December 2024

Making every step count

Fidelity International China Stewardship Report 2024

Prepared in cooperation with

ZD Proxy Shareholder Services

Our proprietary study covering some 46,000 resolutions at over 5,000 shareholder meetings of more than 600 companies offers a broad analysis of how market participants are choosing to exercise their voting rights.

About Fidelity International

Fidelity International offers investment solutions and services and retirement expertise to more than 2.8 million customers globally. As a privately held, purpose-driven company with a 50-year heritage, we think generationally and invest for the long term. Operating in more than 25 locations and with USD $861.3 billion in total assets, our clients range from central banks and sovereign wealth funds to large corporates and financial institutions and private individuals.

Our Global Platform Solutions business provides individuals, advisers, and employers with access to world-class investment choices, third-party solutions, administration services, and pension guidance. Together with our Investment Solutions & Services business, we invest $596.7bn on behalf of our clients. By combining our asset management expertise with our solutions for workplace and personal investing, we work together to build better financial futures.[2]

About ZD Proxy Shareholders Services

Founded in 2016, ZD Proxy Shareholder Services is a leading domestic proxy advisory firm in China. As a pioneer in the field, ZD Proxy has provided proxy advice covering 1,200 A-share listed companies for a clientele of institutional investors that oversee a total of $20 trillion in assets globally.

Since its inception, ZD has been committed to building trust and safeguarding clients' long-term interests. Working closely with institutional investors, ZD Proxy strives to promote Chinese companies' corporate governance and bring their sustainable growth to a higher level.

[2]Data as of 30 June 2024. Read more at fidelityinternational.com.

Preface

Regulation moves into the spotlight

Welcome to Fidelity International's China Stewardship Report, the third biennial edition of this joint publication with ZD Proxy Shareholder Services.

In its first two iterations, the data tracking what happened on the ground in China showed pronounced progress in investors' approach to shareholder stewardship. The rate at which shareholders were attending meetings and actively voting on resolutions was notably increasing, while engagement activity was also stepping up.

Our latest analysis shows a levelling off in this activity, and the pace of progress is no longer accelerating in the same way. This is not to say that all improvements have stalled across the market. International funds are still demonstrably leaning on their experiences with systematic voting overseas to inform their onshore activities, and leading local institutional investors have continued to build out their own stewardship capabilities.

But it seems that we may have hit a ceiling for the bottom-up, investor-driven improvements in stewardship practices, and the next phase of development may require clearer top-down direction from regulators. Already in areas that have seen more regulatory emphasis, such as sustainability reporting, we see marked improvements on the part of corporates. A similar outcome should not be hard to envisage for stewardship.

Indeed, there's been plenty of discussion in the local market about the introduction of a formalised stewardship code for China. Alongside constructive conversations with institutional investors themselves, there have been stronger signals from relevant authorities and industry organisations to promote more systematic voting and engagement activities, which reflects that spirit of a stewardship code.

The implementation of such a code in China would be a decisively positive step. The Chinese stock market is sometimes dismissed as less mature than its international counterparts, with criticism focused on the short-termism of many of its participants.

A code that encourages investors to take a long-term approach to their holdings, to participate actively in shareholder votes, and to engage with investee companies on longer-term issues would not solve all the challenges the market is facing. But a clear move by regulators that supports better stewardship practices could be the boost needed for the development of a healthy and mature capital market.

Flora Wang
Head of Stewardship, Asia, Fidelity International

Active shareholder votes impact corporate governance in China

It is our great honour to work with Fidelity International for a third time to co-publish the China Stewardship Report and share our insights on China's stewardship practices from the perspective of a domestic proxy advisory firm.

While the past two years seem to show a slowdown in voter turnout among minority shareholders, we have witnessed many other positive changes when it comes to stewardship practices. Most notably, the number and type of Chinese institutional investors we serve has been growing. That means a broader group of domestic institutional investors are starting to pay attention to 'voting with their hands' and using their voting power more effectively through in-depth research. While foreign investors have long been regarded as the driving force behind shareholder action in China, we believe Chinese institutions will play an increasingly important role in accelerating improvements in the country's stewardship activities.

The Chinese authorities have shown a commitment in recent years to developing high quality local capital markets. A crucial step on this journey is strengthening the calibre of listed companies. China's policymakers and regulators, from the State Council to the China Securities Regulatory Commission, are building a policy framework to create a stronger regulatory force. Known as '1+N', this framework, which has established a robust system to monitor listed companies and their behaviour, is expected to have a long-term positive impact.

However, institutional investors have yet to unlock their full potential as a supervisory force. ZD Proxy provides voting advice on almost 40,000 resolutions a year. For many of those resolutions we advise our clients to vote against, we also engage directly with the company to provide and gather feedback. Quite a few of these companies responded by adjusting or scrapping the proposals. These changes protect minority shareholders' interests and push management teams to improve their corporate governance. Improvements like these promote the quality of a company and ultimately lift their value over the long term.

It is our aspiration that every stakeholder will contribute to the improvement in governance practices and collaboratively drive long-term sustainable growth of China's capital markets.

Shuwei Tang
Partner, ZD Proxy

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Introduction

Much has changed since 2017 when we first began tracking developments in the Chinese A-share market. We are pleased to report that the landscape has generally shifted for the better - with encouraging moves in regulation and no shortage of inspiring examples of minority shareholders exercising their rights. No longer limited to those leading the charge, stewardship is becoming an integral component of investing for many institutional investors.

Forces for good governance

Over the past three years, regulators overseeing the A-share market have joined forces to foster the high-quality development of listed companies. From amendments to China's Company Law to changes in regulations by the China Securities Regulatory Commission (CSRC) and stock exchanges, there has been nothing short of an overhaul of rules governing the country's capital markets.

Two pieces of policy guidance are particularly noteworthy: the Nine-Point Guideline by the State Council – China's national cabinet – which outlines the principles of governance in capital markets, and guidance from the State-owned Assets Supervision and Administration Commission of the State Council (or SASAC, which oversees central government-owned companies) that focuses on improving the quality of publicly-listed businesses under its purview.[3] The latter sets out requirements to address a number of minority shareholders' pain points including information disclosure, governance standards, dividend policies, and the reduction of holdings by majority shareholders, all with the intention of improving investor perception and the valuation of listed companies.

Change is happening from within, too. Regulatory reforms have emboldened independent directors at listed companies to hold management teams to account. The introduction of the Measures for the Administration of Independent Directors of Listed Companies in 2023 gave them a boost by raising the bar for the role of independent directors, while strengthening protections for them.[4] With increased awareness of their responsibilities and what's expected of their roles, we are seeing independent directors becoming more active in demonstrating effective oversight of management teams. In the first half of 2024, independent directors sent 44 letters to listed companies demanding better company practices to safeguard minority shareholder interests, such as more timely information disclosure, scrutiny over related party transactions, and alignment of executive compensation with shareholders' interests.

[3] Work Plan for Improving the Quality of Listed Companies Controlled by Central Enterprises (Chinese), May 2022.
[4] Measures for the Administration of Independent Directors of Listed Companies (Chinese), August 2023.

Auditing firms are also moving into the regulatory spotlight. The Measures for the Administration of Selection and Engagement of Accounting Firms by State-owned Enterprises and Listed Companies, released in 2023, significantly reinforces the independence required of audit firms and signing accountants, making A-share market standards even more rigorous than those in other major markets such as the US, the UK, and Hong Kong.[5] The proportion of proposals ZD Proxy recommended investors oppose due to poor audit independence almost halved - from 9.52 per cent in the first half of 2023 to 4.96 per cent in the same period in 2024 - suggesting auditing practices are improving. There is also evidence of more rigorous reviewing of company financial accounts by these audit firms. The proportion of non-standard audit opinions - cases where auditors flagged concerns for A-share listed companies - climbed from 3.59 per cent in 2021 to 4.11 per cent in 2023, according to calculations by ZD.

ESG: Raising the bar

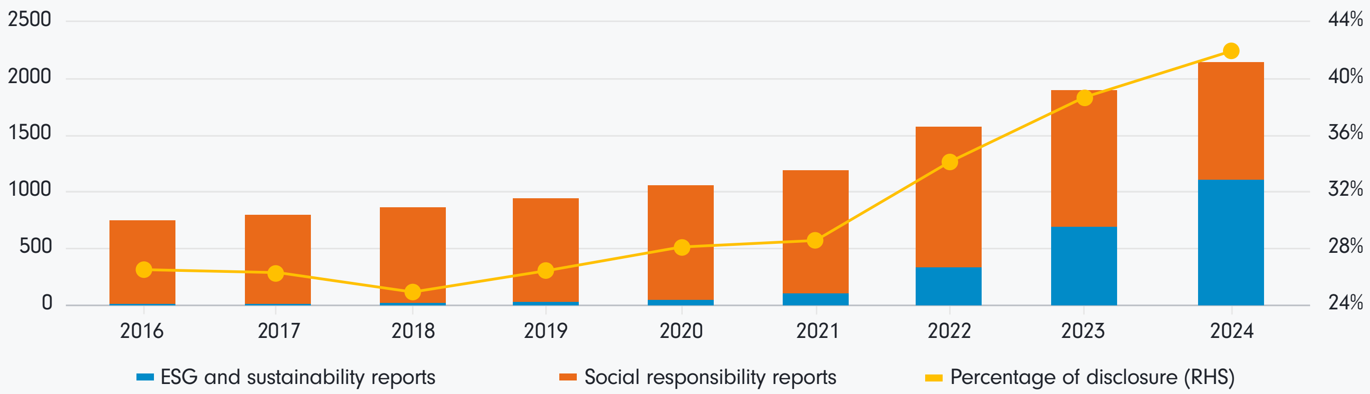
China's highly anticipated environmental, social, and governance (ESG) disclosure standards for the A-share market finally landed in the first half of 2024. The guidelines for listed companies, published by the Shanghai, Shenzhen, and Beijing stock exchanges, incorporate global best practices while taking into account circumstances unique to the local market, vastly improving standardisation in disclosure requirements. This was followed by the Ministry of Finance's draft guidelines on ESG disclosures for all companies, which is in principle aligned with the International Sustainability Standards Board's (ISSB) framework and will serve as a cornerstone for establishing a national sustainability disclosure system.

The new rules come on the back of rising levels of ESG disclosures among A-share listed companies (see Chart 1). We expect these standardisation efforts to eventually make it easier for investors to compare company disclosures and their ESG performance.

[5] Measures for the Administration of Selection and Engagement of Accounting Firms by State-owned Enterprises and Listed Companies (Chinese), May 2023.

Chart 1: ESG-related disclosures on the rise

Number of reports and percentage of A-share listed companies making disclosures



Source: Fidelity International, ZD Proxy, December 2024

A new era

The enactment of the amended Company Law in July 2024 has opened a new chapter for minority shareholders. Among the most significant enhancements to their rights is the move to lower the holdings threshold for those wanting to put forward proposals, which practically doubled the number of shareholders with such powers in the A-share market. The Company Law also stipulates for the first time that shareholders of listed companies can exercise the right to inspect accounting books and documents, further bolstering the rights of minority shareholders.

Time and again in the past few years, minority shareholders have made history. For example, candidates nominated by the China Securities Small and Medium Investors Service Center were successfully elected independent directors for the first time. And the first class action for fraudulent issuance on the tech-focused STAR (Sci-Tech Innovation) board closed with 285 million renminbi (USD $40 million) of compensation awarded to over 7,000 minority shareholders.

These developments give us reason to celebrate, but not to be complacent. While there are more minority shareholders attending general meetings among the companies in our sample, that growth has plateaued in recent years. For stewardship to shine and create long-term value in China, it will require the support of all stakeholders in capital markets, from policymakers to institutional investors. The sooner we come together, the better.

Part 1: Minority shareholders take more targeted approach as growth in voting stalls

While there has been a slowdown in shareholder attendance at general meetings, minority investors are focusing their efforts on the more controversial resolutions to make their voices heard

Numbers tell the story, goes the old saying. And the story of investor stewardship in China is told through some impressive figures. Our proprietary study, covering some 46,000 resolutions at over 5,000 shareholder meetings of more than 600 companies, offers a broad analysis of how market participants are choosing to exercise their voting rights.[6] Here are the headline findings.

Voter turnout rises at a slower pace

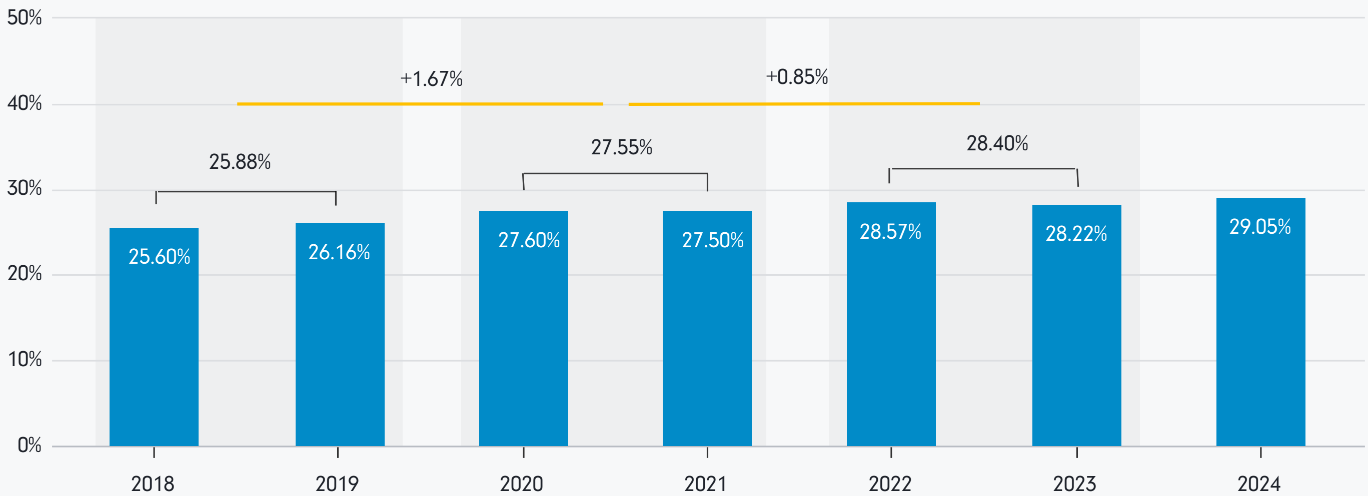
Observing voting behaviour is fundamental to understanding how investors are exercising their rights and the broader role that stewardship is playing in any given market. In China, the last two years have seen slower growth in voter turnout. The average attendance among minority shareholders rose by 0.85 of a percentage point between 2020-2021 and 2022-2023, about half of the 1.67 percentage point increase from previous years (see Chart 2).

Two reasons could account for the slowdown.

First, ownership concentration in the A-share market, as defined by the proportion of companies with a controlling shareholder that owns 30 per cent or more of equity, declined at a slower pace. The

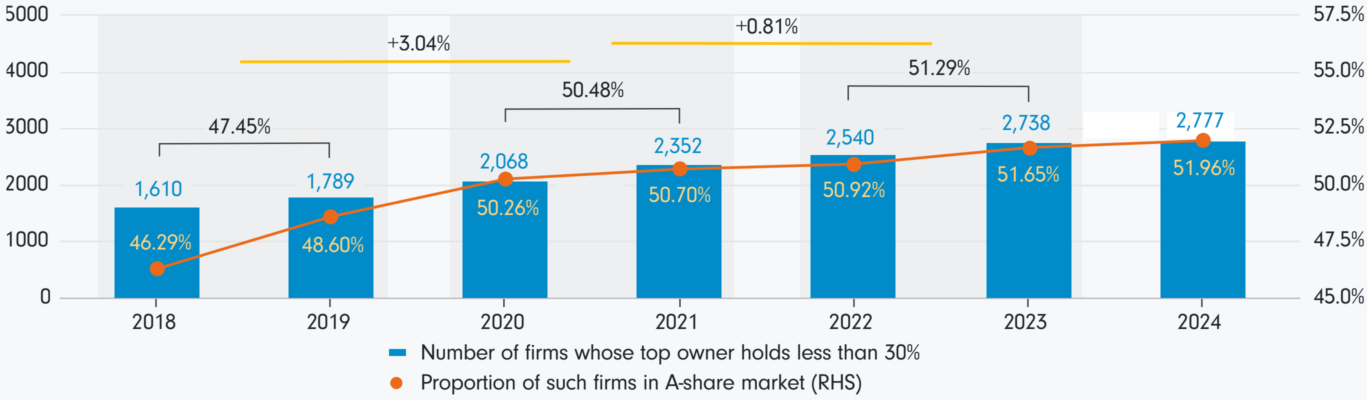
[6]The study covered 46,266 resolutions at over 5,088 shareholder meetings of 626 companies that were or have been constituents of the MSCI China A Onshore Index (99 are listed on both A and H-share markets) from 2022 to mid-2024. The samples in the 2020 and 2022 studies use the same index.

Chart 2: Voter turnout rate of minority shareholders at shareholder meetings



Source: Fidelity International, ZD Proxy, December 2024. Note: 2024 data is through June 30.

Chart 3: Ownership concentration declines at a slower pace in A-share market



Source: iFind, Fidelity International, ZD Proxy, December 2024. Note: 2024 data is through June 30.

percentage of listed companies where the top owner holds less than 30 per cent of equity only rose by 0.81 of a percentage point between 2020-2021 and 2022-2023, compared to the 3.04 percentage point increase seen in preceding years (see Chart 3). A slower decline in ownership concentration means slower growth in minority shareholders' influence and hence less incentive for them to act.

Second, growth in the number of shareholders active in stewardship in the A-share market has stagnated. Institutional investors, especially foreign ones, often adopt active stewardship as part of their investment strategy. However, foreign ownership of Chinese shares has declined since 2021. Overseas investors held 8 per cent of the total A-share free float market cap in 2023, down from 8.97 per cent in 2022 and 9.49 per cent in 2021.[7]

In sum, it would appear that the growth momentum in shareholder voting has plateaued and may require additional policy support to see further progress. Timely 'nudges' from regulators - something similar to the UK Stewardship Code launched in 2010, for example - should encourage more investors to exercise their voting rights.

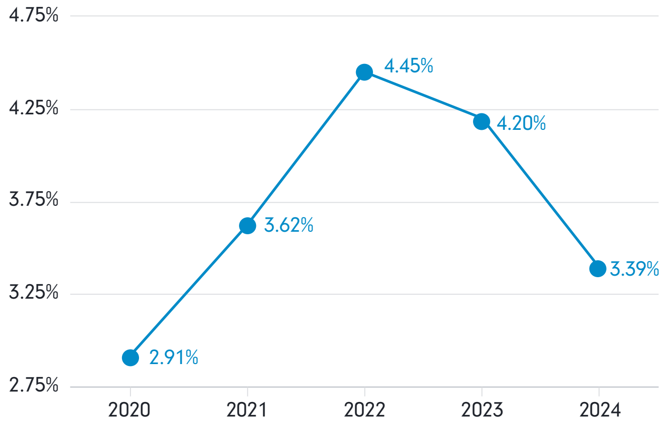
Unlocking shareholders' voting power

Despite the slowdown in voting participation by minority shareholders, our findings show that this group is becoming more targeted when expressing its dissent.

The proportion of resolutions receiving significant against or abstain votes dropped to 3.39 per cent in the first half of 2024, from 4.2 per cent in 2023 and 4.45 per cent in 2022.[8] But this doesn't necessarily mean Chinese investors are less willing to reject resolutions they dislike. Instead, further analysis of the data indicates they are becoming increasingly active in making their views known on resolutions with which they

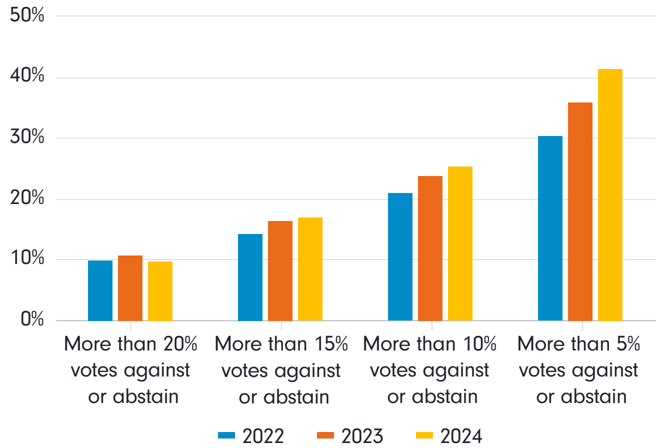
[7]According to data compiled by China International Capital Corp.
[8]Vote tallies of more than 10 per cent against, or abstaining, are considered significant.

Chart 4: Percentage of all resolutions facing significant votes against



Source: Fidelity International, ZD Proxy, December 2024. Note: 2024 data is through June 30. Significant votes: more than 10% against or abstained votes.

Chart 5: Percentage of 'potentially controversial' resolutions facing votes against



Source: Fidelity International, ZD Proxy, December 2024. Note: 2024 data is through June 30. 'Potentially controversial' resolutions refer to those where ZD Proxy advised clients to cast 'against' or 'abstain' votes.

are particularly concerned. The proportion of 'potentially controversial' resolutions receiving significant against or abstain votes rose to 25.28 per cent in the first half of 2024, from 23.86 per cent in 2023 and 20.93 per cent in 2022.[9]

Making it count

Meanwhile, minority shareholders are proving astute in making the most of any voting requirements that favour their positions.

For example, some proposals have been voted down just through the power of H-share investors - often minority shareholders - because certain resolutions require separate approval from each share class. Indeed, the proposals in question have been those seeking to amend a company's so-called 'Articles of Association,'[10] which would remove this particular requirement for dual-listed companies to obtain approval from both share classes.

Minority shareholders have had a similarly strong voice on resolutions seeking approval for 'related party transactions' because in many of these cases the controlling shareholders are required to abstain, giving remaining votes a bigger weighting.

As a result, amendments to Articles of Association and related party transactions were among the top categories that saw the most rejections between 2022 and the first half of 2024.

[9]'Potentially controversial' resolutions refer to those where ZD Proxy advised clients to cast against or abstain votes.
[10]Articles of Association are rules that govern the company, and which shareholders and directors have agreed on.

Upping the ante

Apart from voting yes or no, there are other ways investors can be more active at shareholder meetings. One option is filing shareholder proposals. A total of 14 proposals were submitted by minority shareholders between 2022 and the first half of 2024, double what was seen between 2020 and the first half of 2022.[11] Of those 14 resolutions, 13 were for the nomination of candidates to the board of directors or supervisors, though the voting results show it remains difficult for minority shareholders to get their nominees into the boardroom.

Nevertheless, China's recently amended Company Law lowers the minimum shareholding requirement for investors to file proposals, so the conditions for further development in this area are ripe.[12]

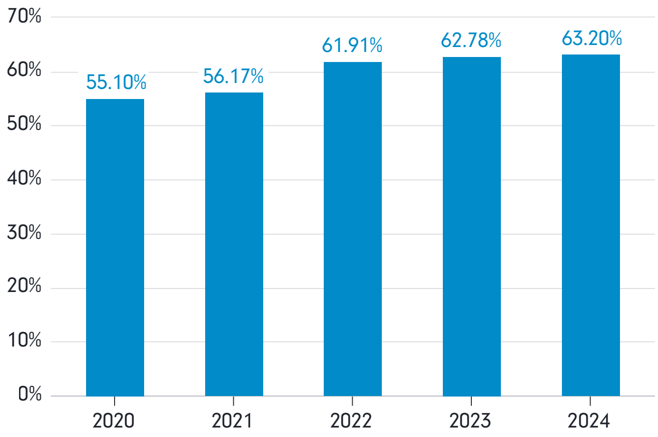
Effective disclosures

One notable improvement which is further supporting effective stewardship in China is that A-share companies continue to raise the bar in their communications to shareholders.

Consolidated circulars released before annual general meetings (AGMs) allow investors to assess resolutions efficiently without spending hours combing through separate company disclosures for each voting analysis. It is encouraging to see a growing number of firms adopting this approach to help shareholders better prepare and make well-informed voting decisions.

The proportion of A-share firms publishing disclosures through a consolidated circular before AGMs rose to 63.2 per cent in 2024, from 62.78 per cent in 2023 and 61.91 per cent in 2022. The ratios were below 60 per cent in both 2020 and 2021.

Chart 6: Proportion of A-share firms releasing a consolidated circular before AGMs



Source: Fidelity International, ZD Proxy, December 2024.

[11]The proposals here refer to those filed by minority shareholders with the purpose to advance their interest, as determined by ZD Proxy analysis. In China, it is common for controlling shareholders or shareholders friendly with management teams to file proposals on behalf of the company after deadlines have passed for the company to amend the meeting agenda.

[12]Under the amended Company Law that came into force in July 2024, the minimum shareholding requirement for shareholders to file interim proposals at shareholder meetings was lowered from 3 per cent to 1 per cent.

Part 2: Active voting case studies

Voting fuels dialogue

Shareholder voting can be a powerful tool for investors who want to send a signal to companies - even when the vote itself does not carry.

Such was our experience in 2023 on two sustainability engagements we held with a large apparel manufacturer. Prior to its 2023 AGM, we spoke with the company about our concerns regarding the chief executive serving as chair of the nomination committee - in our minds, a clear conflict of interest. We shared our voting principles and expectations around having an independent director lead the nomination committee to ensure independence. We also raised our concerns on the resolution to authorise the reissuance of repurchased shares. This is a common submission made by Hong Kong-listed companies that we consistently vote against because we view the practice of re-issuing the same shares bought back within a year as irresponsible and ineffective capital management.

We communicated that these two concerns would lead us to vote against a director's re-election (given we held them responsible for ensuring committee independence) and the share reissuance.

Both motions passed despite our votes against. And yet, two months later, the company announced the chief executive would be stepping down as nomination committee chair, and an independent director would be appointed in his place. The company also fully removed the proposal to reissue repurchased shares from the agenda for its AGM this year.

What had changed?

The company had taken note of our votes, even though they had limited impact on the voting outcome. It also clearly valued investor feedback: the company reached out after the 2023 AGM to discuss broader ESG topics, ranging from climate change management, to executive remuneration, employee welfare, and more.

This process serves as a reminder of how voting combined with active engagement can prove an effective form of stewardship. One sends a clear signal that can increase the pressure on companies to listen and react, the other provides avenues for long-term dialogue to deepen understanding and foster progress in areas that lie beyond the confines of shareholder meetings.

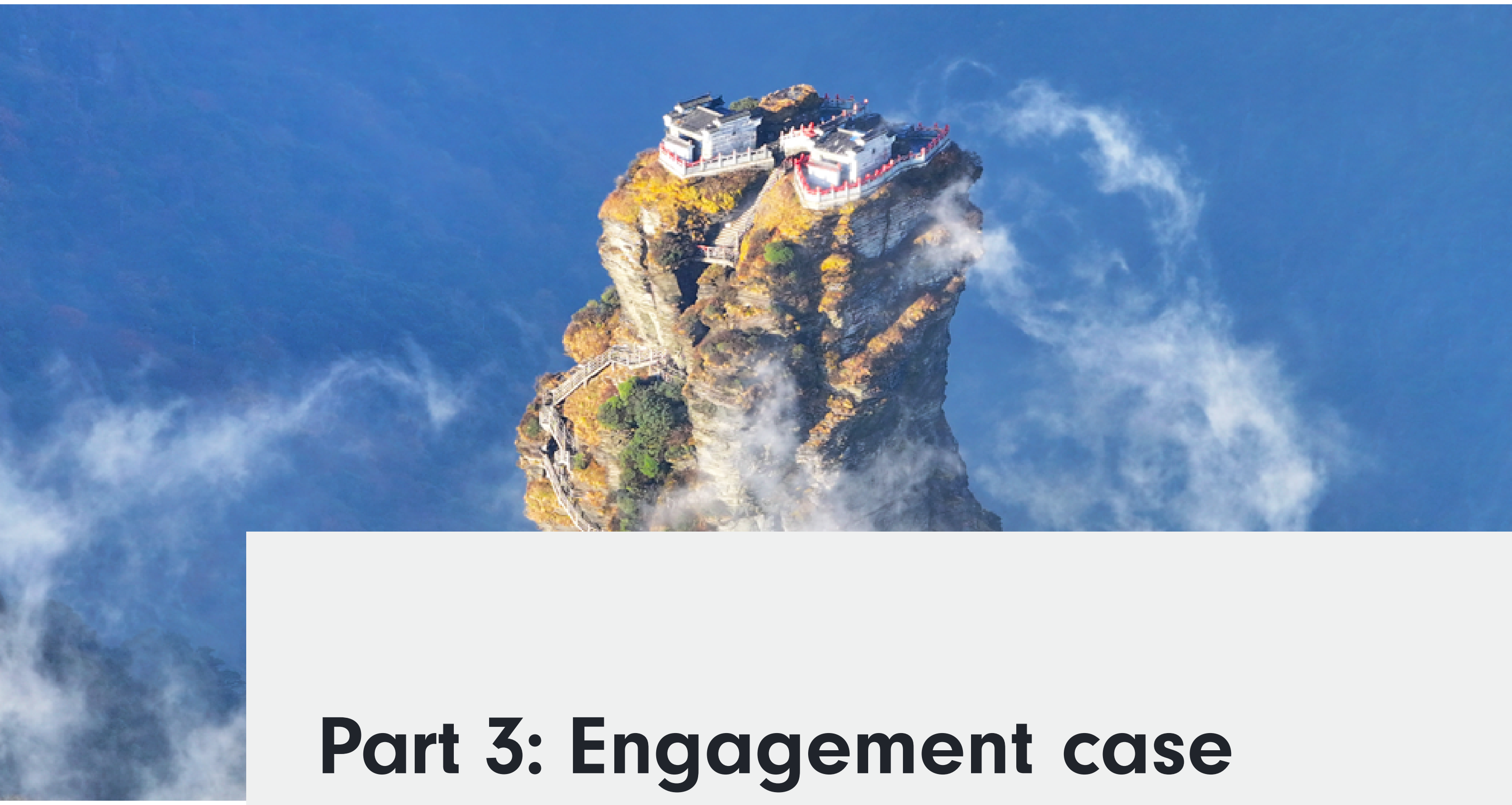
A financial services agreement that raised red flags

At AGMs, investors carefully review proposals on financial agreements between a listed company and its parent's group finance company (GFC). Many large Chinese state-owned companies set up a GFC to provide a range of financial services, including loans and deposits, to companies within the group. These services are one of the most common related-party transactions in China. They are closely scrutinised because the potential misalignment of interest could lead to arrangements that put a company's capital at risk.

A steel maker in April 2024 sought shareholder approval to deposit cash at and receive loans from its GFC, each capped at around RMB 5 billion. However, transactions in the previous year between the two companies raised a red flag: the listed company's deposits at the GFC were more than twice the loans it received from the finance company, which only accounted for around 4 per cent of the manufacturer's outstanding debt balance.

The significantly larger deposits compared to the loans raised questions about the fairness of the transactions and whether the listed company was being used as a vehicle to access capital markets for the wider group. Compared to commercial banks which serve a broader client base, a GFC only looks after the group's member companies which all tend to be in one industry. Such a high degree of concentration can make the GFC vulnerable to industry shocks, elevating its liquidity risk. ZD therefore advised its clients to vote against the proposal. The plan did not pass at the AGM, due to strong objection from minority shareholders.

The steel company resubmitted the plan to shareholders two months later. The new proposal addressed concerns on capital safety with a pledge from the parent company to step in and boost capital support for the GFC if it runs into financial difficulty. This partial acknowledgement of investor concerns allowed the resolution to pass, albeit with a low approval rate of around 60 per cent, a sign that the misalignment of interest remains a worry for shareholders.



Part 3: Engagement case studies

A two-way relationship with a financial juggernaut

Fidelity's engagements usually begin with a conviction on our part that some aspect of an investee company's operations can be improved. We approach the management team in question and start a conversation.

When that sequence is reversed and a company instead reaches out to us for advice, we take that as a strong sign that our stewardship process is working. It was especially encouraging when one of the largest banks in China came to us for guidance in June 2023.

The bank asked to speak with Fidelity analysts after two successful engagements. The firm had been steadily improving its green finance programme and ESG structure and disclosures. From having no formal board-level oversight a few years ago, and no executive remuneration linked to green finance, the bank had drawn up specific ESG responsibilities for each board-level committee, and introduced a separate green finance committee that regularly reviews its strategy and progress in this area, including its ESG risk management. It also enhanced its executive pay structure (including for the chairperson and president) to incorporate green finance KPIs. Its financial commitment to support green industries - which was originally set at RMB 1 trillion when we first engaged in 2021 - had increased to RMB 3trn by the end of 2025.

The transformation was impressive, but the bank wanted to do more - hence its approach for further advice. Specifically, it was keen to understand how its green finance and climate strategy compared to peers and how it could further improve its disclosures, all of which would ultimately inform the future environmental practices for a bank with a customer base numbering in the hundreds of millions.

Following this latest engagement, the company enhanced its accounting for its portfolio carbon emissions with a focus on high-emitting industries such as thermal power and cement. Notably, after the bank released its first standalone green finance (TCFD) report,[13] it asked for Fidelity's feedback on whether we would want to see any additional disclosures.

The bank now has a better understanding of how Fidelity assesses the ESG credentials of other companies, helping it to benchmark itself against the industry's best-in-class.

We expect the company's sustainability practices will continue to improve as it further embeds ESG considerations into its core business. Crucially, the example underlines how engagement works best: as a respectful relationship built on mutual trust that fosters two-way communication.

[13]The report was prepared with reference to the disclosure recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

How Chinese dairy brands make your milk green

Chinese consumers are buying more dairy products. It's a change in the national diet that reflects the surging middle class's demand for protein-rich food. However, without responsible farming this rise in demand has the potential to increase deforestation and biodiversity loss. To address such risks, Fidelity has launched an engagement programme that focuses on companies whose operations, or those of their supply chains, may pose a threat to such environments. Among them are two leading Chinese dairy companies.

In June 2023, Fidelity analysts visited one of the companies to introduce our deforestation framework and policy. While the company already had some measures in place, it still had to develop an overall strategy for managing these risks in its supply chain. In the following months, the company reached out to Fidelity to talk about the issue further, and to understand investor expectations better. We advised the company to formulate a top-down deforestation-free policy and shared best practices and resources from across the industry and other regions.

Six months later the company published its Zero Deforestation Commitment, which aims to eliminate the threat to forest habitats from supply chains in palm oil, pulp, paper, and soy by 2030. It also pledged to improve traceability in its supply chains and step up the sourcing of sustainable raw materials.

A dairy farm in a desert

Fidelity's engagements with another top Chinese dairy producer have also proven constructive. We visited the dairy farms of one of its suppliers in China's Inner Mongolia desert in 2023. In ten years the supplier has turned 200 square kilometres of arid land into green pastures of feed crops. It also sources organically produced soy from within China, instead of importing feed from countries with high deforestation risk. The on-the-ground observation and interaction with the supplier reinforced our analyst's confidence in the dairy company's commitment to its sustainability strategy. The company published its first TNFD report in 2024,[14] becoming one of the first Chinese companies to adopt the framework.

Forest preservation has become a priority in China, which is one of over 140 signatories of The Glasgow Leaders' Declaration on Forests and Land Use - an initiative to halt and reverse forest loss and land degradation by 2030. China has also set ambitious goals on biodiversity protection, as outlined under the Kunming-Montreal Global Biodiversity Framework. However, it wasn't until recently that Chinese companies began to focus on eliminating deforestation risk from their supply chains. We hope the two dairy companies' lead on tackling deforestation will inspire others to follow.

[14]The report was prepared with reference to the disclosure recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD).

Conclusion

In the seven years since we began tracking stewardship developments in the A-share market, investors have become more active and minority shareholders have emerged as a force to be reckoned with. Increasingly, minority shareholders are voting at shareholder meetings - even though that growth is beginning to plateau - and their appetite to oppose controversial proposals is growing. Considering the dominance of controlling shareholders in this market, these achievements are meaningful.

There still remains plenty of room for improvement for stewardship in China, in depth and breadth. The good news is that there's no shortage of top-down efforts enhancing the environment for effective stewardship. Listed companies have been improving their disclosures over the past few years but a slew of new policy guidance and regulations in 2024 could prove to be a turning point, not just for transparency, but to ease access for minority shareholder participation too. The Central Financial Commission and the China Securities Regulatory Commission have recently laid out their intention to encourage dialogue between institutional investors and listed companies in new guidelines that aim to attract long-term capital.

We expect momentum for stewardship to build following the issuance of the guidance. Aided by an increasingly enthusiastic institutional investor base, stewardship may finally make its mark as a catalyst for long-term value creation in China. We look forward to reporting on that progress in the years to come.

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Aerial view of cloud-shrouded Mount Fanjing, or Fanjingshan, in Tongren, Guizhou Province of China. Credit: Li He/VCG via Getty Images.

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Ecological Floating Beds In Hangzhou, China. Credit: VCG / Contributor, Getty Images.

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3D street painting in Handan, in China's northern Hebei province. Credit: STR / Contributor via Getty Images.

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