Star Special

THE STAR, TUESDAY 15 APRIL 2025

President Xi Jinping's state visit to Malaysia

Strengthening bonds, **sharing prosperity**

Selamat Datang President Xi Jinping. The Chinese President once described Malaysia and China as "good neighbours across the seas and like-minded friends". Ties remain strong as both countries enter their 51st year of diplomatic relations.

From spice routes to tech frontiers

The evolving economic ties between Malaysia and China.

By ONG HAN SEAN
hansean@thestar.com.my

IN a world where trade alliances shape global power dynamics, the economic bond between China and Malaysia stands as a chronicle of resilience, reinvention and rising ambition.

What began centuries ago with silk and spices has blossomed into a powerhouse partnership spanning infrastructure, digital innovation and strategic investment.

Long before modern trade agreements, merchant ships from the Ming Dynasty anchored off the coast of Melaka, their hulls heavy with silk, porcelain and tea.

In return, Malaysia offered tin, spices and other precious commodities. These 15th-century exchanges during the reign of the Melaka Sultanate laid the foundations for a relationship that would eventually span not only oceans but centuries.

Under British colonial rule, the connection between Malaya and China continued indirectly.

Tin, rubber and palm oil from South-East Asia fed into global markets, including China's, through colonial trade routes.

Yet it was not until 1957 – when Malaysia gained independence – that the path was cleared for direct diplomacy.

In 1974, Malaysia made history as the first Asean country to establish formal diplomatic ties with the People's Republic of China, opening the doors to decades of economic synergy.

The momentum accelerated in the 1980s and 1990s while Malaysia embraced an export-driven economic strategy.

Their economies became complementary forces – Malaysia exported palm oil, petroleum products, electronic components and rubber, while China supplied industrial machinery, steel and consumer goods.

Key to that transformation was China's accession to the World Trade Organization in 2001.

The move catalysed trade flows across Asia and Malaysia was primed to benefit.

Lower tariffs, greater market access and a surge in Chinese demand made for a golden age of commerce.

The Asean-China Free Trade Agreement, signed in 2002 and implemented in full by 2010, turbocharged the momentum.

With the elimination or reduction of tariffs on over 90% of goods, China overtook the United States to become Malaysia's largest trading partner by 2009 – a title it continues to hold today.

By 2022, China accounted for 17.1% of Malaysia's total trade, worth RM487.13bil, according to data from the Statistics Department.

Exports to China rose 9.4% to RM210.62bil, while imports increased 4.7% to RM276.5bil.

In 2024, China continued to be Malaysia's largest trading partner for the 16th consecutive year.

Slated for completion in 2027, the ECRL, connecting the western port of Klang to the eastern town of Kota Baru, is expected to reduce travel time by half, lower logistics costs and unlock untapped economic potential along its route.

Trade rebounded by 7.6% to RM484.12bil from the preceding year, representing 16.8% share of Malaysia's total trade.

Although exports dropped to RM187.67bil as a result of weaker demand for electrical and electronic (E&E) products as well as metalliferous ores and metal scrap, the impact of the contraction was cushioned by robust exports of paper and pulp products, rubber products as well as optical and scientific equipment.

Imports from China increased by 14.8% to RM296.45bil with major imports comprising E&E products, machinery, equipment and parts as well as chemicals and chemical products.

But the partnership has moved beyond just goods.

When Chinese President Xi Jinping announced the Belt and Road Initiative in 2013, Malaysia signed on as a partner.

Strategically located in South-East Asia, Malaysia became a crucial node in China's grand vision of global connectivity.

The crown jewel of this collaboration is the East Coast Rail Link (ECRL), a 665km-long project connecting the western port of Klang to the eastern town of Kota Baru.

Slated for completion in 2027, the ECRL is expected to reduce travel time by half, lower logistics costs and unlock untapped economic potential along its route.

A worker supervising the final touches on the Malaysia-China Kuantan Industrial Park (MCKIP) signboard before the launch of the park in Pahang.

Once operational, it could transform Malaysia into a regional logistics hub, connecting industrial parks, ports and towns across Peninsular Malaysia.

In Pahang, the Malaysia-China Kuantan Industrial Park (MCKIP) adds another layer to the cooperation.

The park has attracted billions in investment and is Malaysia's first national-level bilateral industrial park with a twin project in Qinzhou, China.

Phase 3 of the park is currently in progress, with the earthworks and infrastructure upgrades scheduled for completion by July 10 this year. This project is expected to attract RM1.5bil in investments by 2027.

MCKIP symbolises a shift towards deeper industrial integration, especially in manufacturing and steel processing.

Trade agreements continue to strengthen these ties.

The Regional Comprehensive Economic Partnership (RCEP), which came into effect in 2022, links Malaysia and China within the world's largest free trade bloc – encompassing 15 Asia-Pacific nations and nearly a third of the global GDP.

Under RCEP, supply chains are being streamlined, and trade barriers lowered, fuelling further growth.

Meanwhile, exports are evolving. Malaysia continues to send electronic components, liquefied natural gas, agricultural goods and palm oil to China, while importing advanced machinery, semiconductors, steel, and consumer electronics. The flow of goods is now matched by an exchange of innovation.

Looking ahead, the future of China-Malaysia economic relations lies not just in trade but in transformation.

The digital economy is fast becoming the next frontier.

With Malaysia's booming fintech sector and China's tech prowess, collaborations in artificial intelligence, 5G, cloud computing and e-commerce are gaining pace.

Green growth is also on the agenda. As both countries pivot towards sustainability, joint ventures in solar energy, electric vehicles and circular economy practices are taking root.

Malaysia's National Energy Transition Roadmap, launched in 2023, aligns neatly with China's push for carbon neutrality by 2060.

The road ahead is not without challenges. Geopolitical tensions between China and the United States loom large, threatening global supply chains.

Economic uncertainties – from currency fluctuations to a tariff tit-for-tat – could test the resilience of this partnership.

And as the Belt and Road Initiative evolves, scrutiny over debt sustainability and environmental impact will remain intense. Yet, if history is any indication, Malaysia and China will continue to adapt – and thrive.

From humble spice trades in the 1400s to high-tech innovation corridors in the 2020s, this is a partnership defined not just by trade, but by trust and tenacity.

As the world's economic centre of gravity tilts towards Asia, the story of Malaysia and China is far from over.

In fact, the next chapter may be the most exciting yet.

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President Xi Jinping Leading China's big changes

Xi's leadership is seen to have shaped a more unified and progressive China.

IN 1969, a young Xi Jinping was sent to Liangjiahe, a small village located in Shaanxi province, as part of the "down to the countryside movement". He was 15.

This initiative relocated urban youths to rural areas to learn from the rural folk. Xi lived in a cave shelter and joined villagers to do tough farming work, experiencing firsthand the hardships of rural life. He witnessed severe poverty and hunger, which left a lasting impression on him.

Xi became the General Secretary of the Chinese Communist Party (CCP), the ruling political party in 2012. He was elected the President of the People's Republic of China in 2013.

Since assuming office, Xi spearheaded transformative changes across China. His leadership focused on tackling systemic challenges, fostering national unity and positioning China as a global leader. From eradicating poverty to combating corruption and driving economic innovation, Xi's policies have left an indelible mark on the nation's development.

Tough fight against graft

One of Xi's most defining initiatives is his aggressive anti-corruption drive. Upon taking office, he declared that "corruption could kill the party and the country." He launched a sweeping campaign under the Central Commission for Discipline Inspection (CCDI). Unlike previous efforts, this campaign targeted both "tigers" (high-ranking officials) and "flies" (local bureaucrats), dismantling entrenched networks of power and corruption.

High-profile cases, such as the conviction of former Politburo member Zhou Yongkang and the purge of military officials like Xu Caihou, sent out a strong message about Xi's commitment to rooting out corruption at all levels.

By 2023, over four million officials had been disciplined, restoring public trust in the CCP and reinforcing party discipline.

Moderately prosperous society

Xi had a vision of building a "moderately prosperous society" (Xiaokang). Realising that rural poverty could threaten national stability, he targeted poverty alleviation. The effort lifted nearly 99 million rural residents out of poverty, with 832 impoverished counties and 128,000 poor villages removed from the poverty list. China achieved the poverty reduction target of the UN 2030 Agenda for Sustainable Development 10 years ahead of schedule.

This achievement, celebrated as a "miracle" by the World Bank, involved tailored strategies such as infrastructure development, education subsidies and e-commerce initiatives to connect farmers to markets.

Balancing growth

Xi inherited an economy struggling with slowing growth, industrial overcapacity, and environmental degradation. He rolled out policies such as "Made in China 2025" to transform China into a global leader in high-tech sectors such as semiconductors, artificial intelligence and renewable energy.

To stabilise the economy, Xi's government cracked down on risky financial practices, curbing shadow banking and deleveraging corporate debt.

Meanwhile, the Belt and Road Initiative, launched in 2013, expanded China's economic influence by connecting Asia, Africa and Europe through infrastructure projects.

Despite pandemic disruptions, China's GDP grew by 8.1% in 2021, a testament to Xi's emphasis on resilience and self-reliance.

The Chinese dream

Xi's concept of the "Chinese dream" sought to unify the nation under a shared vision of rejuvenation. This ideology blends nationalism, cultural pride, and socialist values, emphasising China's return to global prominence.

The Chinese dream is deeply tied to Xi's broader policies, such as poverty alleviation, economic reform, and environmental sustainability. It reflects his vision of a modern, powerful, and harmonious China.

A beautiful China

Addressing China's environmental crisis, Xi pledged to build an "ecological civilisation". His government committed to peak carbon emissions by 2030 and achieve carbon neutrality by 2060, investing heavily in solar, wind and electric vehicle technologies. The "Blue Sky Protection Campaign" reduced air pollution in major cities.

Xi believes that "lucid waters and lush mountains are invaluable assets," and wants to align environmental protection with economic and social goals. It's a cornerstone of his broader vision for a modern, prosperous China.

Real estate regulation

To address housing affordability and financial risks, Xi's administration introduced measures to curb speculation in the real estate market, including limits on borrowing for property developers.

Cashless society

China has revolutionised its e-payment system, becoming a global leader in digital payments. Over 80% of daily transactions are now conducted via mobile platforms, making cash and even traditional credit cards almost obsolete. Digital payments are not used just for shopping but for many other aspects of life such as paying for utilities, transportation, healthcare, and even charitable donations.

Xi Jinping

Date of Birth
June 15, 1953

Place of Birth
Beijing, China

Education
After graduating from Tsinghua University in Chemical Engineering, he pursued a Doctor of Law (LLD) in Marxist theory

Political party
Chinese Communist Party (CCP)

Spouse
Peng Liyuan *(a renowned Chinese folk singer and performing artiste)*

Children
One daughter, Xi Mingze

Key positions

> General Secretary of the CCP (since 2012)

> President of the People's Republic of China (since 2013)

> Chairman of the Central Military Commission (since 2012)

WELCOME

His Excellency Xi Jinping

President of The People's Republic of China
(pictured alongside His Majesty Sultan Ibrahim, King of Malaysia)

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Malaysia-China trade

Key business connections

China and Malaysia formally established diplomatic relations on May 31, 1974, making it the first such relationship among the Association of South-East Asian Nations (Asean). Since then, trade relations between the two countries have grown by leaps and bounds.

Malaysia's exports to China

In 2024, Malaysia's exports to China totalled RM187.67bil, driven by electrical and electronic products, paper products and scientific equipment.

Other top exports to China included:

- **RM72.58bil** Electrical and electronic equipment
- **RM20.17bil** Mineral fuels, oils, distillation products
- **RM10.91bil** Plastics
- **RM8.94bil** Optical, photo, technical, medical apparatus
- **RM8.94bil** Machinery

Malaysia's imports from China

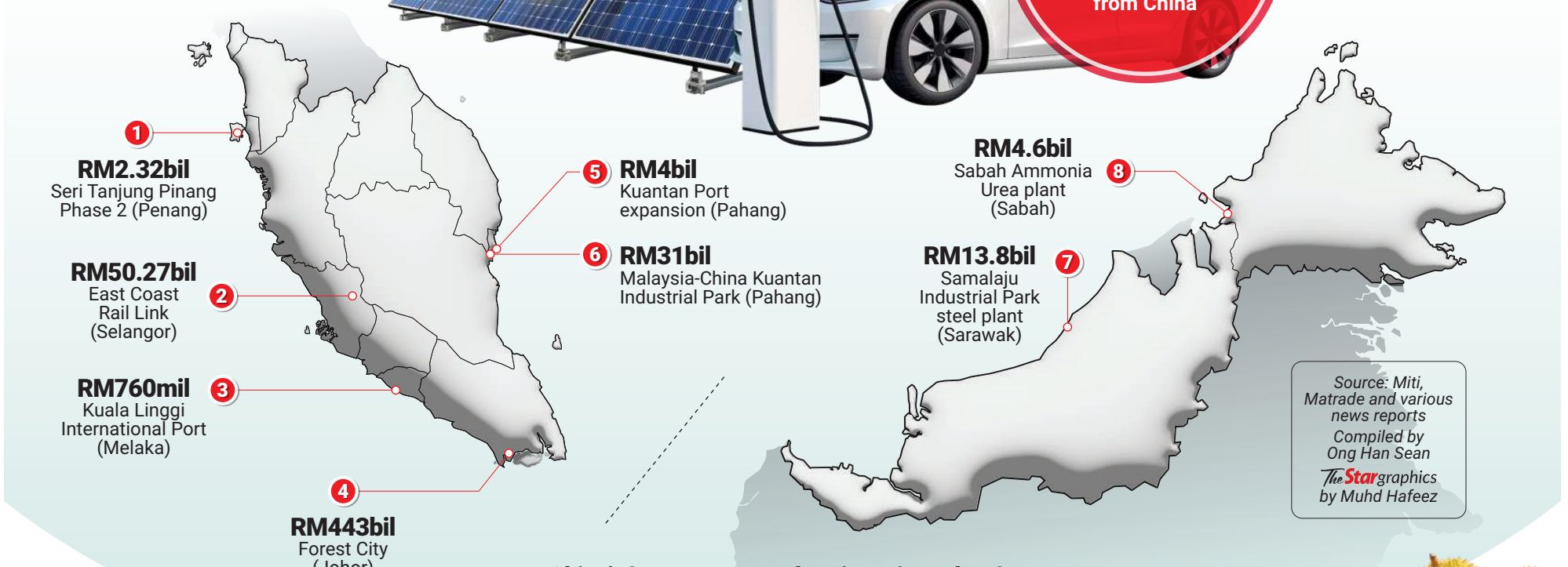
Imports from China increased by 14.8% to RM296.45bil with major imports comprising electrical and electronic goods, equipment and parts as well as chemical products.

Other top imports from China included:

- **RM100.56bil** Electrical and electronic equipment
- **RM53.18bil** Machinery
- **RM12.8bil** Mineral fuels, oils, distillation products
- **RM10.78bil** Plastics
- **RM10.02bil** Vehicles

2024
RM187.67bil
Total exports to China

2024
RM296.45bil
Total imports from China



Source: Miti, Matrade and various news reports
Compiled by Ong Han Sean
The Star graphics by Muhd Hafeez

China's investments and projects in Malaysia

Chinese investments in the country span various sectors, with major projects like the East Coast Rail Link alongside substantial investments in manufacturing, infrastructure and real estate demonstrating the significant multi-billion-ringgit value of Chinese involvement in Malaysia's economy.

Tourism

Malaysia's **30-day visa-free policy** led to

3.29 million
Chinese tourists in 2024

boosting the economy. Building on this growth, China Eastern Airlines has launched its inaugural flight connecting Xi'an, the capital city of northwest China's Shaanxi province, to Kuala Lumpur this year.

Durian

From August until December 2024, Malaysia exported **RM24.84mil worth of fresh durian** to China. This was a total of

413.61 metric tonnes
of fresh durians exported

after both countries signed a protocol on phytosanitary requirements, a significant boost for the Malaysian durian industry.

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Promising path ahead

AI innovations lay foundation for stronger relations.

By ALLISON LAI
allison@thestar.com.my

THE explosive realm of artificial intelligence (AI) is among the new industries in which Malaysia and China can continue their mutually beneficial collaborations, says Tan Hann Syn, chairman of the Malaysia Chamber of Commerce & Industry in China (Shanghai).

"China has been very open and eager to share its progress in AI. Innovations like DeepSeek have reshaped perceptions of AI cost-effectiveness.

"There are also spin-off opportunities, particularly in industries like healthcare, where AI can significantly enhance efficiency and outcomes. AI in logistics and supply chain efficiencies are other potential areas to look into."

Tan said Malaysia remains a desirable investment destination for the Chinese but stressed the importance of reducing bureaucracy to enhance economic benefits.

"It is also important to set new benchmarks and achieve objectives in all sectors, including the burgeoning green energy industry," he said.

Tunku Abdul Rahman University of Management and Technology's Centre for Business and Policy Research chairman Assoc Prof Dr Foo Lee Peng is excited about the immense possibilities of AI-related joint venture opportunities.

"AI can transform traditional industries through intelligent automation and improved decision-making.

> **Collaborations like these allow us to learn from China's advancements in robotics and cloud computing.**
>
> Datuk Ng Yih Pyng

"For instance, in manufacturing, AI enables predictive maintenance and supply chain optimisation; in agriculture, AI enhances crop monitoring and precision farming; and in healthcare, it supports diagnostics and personalised treatment," she said.

As part of a group of Malaysian scholars who participated in a recent high-level conference in Guilin, China, that explored AI collaboration frameworks, Prof Foo is particularly excited about innovations like AI-driven predictive analytics, blockchain, autonomous delivery systems, Internet-of-things integration, and green technologies in logistics.

"These technologies enhance efficiency, accuracy, and sustainability across the supply chain.

"By adopting these innovations, Malaysia and China can strengthen their logistics infrastructure and position themselves as leaders in smart, sustainable supply chains in the Asean region.

"This underscores a shared vision for a sustainable future, where Malaysia and China leverage their strengths to become leaders in green energy and technology innovation across Asean," she added.

As Malaysia's AI sector gains traction, global tech giants are recognising its potential, with the Malaysia Digital Economy Corporation onboarding 140 AI solution providers and generating over RM1bil in revenue by July 2024, said the Associated Chinese Chambers of Commerce and Industry of Malaysia president Datuk Ng Yih Pyng.

"China's expertise in AI, big data and robotics can significantly bolster Malaysia's technological advancements," he said.

Ng emphasised the importance of leveraging China's cutting-edge AI technologies to enhance various sectors, including digitalisation, healthcare and telecommunications.

"The greatest potential lies in applying AI across industries like healthcare and manufacturing," he said.

Ng highlighted the strategic partnership with Huawei in 5G technology as pivotal in accelerating Malaysia's Industry 4.0 journey.

"Collaborations like these allow us to learn from China's advancements in robotics and cloud computing," he said, highlighting the need for strategic partnerships with China to address the AI talent gap.

He noted the recent memorandum of understanding (MOU) between the Academy of Sciences Malaysia and the Chinese Academy of Sciences as a significant step.

"This MOU sets the stage for joint research in AI, tackling key challenges in sectors such as healthcare and urban development," he said.

Additionally, the partnership involving Malaysian blockchain developer Zetrix with Universiti Malaya and the China Academy of Information and Communications Technology exemplifies the deepening ties in AI development and research.

"These initiatives highlight the robust collaboration between Malaysia and China, driving innovation and growth in AI."

Ng also highlighted the role of education in successful Malaysia-China collaborations, pointing to the Xiamen University Malaysia in Sepang.

"By hosting top-notch universities here, we not only facilitate technology transfer but also build a robust talent pool.

"Technology transfer is important, but when you have universities here, you train people locally and bring talent from there to here.

"This integration not only creates jobs but also positions Malaysia as a hub for innovation in South-East Asia, broadening Malaysia's academic and technological horizons," he said.

WELCOME

His Excellency
Xi Jinping

President of The People's Republic of China
(pictured alongside His Majesty Sultan Ibrahim, King of Malaysia)

On His official visit to Malaysia
from 15 - 17 April 2025

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Half a century of partnership

Since 1974, the diplomatic ties between Malaysia and China have evolved into a crucial alliance, fostering economic growth, technological advancements and regional leadership in the ever-changing geopolitical landscape.

By BEH YUEN HUI
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MALAYSIA'S decision to extend its friendship to China with the establishment of diplomatic relations in 1974 played a pivotal role in opening up economic, political and cultural ties between the two nations.

This bilateral connection also unlocked a gateway for China to engage with Asean, a regional organisation that had previously been hesitant to fully engage with the communist nation due to Cold War-era political tensions and ideological differences.

Over time, this partnership grew into a robust and mutually beneficial relationship, contributing to regional stability and prosperity.

China has consistently expressed its gratitude, with many of its leaders, on numerous occasions over the past 51 years, describing the relationship with Malaysia as special.

This relationship is a model of how a smaller country could engage with a larger nation, and cooperation can thrive despite differences in size and power.

Malaysia and China celebrated the golden jubilee of their diplomatic relations last year.

Prof Dr Zhai Kun of Peking University's School of International Studies said from an academic perspective, he viewed Malaysia as a "connective power".

"Malaysia is neither a middle-ranking nor a small nation. It is a country with very strong connectivity.

"It has the power to connect the world and Malaysia should leverage its role as a nation with key global connectivity attributes.

"For China to connect more effectively with the world, Malaysia's diversity and its vast connectivity makes this a valuable partnership," he added.

Nevertheless, Prof Zhai said Malaysia needs a new wave of development momentum to advance.

"While Malaysia has made progress over the decades, it still seems to be trapped in the middle-income status.

"Apart from internal force, it can hinge on cooperation with major external powers.

"Looking at the current situation, China should be among the best potential partners for cooperation," he said.

Prof Zhai added that the world's second-largest economy can play a significant role in helping Malaysia break free from its current developmental challenges and reach a higher stage of growth.

Given Malaysia's significance and its close relationships with Islamic countries, he said the country could, in turn, further help China tap into the lucrative Islamic global market.

Acknowledging that artificial intelligence (AI) is the future, he said both nations share the goal of AI development and global governance.

"AI is being promoted across various levels in China, including global initiatives and under the Belt and Road Initiative framework.

"I think China should take advantage of this visit to Malaysia to engage in more advanced or even top-level strategic cooperation in AI," he said, referring to Chinese President Xi Jinping's current tour.

The leading researcher on Asean also said Malaysia, being the Asean chair this year, plays a crucial role in shaping the region's future direction.

As the world faces shifting geopolitical dynamics and growing competition among major powers, Asean needs a leader with strong leadership to guide the region in navigating these challenges and enhance ties with key global players, said Prof Zhai.

"Malaysia's role as Asean chair is particularly significant. And I believe the initiatives proposed by (Prime Minister Datuk Seri) Anwar Ibrahim, covering Asean, Asia and even broader cross-regional cooperation, are very creative," he said.

These initiatives include the Asean Digital Economy Framework Agreement to establish rules for the region's digital economy and the Asian Monetary Fund.

"Anwar's proposal to push for cooperation between Asean, the Gulf Bloc and China is highly actionable," said Prof Zhai.

"From China's point of view, South-East Asia and the Middle East are crucial components of China's global industrial chain, value chain and industrial transfer.

"Once these frameworks are established, China can work together to advance cooperation," he added.

He said China could take South-East Asia as a hub for broader strategic planning, even extending to larger global spaces.

"Malaysia is one of the more developed and diverse countries in Asean. As both countries continue to deepen their ties, they remain committed to ensuring that their special relationship continues to foster peace and prosperity in the region," he said.

Asked about areas that need more emphasis, Prof Zhai suggested that both nations could focus on cultural and civilisational exchanges.

"At present, exchanges between the Chinese and Chinese Malaysians are good, but exchanges with Malaysia's main ethnic group, the Malays, are relatively limited.

"This area of cooperation should be strengthened," he added.

On May 31, 1974, Malaysia's second prime minister Tun Abdul Razak Hussein and the then premier of China, Zhou Enlai, signed the joint communique on the establishment of diplomatic relations between the two countries in Beijing.

The relationship, which has elevated to a comprehensive strategic partnership, has flourished and borne fruit over the decades.

In 2024, bilateral trade between the two nations reached RM484.12bil, with China continuing to be Malaysia's largest trading partner for the 16th consecutive year.

Enhance ties to weather tariff storm

By ALLISON LAI
allison@thestar.com.my

AS the global trade landscape shifts under the weight of escalating US tariffs, Malaysia and China need to strengthen their economic partnership to weather the storm.

Associated Chinese Chambers of Commerce and Industry of Malaysia president Datuk Ng Yih Pyng said there are challenges and opportunities ahead for the two nations deeply intertwined by integrated supply chains.

"No nation can be insulated if the tariff war escalates into wider trade retaliation," he said, acknowledging the inevitable impact of global trade disruptions.

Despite these challenges, Ng sees a silver lining in the potential for enhanced cooperation.

He urged both countries to deepen their strategic partnership, leveraging free trade agreements like the Regional Comprehensive Economic Partnership, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the China-Asean Free Trade Area to bolster bilateral and multilateral trade.

"Streamlining logistics and easing non-tariff barriers are essential for facilitating trade between our countries," he said.

Small-medium enterprises, he said, should also explore supply chain partnerships and joint ventures in third markets.

Ng said he is advocating joint ventures in high-tech sectors such as artificial intelligence, renewable energy and healthcare.

However, he also cautioned against using Malaysia as a base for "rebadging" products to circumvent US tariffs – a move that could invite punitive measures.

"By leveraging China's strengths in technology and innovation, Malaysia can adopt relevant models to bolster its own sectors," he added.

Malaysia China Business Council director Datuk Beh Hang Kong said Malaysia should bolster its ties with Asean countries and collaborate closely with China in response to the new US tariffs.

"The Asean bloc and China together represent a market of over two billion people.

"By working together, we can strengthen our position against other economic blocs," he said.

This strategy comes as Malaysia continues to face challenges from increased US tariffs, though Beh said Malaysia's tax rates remain competitive compared to neighbouring countries.

"While the tariffs affect us, the effect is minimal compared to Vietnam, Cambodia, and Thailand," he said.

Beh, who is also China-Malaysia Qinzhou Industrial Park deputy board chairman, noted that the recent signing of a twin halal park agreement between Malaysia and China marked another milestone for Malaysian halal products on the global stage.

The twin parks, located in Qinzhou, China, and Malaysia, aim to facilitate the export of halal products worldwide, particularly targeting China's vast market.

The signing took place during Guangxi Governor Lan Tianli's recent trip to Malaysia from April 9 to 12, days before Chinese President Xi Jinping's visit.

In the face of global trade uncertainties, Malaysia Chamber of Commerce & Industry in China (Shanghai) chairman Tan Hann Syn said Malaysia and China are poised to deepen their economic collaboration through key strategies and opportunities.

"China's forced innovation in response to US policies has inadvertently benefited Malaysia and the wider region, showcasing adaptability as a vital asset," he said.

With Malaysia assuming the Asean chairmanship this year, Tan said this is a crucial opportunity to highlight the region's strategic importance.

"Asean-China relations must continue to flourish, and Malaysia's stable political climate makes it an ideal hub for foreign investments," he said.

Tan emphasised Malaysia's strategic role as a gateway for Chinese companies seeking to enter the Asean and Middle East markets, capitalising on its cultural and linguistic strengths.

He also reiterated the importance of high-level diplomatic exchanges, citing recent visits between Malaysian and Chinese leaders as catalysts for increased business interest.

"These interactions encourage Chinese enterprises to consider Malaysia a viable expansion destination," he said.

His Excellency Xi Jinping

President of The People's Republic of China
(pictured alongside His Majesty Sultan Ibrahim, King of Malaysia)

On His official visit to Malaysia
from 15 - 17 April 2025

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- Meridin East in Johor, a minimum of 300MW power capacity

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msdc@mahsing.com.my

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- Largest plastic injection moulding machine in Southeast Asia
- Healthcare segment includes glove manufacturing and potentially other healthcare related products and services

603 3396 2288
inquiry@mshealthcare.com

Plastics Manufacturing

603 3176 3718
custcare@mahsing.com.my

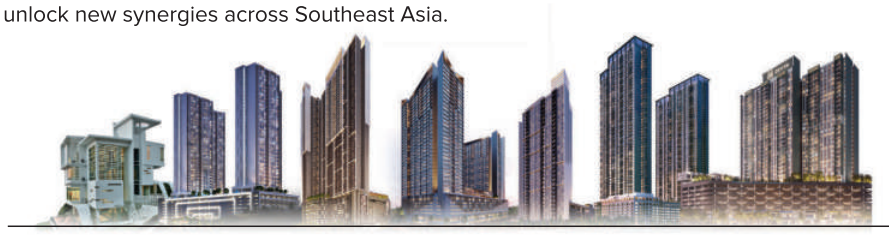
Public Listing Information

Bursa Malaysia Main Market

Fortune Southeast Asia 500

FTSE4Good Index 4-star rating

MSCI Malaysia Small Cap Index



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Fur-tastic panda diplomacy

From playful antics to powerful connections, Fu Wa and Feng Yi have made a lasting impact on Malaysia-China relations.

Rosly says the pandas have drawn visitors from all over, especially from China, India, Indonesia and the Middle East.

In their first year alone, Zoo Negara saw a 60% rise in visitors, with over 1.2 million people eager to see the pandas munching on bamboo or tumbling around their enclosure.

By KHOO GEK SAN
geksan@thestar.com.my

WHEN giant pandas Fu Wa and Feng Yi arrived in Malaysia in 2014, they immediately melted hearts and became successful icons of friendship between Malaysia and China.

More than a decade later, they continue to win hearts with their playful nature and gentle charm.

Their journey began as part of China's panda loan programme, a goodwill gesture to countries with strong diplomatic ties.

The pair arrived at Zoo Negara to mark 40 years of Malaysia-China relations.

Once settled in, they received new names: Fu Wa became Xing Xing, meaning "prosperity", while Feng Yi was renamed Liang Liang, meaning "pretty".

Few expected Malaysians to fall so deeply in love with them, but in their first year alone, Zoo Negara saw a 60% rise in visitors, with over 1.2 million people eager to see the pandas munching on bamboo or tumbling around their enclosure.

Soon, social media was flooded with fan pages, turning them into the zoo's biggest stars.

"The pandas have drawn visitors from all over, especially from China, India, Indonesia and the Middle East," said Zoo Negara deputy president Datuk Rosly @ Rahmat Ahmat Lana.

"For many Malaysians, this is their only chance to see pandas up close."

Caring for pandas is no easy task. A dedicated team of six keepers ensures their well-being.

Their diet consists mainly of bamboo from Perak and Negri Sembilan, and their enclosures must be kept cool at all times. This makes air conditioning one of the zoo's biggest expenses.

"Pandas need a cold environment to thrive, so maintaining the right temperature is crucial," Rosly explained.

Throughout 2024, the cost of caring for a panda reached over RM96,300, and with rising expenses, the zoo expects it to climb to RM150,000 or more.

Despite the financial challenge, Zoo Negara remains committed to conservation, recognising the pandas' role in both wildlife preservation and cultural diplomacy.

Originally, Fu Wa and Feng Yi were meant to stay for 10 years, but in June 2024, the Malaysian government confirmed an extension.

However, at 18 years old, they will eventually return to China, making way for a younger pair to continue the programme.

During their time in Malaysia, Fu Wa and Feng Yi started a family, producing three cubs: Nuan Nuan, born on Aug 18, 2015; Yi Yi, on Jan 14, 2018; and Sheng Yi, on May 31, 2021.

Interestingly, May 31 is also the anniversary of Malaysia-China diplomatic relations.

"Sheng Yi is yet another symbol of our strong ties with China," said Rosly.

As per the agreement, all three cubs were sent to China upon reaching maturity. While no new panda births are expected soon, Rosly remains hopeful.

"If it happens, we'll celebrate."

For panda caretaker Akmal Hadi Samsuddin, these pandas are more than just animals – they are family. Having cared for them since their arrival, he has witnessed their growth, quirks and playful moments.

"To keep Feng Yi active, I hide apples and panda cakes inside toys," he said. "It keeps her engaged and gives her exercise."

Fu Wa, on the other hand, is a natural entertainer.

"The moment visitors arrive, he turns into a performer," Akmal said with a laugh.

"He rolls a ball around and tosses his toys from his high seat – just to make sure everyone is watching."

As Fu Wa and Feng Yi continue their stay at Zoo Negara, they remain a powerful symbol of the bond between Malaysia and China.

Beyond diplomacy, they have brought joy to millions, inspired conservation efforts and created unforgettable memories.

While their time in Malaysia will eventually end, their legacy will live on in the hearts of those who have come to love them, added Rosly.

Belt and road opportunities amid challenges

SINCE its launch in 2013, China's Belt and Road Initiative (BRI) has significantly affected Malaysia's infrastructure and economy through large-scale projects and increased trade.

However, experts are calling for a structured approach to ensure sustainable growth.

Malaysia Silk Road Society president Datuk Dr Cheah See Kian highlighted South-East Asia's role in the BRI and its connection to the Regional Comprehensive Economic Partnership (RCEP).

RCEP negotiations began in 2012 involving 16 countries, including Asean members and partners such as China and Japan.

However, India withdrew in 2019 leading to 15 countries signing the agreement in 2020.

RCEP aims to unify Asean's free trade areas, enhancing regional trade and supporting small and medium enterprises (SMEs).

Cheah said that despite multiple negotiations, full implementation remains elusive due to political differences.

He expressed concern that this passive atmosphere has negatively affected Malaysia and Asean without China.

Therefore, Asean is hoping for a more active Chinese involvement in RCEP, he said.

"The agreement, proposed in 2012, is still not fully implemented as of 2025, raising doubts about its future," he added.

He said that although South-East Asia holds potential as a connector between Asia, Africa and Europe through the BRI, it lacks a clear global blueprint.

Given the current geopolitical landscape, support from the United States seems unlikely.

Meanwhile, MCA-PRC Affairs & BRI Committee chairman Datuk Tan Teik Cheng hopes the BRI will transition from focusing solely on large-scale infrastructure investments to fostering deeper private sector collaboration.

"Chinese companies bring advanced technology and financial strength, while Malaysia offers rich natural resources and access to Asean market.

"To maximise these advantages, the government should establish a 'Malaysia-China SME Development Centre' to facilitate business expansion through official and private partnerships," he said.

Tan emphasised the importance of reappointing a special envoy to China to coordinate business collaborations and ensure investment commitments materialise.

Following Malaysia's RM170bil investment agreements signed with China in April 2023, he noted that tangible progress remains unclear.

"If a special envoy is appointed to coordinate efforts between businesses and government agencies, collaborations will be more efficient.

"For instance, the data economy and renewable energy sectors are key future industries.

"Malaysia's favourable climate makes it ideal for solar energy projects and its stable power and water supply supports data centre development," he said.

Malaysia has had three special envoys to China: Tan Sri Ong Ka Ting, Tan Kok Wai and Datuk Seri Tiong King Sing.

The post has remained vacant since Tiong became Tourism, Arts and Culture Minister.

Tan also highlighted Malaysia's linguistic advantage, particularly among Chinese-educated professionals, as a valuable asset in BRI-related projects.

He stressed that the BRI must extend beyond infrastructure.

"While roads and railways are tangible developments, their impact can feel distant to the general public.

"To make the initiative more meaningful, policies must integrate SMEs and ensure that economic benefits reach a wider segment of society," he added.

Malaysia's engagement in the BRI is showcased through major infrastructure projects aimed at boosting regional connectivity.

Among them, the East Coast Rail Link (ECRL) stands out as a flagship endeavour.

As of December 2024, the ECRL has reached 76% completion, Transport Minister Anthony Loke has announced.

Spanning 665km, it connects the Klang Valley in Selangor with Pahang, Terengganu and Kelantan with its anticipated completion date in 2027.

Initially estimated at RM80bil, the ECRL's cost was later adjusted to RM74.96bil, comprising RM50.27bil for construction and RM24.69bil for development expenses.

Another significant development is the Malaysia-China Kuantan Industrial Park (MCKIP), which has attracted 19 projects worth RM25.68bil that have been approved under the initiative, with the potential to create more than 10,000 jobs.

To date, RM20.77bil has been realised, resulting in 7,572 jobs being created.

WELCOME

His Excellency Xi Jinping

President of The People's Republic of China
(pictured alongside His Majesty Sultan Ibrahim, King of Malaysia)

On His official visit to Malaysia
from 15 - 17 April 2025

Best Wishes from

Tan Sri Dato' Sri Ir. (Dr.) Lim Hock San, JP
Group Executive Chairman
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The Middle Kingdom

China is a powerful country with significant global influence in economics, politics, technology and military power. It is home to over 1.4 billion people and its vast landscapes span 9.6 million sq km, which includes mountains, deserts, plateaus, plains and river basins.

Robust Foreign Trade

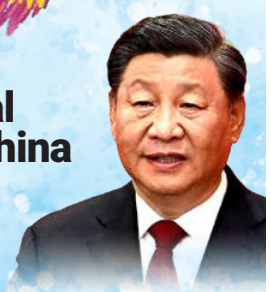
The total value of China's foreign trade reached a record high of **43.85 trillion yuan** **(US$6.1 trillion)** in 2024, marking a **5%** year-on-year growth.

China's exports amounted to **25.45 trillion yuan** **(US$3.5 trillion)** last year, reflecting a **7.1%** year-on-year increase, while imports totalled **18.39 trillion yuan,** **(US$2.59 trillion)** marking a **2.3%** rise compared to 2023.

China remains the world's largest goods trader. The country has become a major trading partner for over 150 countries and regions.

■ In Chinese culture, dragons symbolise power, good fortune and strength. Historically, emperors were linked to dragons, and the Chinese people often refer to themselves as 'Descendants of the Dragon'. Thus, the dragon is a powerful and deeply rooted symbol of China.

Leaders and political party in control in China



Current Leadership

President: Xi Jinping
- Also serves as the General Secretary of the Chinese Communist Party (CCP)
- Assumed office in 2013; re-elected for an unprecedented third term in 2022

Premier: Li Qiang
- Head of the State Council (China's executive branch)
- Appointed in 2023, replacing Li Keqiang

Vice-President: Han Zheng
- Serving the role since 2023

Political party in control
- Chinese Communist Party
- Founded in 1921, it has been the sole ruling party since 1949
- Central authority is vested in the Politburo Standing Committee, the highest decision-making body within the CCP

Ethnic groups

92% of the population is **Han Chinese**

56 officially recognised groups, including:

Zhuang	Kazakh	Xibe	Wa
Hui	Dai	Achang	Nakhi
Manchu	Li	Pumi	Jing
Uyghur	Dongxiang	Tajik	Tatar
Miao	Salar	Nu	Derung
Yi	Naxi	Ozbek	Oroqen
Tujia	Jingpo	Russian	Hezhen
Tibetan	Kirgiz	Ewenki	Monpa
Mongol	Tu	Deang	Lisu
Dong	Daur	Bonan	Gaoshan *(Taiwanese Indigenous Peoples)*
Bouyei	Mulao	Yugur	
Yao	Qiang	Jino	
Korean	Blang	Lhoba	
Bai	Maonan	She	
Hani	Gelao	Lahu	

Minority Groups
The Zhuang people are the largest minority group, primarily residing in Guangxi Zhuang Autonomous Region. The Uyghurs, Tibetans, and Mongols are among the most well-known minorities due to their distinct cultural and political identities.

Game-changing inventions

China is home to many inventions adopted for use worldwide.

Paper: Invented during the Han Dynasty, paper revolutionised communication and record-keeping. It replaced other materials such as silk and bamboo.

Gunpowder: Chinese alchemists discovered gunpowder leading to the creation of firearms, explosives and fireworks.

Silk: China is the birthplace of silk production and the silk trade became a major part of the famous Silk Road, connecting China with Europe and beyond.

Printing: Woodblock printing first appeared during the Tang Dynasty. It involved carving images and text onto blocks and then printing them on paper or cloth.

Magnetic compass: Was developed during the Han Dynasty. It had far-reaching changes for navigation and made exploration across seas and deserts more precise.

Paper money: Paper bills were first used by the Chinese, who started carrying folding money during the Tang Dynasty.

Currency: Renminbi (RMB), also known as yuan

Official language: Mandarin

Capital: Beijing

Major industries: Manufacturing, technology and electronics, agriculture, finance, renewable energy, retail and e-commerce as well as real estate and construction

Gross Domestic Product (GDP)

134.91 trillion yuan **(US$18.8 trillion)** in 2024, reflecting a 5% year-on-year growth.

It maintains its position as the second-largest economy in the world, behind only the United States. Sectoral performance highlights indicate the manufacturing and service sectors as key drivers.

Iconic landmarks

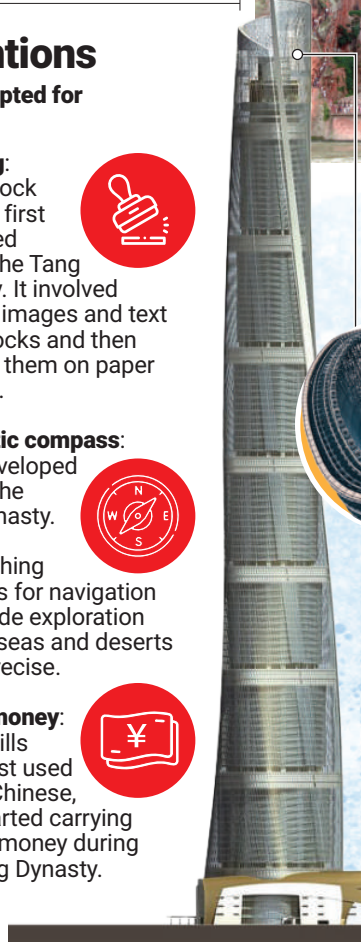
China is home to some of the most iconic landmarks in the world, rich in history, culture and natural beauty.

The Great Wall of China
One of the most famous landmarks in the world, the Great Wall stretches over 21,000km. It was originally built to protect against invasions, and today it's a symbol of China's strength and resilience.

The Forbidden City
The Forbidden City is a huge palace in Beijing that was the imperial residence for Chinese emperors for over 500 years. It's one of the largest and best-preserved palaces in the world, with over 9,000 rooms and beautiful traditional Chinese architecture.

Forbidden City is rectangular, 961m long from north to south, 753m wide from east to west, encircled by a wall that is over 3,400m long.

The Leshan Giant Buddha is located to the east of Leshan City in Sichuan province. The statue took more than 90 years to carve, beginning in the year 713 in the Tang Dynasty, and finished in the year 803. It is the biggest stone Buddha statue in the world at 71m high.



Shanghai Tower is 632m tall with 128 storeys. It is the tallest building in China and boasts of having the fastest elevator in the world, and a top global green building too.

Shanghai Tower is in the shape of a spiral Chinese dragon, which symbolises the gradual economic prosperity of China.

Terracotta Army
Discovered in 1974, the Terracotta Army is a collection of over 8,000 life-sized statues of soldiers, horses and chariots, all buried with China's first emperor, Qin Shi Huang, to protect him in the afterlife. This archaeological wonder is located near Xi'an. It is listed as among the most significant archeological excavations of the 20th century and a Unesco World Heritage Site.

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WELCOME

His Excellency Xi Jinping

President of The People's Republic of China
(pictured alongside His Majesty Sultan Ibrahim, King of Malaysia)

On His official visit to Malaysia
from 15 - 17 April 2025

Best Wishes from

马华公会
The President,
Central Committee, and
Members of the Malaysian Chinese Association