

OUR PERFORMANCE

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DEVELOPMENT

UMW Development Sdn Bhd’s primary role is to unlock the value of the Group’s landbank in Serendah, with the development of UMW High Value Manufacturing (HVM) Park as a managed and green-rated industrial park



In the first year of the prolonged COVID-19 crisis, global manufacturing was one of the hardest-hit. However, throughout 2022, Malaysia’s external trade performance and robust domestic economy, enabled a pick-up in the local manufacturing industry. This spurred the Division to secure commendable sales of RM460 million in 2022.

The 861 acres HVM Park incorporates integrated Industry 4.0 infrastructure and an underlying Green concept that contributes to our sustainability efforts. This complements the nation’s ambition towards a Net Zero pathway by 2050 and accelerates our vision to be 100% carbon neutral by 2050.

KEY PERFORMANCE HIGHLIGHTS

INKED SALES AND PURCHASE AGREEMENT VALUED AT

(RM million)

460.0

2021: 42.9

REVENUE

(RM million)

73.9

2021: 17.1

2022

In 2022, interest for industrial land increased, in line with expanding domestic manufacturing activity.

Sales secured rose substantially from RM42.9 million in 2021 to RM460.0 million in 2022, an increase of 972.3% with a total of 213 acres of industrial land sold, including 140 acres sold to LONGi (Kuching) Sdn Bhd for RM304.92 million, the largest transaction for UMW HVM Park to date. Accordingly, UMW Development has more than quadrupled its revenue, from RM17.1 million in 2021 to RM73.9 million in 2022.



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ACHIEVEMENTS



Within the purview of UMW Group’s Sustainability Roadmap, various sustainability and low-carbon initiatives have been implemented at HVM Park. Among them are 100%-LED street lighting, rainwater harvesting, compost bins, recycling bins, designated walking and bicycle lanes, and solar panels at the UMW Aerospace factory.

HVM Park tenants are also encouraged to get their buildings green-rated and be Environmental, Social, and Governance (ESG) compliant. As a one-stop solution provider, the Division assists tenants on industrial material handling, warehouse automation, Water Reclamation Plant (WRP) and collaborative robots (COBOTS). UMW Development also assists investors in obtaining planning and construction approvals and applying for government incentives.

All five core pillars of the CREST@UMW transformation strategy spurred the Development Division’s growth in 2022. A key highlight from the customer pillar is gaining potential new investors, introduced by existing customers. In developing stronger relationships, key stakeholders like Majlis Perbandaran Hulu Selangor (MPHS), Invest Selangor Berhad (ISB) and Malaysian Investment Development Authority (MIDA) provide continuous support.

Improved road connectivity along with ready utilities enhanced HVM Park in 2022. Additionally, teamwork, unity and a dedication to superior customer service was evident through the cross-selling and promotion of other UMW businesses to prospective customers. From a sustainability standpoint, the final Green Certification was obtained for the new UMW Campus office and factories. Upon completion of all infrastructure and landscaping works in 2023, HVM Park’s Southern Zone will be awarded a Green Township certification, one of the first in Selangor.

AWARDS & CERTIFICATIONS

REHDA GreenRE Certification

UMW Campus for offices, workshops and warehouses

UMW CREST@2021 Excellence Award

- Most Improved Employee Engagement

UMW CREST@2021 Excellence Award

- Best Cost-Saving Initiatives

CHALLENGES

UMW Development is cognisant of the challenges going forward despite a positive recovery in 2022. End financing remained an uphill task for some investors as financial institutions will be selective in giving loans. Additionally, high material costs, supply chain issues, and manpower shortages may potentially result in margin compression.

OUTLOOK

UMW Development will continue to target V-shaped recovery industries and high-value manufacturing sectors such as automotive, F&B, medical devices, construction, and electrical & electronics (E&E).

The Division will continue to strengthen its capacity. It will support investors in creating new facilities and promoting other UMW businesses, particularly in meeting the automation requirements of new factories.

For 2023 the Division will focus on growing the automotive and solar ecosystem within the HVM Park. For long-term sustainable revenue, the Northern Zone will be planned as a managed and green-rated industrial development. Plans are in place to provide a Centralised Labour Quarter (CLQ) to cater for HVM Park investors.

UMW Development will endeavour to attract more multinational (MNC) presence in HVM Park, their base to expand their business and facilities in this region.