

DaWine is da next big thing for Inner Mongolian off-road car fans

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Off to the motor show ... Dawine will supply 3 million fans at a Mongolian car event.
Picture: Getty

The owners of tiny wine exporter Dawine (ASX:DW8) are nothing if not ambitious, signing on as the official wine provider at a Mongolia car festival expected to attract 3 million visitors.

The Australian ecommerce company has 13,000-15,000 bottles currently sitting in its Chinese warehouse, and the week-long festival starts on October 1.

Chairman Piers Lewis did tell Stockhead he was having trouble sleeping at night.

“It’s a scary proposition,” he said. The word ‘daunted’ was mentioned a couple of times.

But it’s clearly an opportunity too juicy to refuse, particularly given how popular Australian food products, such as infant milk powder, bottled water and supplements, are within China.

The Alxa FB-Life Festival — described as the “Party in the Desert of one million off-road car owners” — is held in the Gobi desert in Inner Mongolia. Last year it attracted almost 940,000 people, and this year is targeting the big three million on a site of 55 sq km.

The local government has spent \$60-80 million on new infrastructure for the event alone, says Lewis.

Dawine has signed on as the exclusive bottled wine provider (casks are another matter) for the event, and gets access to the organiser’s database of 7.8 million members to launch a wine club for pre-sales.

This Lewis was excited about — not least because the company knows beforehand what volumes they can expect — as it offered an extra revenue stream for the small company.

Dawine is only four years old and completed an ASX listing this year.

It launched a reverse takeover of Brand New Vintage in June last year, but heavy scrutiny by the ASX kept it off the bourse until February.

“The ASX checked everything very carefully, because they’re not keen on anything China,” Lewis said. “Anything with an Asian influence is scrutinised carefully.”

Last year the ASX banned a structure called the ‘variable interest entity’ which allowed companies to control foreign operating ventures via contractual deals rather than directly owning it.

Chinese companies have a reputation for ignoring ASX rules — last year the bourse kicked out Sino Australia Oil and Gas after the chairman tried to transfer \$7.5 million to a bank account in China without explaining why — and opaque ownership structures mean they can be on the nose with investors.

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