Early Warning System

ADB-58420-001

Luli Sustainable Wood Panel Processing Project

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Quick Facts

Countries	China
Specific Location	Jiangxi province
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-11-21
Borrower	Luli Group; Shandong Panjin Forging Machinery Co., Ltd.; Shouguang Luli Wood Inc.
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.17 million
Project Cost (USD)	$ 100.00 million

Project Description

According to the Bank’s website, ADB is proposing a financing package of up to $100 million equivalent in CNY to Luli Wood for the construction of an OSB (oriented strand board) factory and a captive biomass power plant and related working capital needs in Jiangxi province, PRC. It includes an ADB OCR loan of up to $50-75 million equivalent in CNY (6-year tenor with 1-year grace period), and an ADB-mobilized parallel loan of up to $25-50 million equivalent in CNY, subject to market appetite.

The loans are verified as green loans by a second party opinion (SPO) provider following the eligible categories under the Green Loan Principles. The project is a OneADB collaboration, drawing on the forestry, climate mitigation and circular economy experience from colleagues in AFNR, EARD, and CCSD. The inclusion of ADB's circular economy specialist as a co-team leader and positive engagement with Luli Wood has supported the project's outcomes. AFNR joined the site visit to understand the sustainability of feedstock, manufacturing process and efficiency, and the recyclability of product to maximize circularity.

The project will finance the following investments for Luli Wood: (i) capital expenditures for the land, engineering costs, equipment purchase, and fitting for the construction of an oriented strand board (OSB) factory, including associated facilities (veneering production lines and furniture production lines); (ii) capital expenditures for a captive biomass power plant; and (iii) related working capital needs.

Early Warning System Project Analysis

ADB has categorized the investment in compliance with ADBs Safeguard Policy Statement (2009) as environment (category B).

ADB has categorized the investment in compliance with ADBs Safeguard Policy Statement (2009) as involuntary resettlement (category C).

ADB has categorized the investment in compliance with ADBs Safeguard Policy Statement (2009) as indigenous peoples (category C).

Investment Description

- Asian Development Bank (ADB)

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Private Actors Description

Luli Wood was established in 2001 to produce wood panels and began production of OSB in 2016. The company invested in advanced OSB processing equipment imported from Germany.

Founded in 1985, *Luli Group* initially focused on wood panel business before expanding into the steel industry in 1993. Luli Group is among the top 500 companies in the PRC and the top 100 private companies in Shandong province.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Luli Group	Parent Company	-
-	-	-	-	Shandong Panjin Forging Machinery Co., Ltd.	Client	-
-	-	-	-	Shouguang Luli Wood Inc.	Client	-

Contact Information

No contacts available at the time of disclosure.

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.

Bank Documents

- Luli Sustainable Wood Panel Processing Project: Environment and Social Compliance Audit Report
- Luli Sustainable Wood Panel Processing Project: Report and Recommendation of the President

Media

- 04 Dec 2025 | News Release
- ADB, Luli Wood Sign Green Loan to Advance Circular Economy in PRC’s Forestry Value Chain