

 Early Warning System

ADB-57239-001

China Education Group Climate Adaptive Education Project



Quick Facts

Countries	China
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-06-25
Borrower	China Education Group Holdings Limited Yantai and Institute of Science and Technology
Sectors	Education and Health
Ring Fence	Infrastructure Projects
Investment Type(s)	Loan
Investment Amount (USD)	\$ 130.00 million
Project Cost (USD)	\$ 130.00 million



### Project Description

According to the Bank's website, the project consists of senior secured loans of up to \$100,000,000 (or its yuan equivalent) from ADB's ordinary capital resources and complementary loan up to \$30,000,000 (or its yuan equivalent) to China Education Group Holdings Limited (CEG) and its member university Yantai Institute of Science and Technology (Yantai).

According to the bank's statement, the project claims to address remaining poverty and reduce inequality, accelerate progress in gender equality, tackle climate change, build climate and disaster resilience, and enhance environmental sustainability, and make cities more livable. The loans will finance two main purposes: the construction and operation of Yantai's phase 1 climate-adaptive campus, aligned with China's priorities for sustainable infrastructure and green education, including gender equality initiatives. The loans will also refinance CEG's institutes in China, facilitating a shift from short-term to long-term debt structures.



### Early Warning System Project Analysis

ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009) as follows: environment (category B), involuntary resettlement (category B), and indigenous peoples (category C).

Environmental impacts include occupational health and safety risks; waste management issues; noise, dust, and soil contamination; and traffic safety.

On involuntary resettlement, 90 individuals were economically displaced while 5 individuals were physically displaced because of the acquisition of 225,818 square meters of rural collective and individual land.

No distinct and vulnerable indigenous people were affected because of the Yantai campus construction.



### Investment Description

- Asian Development Bank (ADB)

(i) proposed senior secured loans of up to \$90,000,000 (or its yuan equivalent), comprising (a) a senior secured A loan of up to \$60,000,000 (or its yuan equivalent), and (b) a senior secured complementary loan of up to \$30,000,000 (or its yuan equivalent) to Yantai Institute of Science and Technology (Yantai); and (ii) a proposed senior secured loan of up to \$40,000,000 (or its yuan equivalent) to China Education Group Holdings Limited (CEG)



### Private Actors Description

China Education Group Holdings Limited (CEG) operates 14 private higher and secondary vocational education institutions, of which 12 are located across 7 provinces in the PRC, along with 1 school each in Australia and the United Kingdom. CEG is the largest private provider of higher vocational education in the PRC, with 319,824 students as of 31 August 2023. CEG completed its initial public offering in Hong Kong, China in 2017. As of 12 February 2024, CEG's shareholders included Ketao Xie (30.3%), Guo Yu (30.3%), institutional investors (15.6%), and public shareholders (23.9%). CEG won the "China Best Managed Companies" award for the fifth consecutive year in 2023 given by Deloitte China.

Established in 2005, Yantai Institute of Science and Technology operates higher vocational education in Shandong Province. In March 2019, Yantai was acquired by Huafang Education Investment Group (Ganzhou) Company Limited, a consolidated affiliated entity of China Education Group Holdings Limited. Consequently, the student population has pushed the existing campus to its physical limits and necessitated expansion.

Guarantors: Huajiao Education Technology (Jiangxi) Company Limited, a wholly foreign owned enterprise, is CEG's wholly owned subsidiary and guarantees the loan to CEG. Huajiao Education Technology (Jiangxi) Company Limited controls 11 institutes via contractual arrangements. CEG guarantees the loan to Yantai.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	China Education Group Holdings Limited	Client	-
-	-	-	-	Huajiao Education Technology (Jiangxi) Company Limited	Undisclosed	-
-	-	-	-	Yantai Institute of Science and Technology	Client	-



### Contact Information

## Contact

**Responsible ADB Officer - Han, Dong**

**Responsible ADB Division - Office of the Director General, PSOD**

**Responsible ADB Department - Private Sector Operations Department**

### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.





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### Bank Documents

- [China Education Group Climate Adaptive Education Project: Draft Environmental and Social Compliance](#)
- [China Education Group Climate Adaptive Education Project: Preliminary Poverty and Social Analysis](#)
- [China Education Group Climate Adaptive Education Project: Report and Recommendation of the President](#)
- [Project Disclosure PDF](#)