) Tan Sri Dato' Sri Mohd Anwar bin Haji Mohd Nor also chairs the board of the Armed Forces Fund Board (LTAT), an established fund with one of the highest dividend rates amongst investment funds in Malaysia. LTAT has extensive private equity and listed equity investments ranging from property development, plantations, manufacturing and banking. One of the many successful and financially lucrative ventures for LTAT's controlled companies, is its development of Mutiara Damansara from swamp land to bustling suburb. He is also a Corporate Advisor to Sime Darby Bhd., the largest plantation company in the world. He also holds a Master of Science Degree in Engineering Business Management from the University of Warwick, UK. He has received distinguished medals from foreign governments such as the Ordre National De La Legion D'Honneur from France and the Command of the Legion of Merit from the US.

### **ADNAN DATO' DR MAHMOOD MERICAN, EXECUTIVE DIRECTOR, MGIP CAPITAL**

Mr. Adnan is a founding member of MGIP Capital, he has both private equity and listed equity experience. Previously, he was attached as Tech Funding Advisor of First Floor Sdn. Bhd., a venture capital company, in assessing especially technology-based companies for venture capital investment. He also worked as Vice President in the Corporate Dealing Team of K&N Kenanga Berhad, where his responsibilities included managing the dealing team in execution and marketing of listed equities to primarily domestic and international institutional clients. Prior to that he was attached to the Corporate Finance Division as well as the Equities Research Division of the Arab-Malaysian Group. Mr. Adnan also worked for Permata Chartered Merchant Bank in assisting their Head of their Investment Division in managing their overall clients portfolio. Mr. Adnan holds a Bachelor of Electrical Engineering degree majoring in Software Development from the University of New South Wales, Sydney, Australia. He also holds a Master of Business Administration majoring in Banking and Finance from the University College of Dublin, Ireland. Additionally, he holds a Certificate of Entrepreneurial Management from the University of Southern Australia.