

## ASX small cap stocks to buy with your Chinese New Year ‘lucky money’

21 February 2018 | [Melissa Yeo](#)



Chinese New Year, Lunar New Year or Spring Festival – no matter what you call it, this week’s celebration is one of the biggest in the world.

This month **some 385 million Chinese will leave the country’s major cities** to visit family domestically and abroad — and they will spend up big.

Chinese tourists spent an astonishing 352.7 billion Chinese yuan (\$70 billion) in the first four days of the holiday, China’s tourism body said. **Last year they spent 840 billion yuan** over the full week.

That’s good news for ASX stocks with exposure to China.

“It used to be that when the US market sneezed, we caught a cold — but now that effect is on par with our relationship to China,” says Albert Wong, one of Australia’s best known Chinese-born businessmen.

“This is one of just two major holidays when factories shut down and people go home. When you think that its produce is exported all around the world, you cannot deny the prominence of China today and its powerful economy.”

If you’ve been fortunate enough to get a red envelope stuffed full of “lucky money”, here’s are some China-focused ASX small caps to spend it on:

## Gifts

Daigou retailer **AuMake (ASX:AU8)** is set to see extra traffic as an increasingly affluent middle-class travel abroad for their Spring Festival Break.

Some 6.5 million Chinese will make their way abroad this Chinese New Year, spending an average of \$1900 each, according to the China Tourism Academy.

Australia ranks ninth on the list of most-favoured destinations.

AuMake will be hoping their range of Aussie products will be snapped up by discerning tourists and spread through their networks of Chinese shoppers.

Natural cosmetic maker **Abundant Produce's (ASX:ABT)** tomato face cream has already been a hit in the Asian market.

So much so, the company released a tomato eye cream earlier this year, alongside a magnesium sports spray and salt soothing gel.

## Cuisine

There is no celebration without a banquet and no decadent Lunar New Year banquet is complete without abalone.

**Ocean Grown Abalone's (ASX:OGA)** green lip variety has cashed in on the holiday, sending its first shipment to arrive just in time for the start of the holiday.

The delicacy is in such hot demand that the company is doubling production from its Augusta farm from 100 tonnes to 200 tonnes a year.

**Jiajiafu Modern Agriculture (ASX:JJF)** has its hands full harvesting 602 hectares of farmland to provide cucumbers, tomatoes, eggplants, chilli and capsicum for the hungry masses.

Citrus grower **DongFang Modern (ASX:DFM)** specialises in mandarins — a symbol of gold used to wish for a life of prosperity.

If you're more for the fermented variety, **Bojun Agriculture's (ASX:BAH)** range of fruit vinegar drinks could be a good choice.

While not quite in time to make this year's table, agriculture innovator **Roots (ASX:ROO)** has shipped its first AgTech system to China so it can pump out more vegetable production for the next feast.

## Ganbei!

All that eating will require some washing down, and we've got that covered too.

**Australian Whisky's (ASX:AWY)** wholly owned Nant Distillery took out numerous awards at the China Wine and Spirits awards in Hong Kong earlier this year.

The company has told investors its excited about the potential of the Chinese market.

Golden ales are to be provided by **Broo (ASX:BEE)**. The company signed an agreement with **Chinese distributor Beijin Jihua to take 1.5 billion litres** over seven years.

And while the Chinese are still adapting to wine, **Dawine (ASX:DW8)** is negotiating with potential strategic investors to push the company's wine imports further into the market.

Low-key celebrations will surely include bottled water maker **Tianmei (ASX:TB8)**, with safety assured by their **recent addition of blockchain technology**.

A week of eating will likely leave you worse for wear as well — **Eagle Health's (ASX:EHH) diabetes education programs** might help.

Or just substitute your calorie-filled options with **Holista Colltech's (ASX:HCT)** low-GI noodles **that have already proved a hit in North America**.

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