

 Early Warning System

FMO-42435

MONGOLIA MINING SERVICES PTE LTD



Quick Facts

Countries	Mongolia
Financial Institutions	Netherlands Development Finance Company (FMO)
Bank Risk Rating	B
Voting Date	2017-01-16
Borrower	Hera Equipment LLC
Sectors	Infrastructure, Mining
Investment Type(s)	Equity
Investment Amount (USD)	\$ 0.05 million
Project Cost (USD)	\$ 13.00 million



Project Description

The full amount of USD 13 million (USD 3 million equity and USD 10 million Mezzanine loan) will be used for a combination of working capital financing, warehouses/servicing facilities and for the engine rebuild facility. 50% of the mezzanine loan will be used to purchase equipment for rental and leasing purposes. This transaction is a co-investment with The Mongolia Opportunities Fund (MOF), which is being managed by Mongolia Opportunities Partners.

This co-investment provides an opportunity for FMO to participate in an attractive company with significant growth potential. Mining development has boosted the demand for heavy machinery and mining equipment. The development impact is excellent, given the provision of long-term risk-bearing capital by DFIs in challenging times and circumstances. The transaction is the first co-investment opportunity with MOF which has a perfect fit with FMO's strategy to provide direct investments alongside the PE Funds we have already invested in.



Investment Description

- Netherlands Development Finance Company (FMO)

Mongolia Mining Services PTE Ltd. is the Special Purpose Vehicle through which FMO and the Mongolia Opportunities Fund (MOF) are invested in Hera Equipment LLC. The Company is a leading mining equipment and heavy machinery supplier and an official distributor of Hyundai Heavy Industries from Korea, Daewoo, Hanjin D&B, Junjin CSM, Rubble Master from Austria, Cummins, Colorado TR and ITR from Italy. Hera's particular focus area is in excavators, in which it leads the market, and smaller machinery produced by Hyundai.



Contact Information

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>