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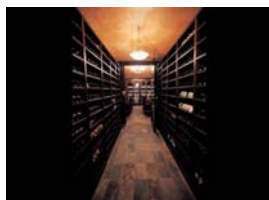
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news

Bonhams Holds 1st Hong Kong Wine Auction for a Decade in Bunker

By Le-Min Lim



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April 23 (Bloomberg) -- An underground bunker used by the British army to store explosives in Hong Kong's 1941 fight against invading Japanese troops will witness another battle tomorrow: for fine Burgundies and first-growth Bordeaux.

About 180 bidders are expected to pack the concrete vault, 50 feet (15 meters) below the surface, to bid for 246 lots Bonhams is offering in the city's first wine auction in a decade. The sale -- featuring a 1955 Bordeaux and bottles of California's Screaming Eagle cabernet -- is estimated to fetch more than \$1.5 million, the auction house said.

"This auction is more meaningful than its monetary value suggests," said George Tong, a private collector, who began investing in wine four years ago and stores 1,000 bottles in Hong Kong and 5,000 bottles in the U.K. "If the response is good, bigger wine auctions would surely follow in Hong Kong."

More sales would help Hong Kong's plans to become Asia's wine-trading center. In February, the government abolished duties on the drink, lowering the costs of trading and storing bottles in Hong Kong. The city aims to encourage more Asian collectors to switch from current trading centers like the U.K.

The top lots at [Bonhams's](#) auction include a double magnum Chateau La Mission Haut Brion 1955, with a high estimate of \$26,000, and a magnum Screaming Eagle Cabernet Sauvignon 1992, with a top estimate of \$35,000, according to Bonhams.

Hong Kong's wine collectors control 1 million cases of fine wine -- bottles that cost more than HK\$1,000 (\$128) each -- a quarter of the world's total, according to Crown Wine Cellars, Bonhams's partner in the Hong Kong auction. Like Tong, 44, most Asian collectors store their supplies in the U.K. where an established network of logistics companies and brokers allows them to trade, store and move wine more cheaply.



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Unload Inventory

"The problem with Hong Kong is it doesn't have an active secondary market for trading wine," said Tong. "If the market here takes off and it becomes easier to unload my

- [Bloomberg Podcasts](#) inventory, as my U.K. broker puts it, I may move more bottles here."

- [Bloomberg Press](#) New York's Acker Merrall & Condit Co. will hold a Hong Kong auction of 1,000 lots of wines, worth about \$6 million, on May 31.

Bonhams received 600 seat requests for the auction, about 90 percent from locals, said [Carson Chan](#), Bonhams's Hong Kong-based managing director. Chan said Bonhams has had to reject most requests because the Unesco World Heritage site, now Crown Wine Cellars' facility, couldn't accommodate so many people.

Chan, 39, said some of the Hong Kong bidders might represent mainland Chinese buyers, which may account for as much as 40 percent of total purchases.

Chinese Billionaire

On April 19, an anonymous Beijing-based billionaire paid \$500,000 in London for 27 bottles of Romanee-Conti, Burgundy's most expensive red wine, said auctioneer Antique Wine Co.

"The Chinese will be a force to reckon with," said Chan.

Asian wine consumption rose 60 percent between 2002 and 2007, to \$7.4 billion, according to Hong Kong's trade development board. In the same period, U.S. demand increased by a quarter to \$18.5 billion and Europe's fell to \$58 billion from \$61 billion.

Chinese buyers will spur wine demand in Asia, said [Boris de Vroomen](#), managing director of Moet Hennessy Diageo Hong Kong Ltd. China may import 600 million bottles of wine by 2017, up from 24 million last year, according to De Vroomen.

Tong, who runs a Hong Kong-based family toy-trading business, said he considers the 1992 Screaming Eagle, the winemaker's pioneer batch, a rare find and may bid for it. The most expensive bottle Tong said he has is a 1900 Chateau Margaux, which he bought for \$8,000 in the U.S. two months ago.

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