

# ALL THE WORLD'S A SOUND-STAGE

UK-China investment specialist Johnny Hon likes to 'indulge his passions', he tells Ian Hall

Johnny Hon loves a show and he loves a stage. Unlike most globe-trotting international investors, he also finds time to invest in them.

Hon, the founder and chairman of venture capital business and angel investor the Global Group, is a showbiz impresario, acting as an executive entertainment producer as an enjoyable sideline.

UK-educated Hon is speaking to *City AM* down the line from his native Hong Kong ahead of the UK Investor Show (UKIS) 2019, of which his firm is headline sponsor. Another show, and another stage – albeit of a different variety.

"When I work as an executive producer for either stage or screen I'm indulging my passion and, at the same time, ensuring that my business succeeds," he says.

Twenty years ago Hon's focus was helping Western businesses to penetrate the Chinese market. Nowadays he is equally busy helping Chinese companies looking to expand. When he's not indulging his love for theatrical productions, that is.

"China's cinema box office has recently overtaken the US to become the world's largest," Hon says, reflecting on China's famously burgeoning middle-class. "These trends are only likely to grow and this will be a bigger part of my work in China."

His showbiz work is fun, but getting tougher business-wise. "This is an increasingly discerning market, in both East and West. Two years ago it was all driven by celebrities but now storytelling is important. Just because you have a big star, doesn't mean that you will have big box office success. Only the best will make it and turn a good profit," he explains.

When he takes to the stage at the UK Investor Show, Hon's focus will be more 'biz' than showbiz. Specifically he will be seeking to challenge views that China's economic slowdown is a precursor to significant problems further down the track.

The country's economic growth is tipped to slow to 6.3 per cent this year - its weakest rate in 29 years - according to a median forecast of 85 economists polled by Reuters in January. "This is still growth – and it's growth of 6.3 per cent of a much bigger pie," points out Hon.

He also cites a PwC report, released last month, which reported that more CEOs in China are optimistic about global growth over the next 12 months than their global counterparts. Altogether, 73% of CEOs in mainland China believe that global economic growth will improve, compared to 41% of CEOs in Hong Kong and 42% globally.



Johnny Hon faces the cameras at The Global Group UK Investor Show 2018; he returns to Westminster's Queen Elizabeth II Centre (inset) for this year's conference on 30 March



The UK Investor Show will take place the day after the UK is scheduled to leave the EU. "Britain will need to recalibrate its place in the world, particularly in its stance towards international trade," says Hon. "The UK, my second home, has already forged many strong commercial links between itself and China over the years and I believe that these will only intensify."

He says that the relatively weaker pound is also something that Chinese investors are alert to.

"When Asian investors are looking to invest in Europe they will still consider

the UK as a base as investors already know how things work here," he continues. "This is partly because it's much easier to recruit Chinese employees in the UK than elsewhere in Europe. Another factor is that the UK has the second-largest population of Chinese students outside China and this has shown no signs of decline despite the Brexit uncertainty."

Chinese companies, however, had had mixed success in respect of raising funds in London. "A lot of the Chinese companies that have come to the UK for listing have not been the best quality," acknowledges Hon. "In Hong Kong there's a very liquid stock-market, and in [mainland] China all stock-markets are very liquid. If the [Chinese] company is that good, they can raise money locally, so why would they have to go to the UK? If it's a company looking to

raise money in the UK with no other links to the UK, those are the companies that one should avoid."

Hon moved back to Hong Kong eight years ago from London but returns here for about five days each month. "When I was living in the UK, the way you used to [stay informed] was to read *Investors' Chronicle*," he says. "But at the UK Investor Show it's very interesting to meet CEOs of young, listed companies, and sometimes by doing the networking you know more about the company, and you can help them tap into other markets."

This, in a nutshell, is Hon's speciality. He is a global soul and, beyond Sino-UK relations, plans to reflect on how his global travels inform his investment strategy. He will also discuss other investment fields beyond entertainment – for example, new media, fintech and

biotech - but his personal passion shines bright.

"Because we are more Westernised as a production company and as an investor we know how to pick the right projects," he says of his showbiz credentials.

And coming up? "We have two Hong Kong-based Chinese movies that will launch in the next six months. We are also looking at investing in some movie projects in Turkey. And in the UK we are looking for musical and live entertainment all the time."

As well as aiming to hit the right notes with the audience later this month, naturally.

To claim your free Investor Class ticket for The Global Group UK Investor Show 2019 on Saturday 30 March, visit [www.ukinvestorshow.com/tickets](http://www.ukinvestorshow.com/tickets) and enter CITYHON as the discount code

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