Early Warning System

IFC-43672

LBX Loan

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Quick Facts

Countries	China
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Borrower	LBX PHARMACY CHAIN JSC
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 142.00 million
Loan Amount (USD)	$ 142.00 million
Project Cost (USD)	$ 300.00 million

Project Description

According to the bank document, " Laobaixing Pharmacy Chain Joint Stock Company (“LBX” or “the Company”) operates in Hunan, Shaanxi, Guangxi, Anhui and Inner Mongolia. The Company has been listed on the Shanghai Stock Exchange since 2015. The Company plans to add over 2,500 stores as well as 5 new logistics centers within the next 3 years (The Project). The proposed IFC investment is a senior loan of RMB 1,000 million (approximately $142 million equivalent) to support the expansion of stores and the new logistics centers. The proposed financing will support LBX’s expansion of stores and logistics network in the frontier regions of China. Targeted provinces of expansion include Hunan, Jiangxi, Shaanxi, Inner Mongolia, Hebei, Hubei, Anhui, Henan, Gansu, Guangxi and Ningxia".

Investment Description

- International Finance Corporation (IFC)

"Total Project cost is estimated at US$ 300 million. The proposed IFC investment is an A loan of up to RMB 1 billion (approximately US$142 million equivalent)".

Private Actors Description

Laobaixing Pharmacy Chain Joint Stock Company (“LBX” or “the Company”) is one of China’s largest pharmaceutical retailers with a network of over 5,000 stores spanning 22 provinces in China. LBX’s branding and pricing are focused on low- to middle-income consumers, as it aims to provide high quality and reliable products at the lowest possible price point to the consumer. Its operations are rooted in frontier regions including Hunan, Shaanxi, Guangxi, Anhui and Inner Mongolia. The Company has been listed on the Shanghai Stock Exchange since 2015.

The proposed financing will support LBX’s expansion of stores and logistics network in the frontier regions of China. Targeted provinces of expansion include Hunan, Jiangxi, Shaanxi, Inner Mongolia, Hebei, Hubei, Anhui, Henan, Gansu, Guangxi and Ningxia.

The Sponsor, Zilong Xie and his wife Xiulan Chen collectively own 33.96% of the shares, while 41.72% is held by public shareholders. Two prominent PE funds, Primavera Capital and FountainVest Partners, jointly acquired 24.32% in the Company from EQT Partners in November 2019.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Laobaixing Pharmacy Chain Joint Stock Company	Client	-
FountainVest Partners	Investor	-	invests in	Laobaixing Pharmacy Chain Joint Stock Company	Client	-
Primavera Capital	Investor	-	invests in	Laobaixing Pharmacy Chain Joint Stock Company	Client	-

Contact Information

1/ The Project Contact

Laobaixing Pharmacy Chain Joint Stock Company
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2/ IFC Contact

General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
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3/ Local Access for Project Documentation

"Environmental documents will be made accessible to locally affected communities".

There is no information being disclosed at this stage of the project

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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

Bank Documents

- Environmental and Social Review Summary (ESRS)