



Hony Capital

Founded in 2003 and sponsored by Legend Holdings Corporation, Hony Capital is a buyout private equity firm focused on the Chinese market. Hony Capital currently manages seven private equity funds (five USD funds and two RMB funds) and two RMB mezzanine funds with more than RMB48 billion in assets under management.


A combination of domestic and international high-quality resources enhances Hony Capital’s ability to provide portfolio companies with value-added services. Hony Capital has invested in nearly 80 companies in the areas of machinery and equipment, pharmaceutical and healthcare, consumer products and channels, media and entertainment, financial services, and others. As of the end of 2014, portfolio companies of Hony Capital had a combined asset of RMB1,845 billion, total sales of RMB536 billion, and total pre-tax profits of RMB37 billion, providing more than 450,000 jobs.

Hony Capital is regarded as an “expert in SOE restructuring” for its achievements in restructuring SOEs and exploration of mixed ownership. Nearly 30 SOEs invested by Hony Capital have realized a steady and rapid increase in business value. Some among them have grown into highly competitive businesses that have assumed the world’s leading industry position. Hony Capital’s standardized, efficient and professional value-added services have won a high degree of recognition from the invested enterprises and local governments.

Hony Capital is actively committed to promoting Chinese enterprises and capital to go out and foreign enterprises and capital to come in. In recent years, Hony Capital has proactively practiced inbound cross-border investment and constantly promoted financial and policy innovation. In September of 2013, Hony Capital became one of the first 25 enterprises that registered in China’s (Shanghai) Pilot

Client Success Story

Hony Capital

Industry: 
Investment Banking



7

Private Equity Funds



RMB 1,845b

Portfolio Company Assets



75%

Time savings with Intralinks Filesplit to share documents with LPs

Free Trade Zone (FTZ). Since it completed the FTZ's first PE cross-border investment in January 2014, Hony Capital has invested RMB funds under its management in several leading companies in the European and American markets.

Situation

In 2013 Hony Capital had just completed implementing an electronic fund accounting system and in 2014 began searching for a portal to manage investor communications.

Initially, Hony Capital had been using email to share notifications and reports with its large number of Limited Partners (LPs) across borders and over a wide range of time zones. This method of sharing information not only posed potentially serious security risks, it was tedious and inefficient: LPs could not access data and documents on demand, creating delays in business decision-making and placing drag on deal flow.

To communicate to LPs before, individual emails had to be created for every LP, creating unique files for each one. With the number of LPs requiring information, and the number of report requests received each month, the resulting workload was staggering.

In addition, emailing reports didn't have the level of security Hony Capital wanted - they could not track downloads or forwards, or know where their content would end up. There was serious concern over active deal information falling into the wrong hands.

Hony Capital needed a faster and more efficient - and safer - method of sharing information and directives with its LPs around the globe.

Solution

Hony Capital considered several portal solution options to update and streamline its investor communications. Ultimately, Hony Capital chose Intralinks® because their IR team noted that Intralinks had the largest LP base. Intralinks was able to provide strong references from existing clients for their finance team; and Hony Capital's IT team recognized Intralinks' proven high levels of security.

Hony Capital's goal was to make investor communications both easier and more secure. The Intralinks Platform provided Hony Capital with a central repository for all its deal-related data and files - simply organized with a

familiar file folder structure, deeply secure with multilevel encryption, and easy to use with an intuitive interface.

The platform allowed Hony Capital to fine-tune document access permissions, customized to each user and defined down to the folder and file levels. Document watermarking capability established visual ownership and authorship proof, which inhibited unauthorized sharing by Hony Capital's partners. The Intralinks platform also tracked all user activity, showing who accessed which documents, when, and for how long.

Previously, when using email to communicate with investors, Hony Capital had one manager dedicated to each fund - so collaboration and team management were not possible. With Intralinks' cloud-based solution, Hony Capital was able to provide seamless multiple management coverage on projects and add collaboration synergies.

Benefit

The Intralinks platform provided Hony Capital and its partners with round-the-clock, round-the-world access to deal information. Secure mobile-device access added even more working options for Hony Capital and its partners.

To find existing content, LPs simply needed to log to the platform and search. For new content, LPs received notifications that new documents relevant to their deal or interests were available - and they could access them instantly, the moment they were posted.

The platform's user-access tracking feature enabled reporting that helped Hony Capital better manage their deal flow processes, established a clear post-deal activity record that prevented any claims of non-disclosure during due diligence, and established audit readiness that made regulatory compliance easier and particularly useful in the kinds and levels of cross-border dealmaking that are hallmarks of Hony Capital's business.

In Intralinks, Hony Capital found a technology partner that closed the gaps in its LP reporting and communication processes with a more secure, efficient, cloud-based single solution that was easy to set up, implement and support.