

# Gift HORSE

*Global Group's long-term investment in racehorses in the UK places the company in a prime position to capitalise on new markets for the sport of kings*

There are many systems for betting on horses. Some punters reckon they can spot a winner from the way it walks, others like to analyse odds or the form book, and some just pick a name they like. But Johnny Hon, founder and chairman of the Global Group, has a more patient strategy—breeding racehorses in anticipation of galloping Chinese demand.

It is a strategy founded on an ancient passion. Horses are one of the most prevalent motifs in Chinese art and culture, and the country's tradition of horse racing has a history that stretches back at least as far as the Zhou dynasty more than 2,000 years ago. By the 19th century, the Shanghai Race Club was the biggest racecourse in the world.

However, the sport has been all but banned for the past 50 years or more, yet Hon sees that changing. Betting is still not legal, but mock races are already being staged and some estimates suggest there are as many as 1,000 racehorses in the country, with plans to build 11 world-class racecourses across the nation. In addition, it has recently been reported that the government will allow horse racing in the island province of Hainan in the future.

As with everything in China, the potential is huge; one need only look at the growth of Macau's gaming industry or the revenue and status of the Hong Kong Jockey Club.

"I think that legal betting on horse racing across China will almost certainly happen one day, quite possibly under a state lottery scheme," says Hon. "When you consider that the price people are willing to pay for a yearling depends on the demand, you could easily see that going up five or 10 times if many high-net-worth individuals in China aspire to buy a racehorse. I think that is the trend, so it's a long-term game for us."

To capitalise on this game, Hon has spent the past few years investing in a portfolio of racehorses in the UK. Prize money at British races is relatively modest due to the intense competition there, but the real dividend comes from establishing strong bloodstock. The offspring of winning horses command higher prices and a successful filly can go on to breed for 15 years or more.

"The goal is to build up a long-term asset base," says Hon. "Ultimately, we would like to race internationally. Not just in the UK or France, but also in Singapore and Hong Kong, and perhaps elsewhere."

The Global Group has 40 horses in its operation in the UK and has recently hired French champion jockey *Gérald Mossé* to ride out the horses on a daily basis and help guide the programme. It is also building a racing operation in France, where prize money is higher than in the UK.

The plan is that by the time China opens up to horse racing, perhaps within the next 10 years, the Global Group will have a well-established stock that will represent a considerable return for the group and its investment partners.

"It's really in keeping with the philosophy of the Global Group—to be a bridge between East and West, but also to have that focus on the lifestyle side of things," says Hon. "Horse racing is a fantastic investment opportunity, but it's also a great hobby and a good way to build relationships. Someone like Sheikh Mohammed bin Rashid Al Maktoum, the ruler of Dubai, probably won't take your phone calls, but if you beat one of his horses at Royal Ascot, he will come and talk to you."

This focus on passion investments makes the Global Group a popular partner with family offices. Fine wines, world-class art, glamorous horse-racing events or backstage passes at a musical... Hon likes his clients to have fun while the Global Group is building their wealth. ■



**FUN AT WORK**  
*From left: Johnny Hon with French champion jockey Gérald Mossé; Hon sees horse racing both as a fantastic investment opportunity and as a fulfilling hobby*



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