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HEKTAR REIT SUSTAINABILITY

## Hektar REIT Recognised Internationally as Flagship Shopping Centre Subang Parade Wins Award for Energy Efficiency Initiatives

Hektar REIT was honoured during the ASEAN Energy Awards & Gala Dinner (AEA) 2019

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*Third from left: Dato' Hisham bin Othman, Chief Executive Officer of Hektar Asset Management receiving the award for 'Energy Efficient Building' at the ASEAN Energy Awards & Gala Dinner held on September 4, 2019 at the The Athenee Hotel, Bangkok, Thailand.*

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**Kuala Lumpur, September 5, 2019** – Hektar REIT was honoured during the ASEAN Energy Awards & Gala Dinner (AEA) at The Athenee Hotel, Bangkok on September 4, 2019. Hektar REIT was selected as the First Runner up winner under the category: ASEAN Energy Efficient Building and sub-category: Retrofitted Building. This is in following up with last month when Hektar REIT announced that its flagship shopping centre, Subang Parade, emerged as the sole recipient at the National Energy Awards (NEA) ceremony in Malaysia, which was organised by the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) on August 1, 2019 under the Energy Efficiency Building - Retrofitted Building sub-category.

The ASEAN Energy Awards, which is the first of its kind, took place during the ASEAN Energy Business Forum 2019 and was hosted by Ministry of Energy Thailand. Similar to the prestigious NEA Awards 2019, the objective of the Awards was to set the benchmark for excellence, offer recognition and celebrate organisations with exemplary leadership that are driving innovation towards a more sustainable future. The ASEAN Energy Business Forum 2019 enables ASEAN governments to showcase their national energy framework aspirations and demonstrate how businesses in their respective countries contribute towards the realisation of these goals. The forum served as the perfect environment to foster in-country investment missions, bilateral meetings between project owners, institutional investors and/or integrated energy solutions experts.

According to the organiser, Hektar Asset Management Sdn. Bhd. was chosen as first runner up for demonstrating excellence and dedication to the field of Energy Efficient Buildings with reference to the initiatives that were carried out at Subang Parade Shopping Centre over the recent years. The judging criteria included the active and passive design of the centre, energy maintenance and management of the facilities and the environmental impact through the initiatives. There were an impressive number of submissions, and the Board of Judges spent considerable time deliberating in giving careful consideration for the nominees for the three main categories –

- ASEAN Energy Efficient Building (EEB) Awards 2019: New and Existing Building, Retrofitted Building, Tropical Building;
- ASEAN Green Building (GB) Awards 2019 : Green Building (small, medium and large building);
- ASEAN Energy Management Awards 2019: Building (small, medium and large), Industry (small, medium and large) and special submission.

The Award was presented to Dato' Hisham bin Othman, Chief Executive Officer of Hektar Asset Management Sdn Bhd by Minister of Energy Thailand, Mr. Sontirat Sontijirawong and was witnessed by the Guest of Honor, YB Yeo Bee Yin, Minister of Energy, Science, Technology, Environment and Climate Change Malaysia.

### **The Award to Subang Parade Shopping Centre**

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An award winning and a well renowned landmark in Malaysia since its opening in 1988, Subang Parade undertook a major overhaul of its chiller plant system and internal M&E to make it one of Malaysia's most energy efficient commercial buildings to date. The Subang Parade mall officially opened for business on the 13th August 1988 and was touted as the "longest mall in South East Asia". It is a Malaysian landmark, now surrounded by many private university colleges, hospital, office complexes and industrial parks. Its proximity to the main expressways of the Klang Valley provided easy access and a mall of choice for many, especially for shopping, social interactions, convenience and dining.

Subang Parade has undergone facelifts and improvement works since its inception. Aside from structural improvements and interior design works, the mall's overarching focus on energy efficiency and energy sustainability is one of the boldest amongst its peers in Malaysia. Hektar REIT carried out its Energy Efficiency (EE) initiatives in Subang Parade by retrofitting the Air Conditioning & Mechanical Ventilation (ACMV) system which included the replacement of the less efficient chillers, pumps and cooling towers as well as installation of an automated Building Management System in 2017 with Intellisense Sdn Bhd. as its technical partner. Through these initiatives, achievements accomplished included a 34% average reduction in electricity consumption which also translated to a 34% reduction in carbon emission i.e. from 10.6 million kgCO<sub>2</sub> in 2016 to 7.0 million kgCO<sub>2</sub> in 2018. This translated into savings of up to 36% in the average monthly electricity bill in 2018. The effort did not stop there, it continued with the progressive deployment of LED lightings and the optimisation of water usage which resulted in a reduction of almost 50,000 m<sup>3</sup> in water consumption in 2018.

Hisham, the Chief Executive Officer of Hektar Asset Management, the Manager for REIT which owns Subang Parade commented that in their business the biggest impact to the environment is energy consumption and generally, more than 65% of their malls' energy consumption is contributed by the Air Conditioning and Mechanical Ventilation (ACMV). Among the measures that were taken is to review and re-adjust the loading of all chillers and control the temperature, reset all major equipment operation time which included chillers, exhaust system, smoke spill, pumps, lifts and escalators on top of imposing strict requirements on the servicing of AHU and FCU systems. Subang Parade also carried out the application for OPTR and reduce maximum demand which meant coordinating with tenants' equipment operation time.

Dato' Hisham further expressed that with this recognition, the REIT is driven to continue its efforts and strive to 'go green', by improving its lighting design system in its other shopping centres and by replacing the bulbs to LED technology to completely reduce electricity cost as well as the frequency of

bulbs replacement. Other methods undertaken include taking advantage of day lighting as much as possible, dimming lights when there is sufficient day light, monitoring energy-intensive electric lighting systems and controlled lighting systems to introduce less waste heat into the space. "The REIT believes that the initiatives should go further, as we plan to introduce the 'green lease' by providing new and existing retailers with "green" guidelines for store fit-out design, and educating tenants on the various awareness activities to encourage them to become green and sustainable. We will also carry out more educational campaigns for shoppers and the public to help us reduce the mall's carbon footprint," Hisham concluded.



*Dato' Hisham bin Othman, Chief Executive Officer of Hektar Asset Management receiving the award for 'Energy Efficient Building' at the ASEAN Energy Awards & Gala Dinner held on September 4, 2019 at the The Athenee Hotel, Bangkok, Thailand.*

## ABOUT HEKTAR REAL ESTATE INVESTMENT TRUST

Hektar Real Estate Investment Trust (“Hektar REIT”) is Malaysia’s first listed retail-focused REIT. The primary objectives of Hektar REIT are to provide unitholders with sustainable dividend income and to achieve long-term capital appreciation of the REIT. Hektar REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 4 December 2006 and currently owns 2 million square feet of retail space in 4 states with assets valued at RM1.2 billion as at 31 December 2018. The REIT’s cornerstone investor is Frasers Centrepoint Trust, part of Frasers Property Ltd, headquartered in Singapore. Hektar REIT is managed by Hektar Asset Management Sdn Bhd and the property manager is Hektar Property Services Sdn Bhd. Hektar REIT’s portfolio of commercial properties includes Subang Parade in Subang Jaya, Selangor; Mahkota Parade in Melaka; Wetex Parade & Classic Hotel in Muar, Johor; Central Square in Sungai Petani, Kedah; Kulim Central in Kulim, Kedah and Segamat Central in Segamat, Johor. For more information, please visit [www.HektarREIT.com](http://www.HektarREIT.com)



## IMPORTANT NOTICE

The past performance of Hektar REIT is not indicative of the future performance of Hektar REIT. This document may contain forward-looking statements that involve risk and uncertainties. Actual future results may vary materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

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For more information or inquiries, please contact:

Hektar Asset Management Sdn Bhd  
D1-U3-10, Solaris Dutamas  
No 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
Malaysia



Investor Communications

Tel: +6 03 6205 5570 extension 206

Fax: +6 03 6205 5571

Email: [ir@HektarREIT.com](mailto:ir@HektarREIT.com)

Web: [www.HektarREIT.com](http://www.HektarREIT.com)