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Xige Estate Secures Nearly RMB100 Million to Expand Beyond Ningxia

Tiansong Construction Group’s investment will back winery and tourism projects in Yunnan, Sichuan and Tibet despite China’s weak wine demand.

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Ningxia-based Xige Estate has secured nearly RMB100 million in new funding from Tiansong Construction Group, giving one of China's largest wine producers fresh capital to expand beyond its home region at a time when the country's wine market remains under pressure.

According to Vino Joy News, the investment is part of Xige's Series A+ financing round. The money will mainly support winery operations outside Ningxia and the development of wine tourism projects, Xige founder Zhang Yanzhi told the publication.

The new funds are expected to back three winery projects in high-altitude wine regions in western China: Deqin in Yunnan province, Derong in Sichuan province and Zuogong in Tibet. The move broadens Xige's production footprint as many producers in China are dealing with weak demand, high inventories in distribution channels and changing drinking habits.

That makes the deal notable for the broader beverage industry. While parts of China's wine sector are retrenching, Xige is adding production assets in multiple regions and tying them to tourism development. The expansion could strengthen its position in the domestic premium wine market and signals that some investors still see long-term value in wine production even during a downturn.

Tiansong Construction Group is a privately owned construction company based in Zhejiang province in eastern China. Vino Joy News reported that the company is taking a stake in Xige. Tiansong said the investment would support the real economy and create opportunities to share resources with the winery. Even so, the deal is understood to be financial in nature rather than an operating partnership, with no specific role for Tiansong in Xige's day-to-day management.

The construction group is a sizable investor by Chinese private-sector standards. It reported revenue of RMB37.521 billion in 2025, or about US$5.60 billion, and ranked 346th on the All-China Federation of Industry and Commerce's 2026 list of China's Top 500 Private Enterprises.

For Xige, the latest deal adds to a string of outside investments. In 2022, the winery raised several hundred million yuan in Series A funding from Challenger Venture Capital and Ningxia State-owned Assets Investment Holding Group. In 2023, CITIC Agricultural Industry Fund Management invested a further tens of millions of yuan.

Founded in 2017 in the Pigeon Mountain subregion of Qingtongxia, in the eastern foothills of the Helan Mountains in Ningxia, Xige has grown quickly. Public information cited by Vino Joy News shows the company now has more than 2,000 hectares of vineyards and annual production of nearly 10 million bottles of premium wine. It is ranked among Ningxia's leading wineries by sales, tax contributions and exports.

Its wines are sold in more than a dozen overseas markets, including Canada, Australia, Singapore, Japan, Thailand and Hong Kong. By the end of 2025, the company had paid more than RMB60 million in cumulative taxes in Qingtongxia, according to the report.

The three new projects are smaller than Xige's base in Ningxia but still significant for their local markets. Zhang said the Deqin project in Yunnan includes about 53 hectares of vineyards. The Derong project in southwestern Sichuan has more than 133 hectares, while the Zuogong project in Tibet has nearly 333 hectares. He told Vino Joy News that Xige wants to build a leading winery in each of the three regions.

The company is not limiting the investment to grape growing and winemaking. Each project also includes plans for visitor accommodation, winery experiences and landscape features aimed at attracting tourists. That approach reflects a wider effort among wine producers to diversify revenue beyond bottle sales, especially in markets where consumption growth is uneven.

The timing of the expansion stands out because China's wine industry has been struggling. Producers have faced slower demand, excess stock in sales channels and a shift in consumer preferences. Some companies have reduced spending or exited wine production altogether. Against that backdrop, raising nearly RMB100 million for winery construction and tourism development is unusual.

Zhang argued that the value of vineyards, wineries and stored inventory can endure through difficult market cycles. He told Vino Joy News that there are successful examples globally of patient capital investing in vineyards and wineries and that he believes China could follow a similar path over time.

Even with the new capital, the company appears to be taking a measured view of what financing can achieve. Zhang said funding rounds by themselves are not the main milestone, because the money still has to be put to work and eventually converted into consumer demand. The more important test, he said, is whether the company can build a wine brand that buyers continue to choose.

That point is central to the risk facing both Xige and its new backer. Wine estates are capital-intensive businesses. They require long investment periods in land, vineyards, production facilities, inventory and hospitality infrastructure before generating returns. By backing Xige’s expansion into Yunnan, Sichuan and Tibet, Tiansong is effectively placing a long-term bet on the durability of Chinese premium wine and on the commercial value of winery tourism tied to regional production.

For the drinks business, the deal suggests that consolidation and expansion can still happen even in a soft market, especially around producers with scale, recognized brands and room to diversify across wine regions. It also points to a possible shift in how Chinese wineries compete, with geography, tourism and asset ownership becoming more important as simple volume growth becomes harder to achieve.