Early Warning System

IFC-40453

China EDU Group

Early Warning System
China EDU Group

IFC-40453

Quick Facts

Countries	China
Specific Location	Jiangxi and Guangdong provinces, China
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-12-01
Borrower	CHINA EDUCATION GROUP HOLDINGS LIMITED
Sectors	Education and Health
Investment Type(s)	Equity, Loan
Investment Amount (USD)	$ 75.00 million
Loan Amount (USD)	$ 45.00 million
Project Cost (USD)	$ 370.00 million

Project Description

China Education Group Company Limited (CEG or the Company) is the owner and operator of three leading higher education and vocational training institutions: Jiangxi University of Technology (JUT), Guangdong Baiyun University (GBU), and Guangzhou Baiyun Technician College of Business and Technology (BTC).

CEG has a total student enrollment of 75,255. CEG plans to expand its employment-focused education model in China, including the construction of new campuses and the acquisition of existing higher education institutions in China (the Project).

People Affected By This Project

1. Increase competitiveness and quality in private higher education and vocational training: The Project will contribute to the consolidation trend of the fragmented private higher education and vocational training in China, around the platforms with the highest-quality educational services. This consolidation is expected to catalyze a rise in standards across the sector.

2. Increase access to quality private higher education and vocational training and increase supply of work-ready graduates: The Project will increase access to affordable quality private higher education in China, increasing the supply of work-ready graduates to industries with shortages of qualified entry level staff.

3. Improve instruction standard through enhanced professional development. The Project will establish a professional development center to deliver training and certification to teachers through professional development activities, including training sessions, webinars, workshops, and events, to help the teachers stay abreast of the changes in student demands, new teaching theories and methodologies and other trends.

4. Employment creation and enhanced local linkages: The Company is expected to directly employ a certain number of additional education professionals after the Project is completed including teachers and administrative staff, as necessary to operate schools. In addition, the Project will create numerous indirect employment opportunities for local communities, and will create demand for locally sourced inputs such as construction materials, and services such as transportation. A large proportion of those materials will be supplied by local MSMEs.

Investment Description

- International Finance Corporation (IFC)

Mr. Guo Yu and Mr. Ketao Xie are the Project Sponsors and founders of CEG, and serve as Co-Chairmen of the Company's Board respectively.

Total Project Cost is estimated to be US$370 million. IFC has been invited to provide up to US$30 million equivalent of equity and US$45 million straight a senior loan to support the Project.

Contact Information

1/ Project Contact:

China Education Group Holdings Limited
Mr. Bill Mok
CFO
(852) 3973 6522
bill.mok@chinaeducation.hk
17/F, Wheelock House, 20 Pedder Street, Central, Hong Kong
www.chinaeducation.hk

2/ IFC Contact:

General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

3/Local Access for Project Documentation

China Education Group Holdings Limited

17/F, Wheelock House, 20 Pedder Street, Central, Hong Kong

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/