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Huiquan Beer lifts first-half profit 23% despite softer sales volumes

Revenue rose 5.11% on better pricing and a richer product mix, offsetting an apparent 1.3% volume decline.

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Chinese brewer Huiquan Beer reported a sharp increase in first-half profit after raising revenue and improving its product mix, even though its beer sales volume appears to have slipped slightly.

Fujian Yanjing Huiquan Brewery Co., listed in Shanghai as Huiquan Beer, said in its half-year report that net profit attributable to shareholders rose 23.26% from a year earlier to 48.78 million yuan in January through June. Revenue increased 5.11% to 369.26 million yuan.

The company said it sold 119,300 kiloliters of beer in the first six months of the year, or about 1.193 million hectoliters. It also said revenue per kiloliter rose 6.50%. Taken together, those figures point to a small decline in physical sales volume. Based on the rounded growth rates disclosed by the company, volume appears to have fallen by about 1.3%, or roughly 1,600 kiloliters, although Huiquan did not publish a direct year-over-year volume change for total beer sales.

That gap between modest revenue growth and much faster profit growth reflected better pricing and a shift toward higher-value products. Huiquan said revenue from its mid- and high-end products reached 227 million yuan in the first half, up 6.89% from a year earlier. Revenue from ordinary products rose 1.7%. The company also said sales volume of its strategic mid- and high-end products jumped 190%.

Gross margin rose to 40.2%, up 5.12 points from about 35.1% a year earlier. National Business Daily said that was the company’s highest gross margin in nearly two decades. Huiquan’s report said the improvement came as it upgraded several core products, introduced a new whole-wheat beer, and continued to build out its higher-end portfolio with fresh beer and craft lines.

The company said it maintained growth in its home market while pushing into other areas. Sales volume in the Greater Quanzhou region, its base market in Fujian province, increased 1.27% from a year earlier. Huiquan said it also strengthened its presence in key regions and emerging markets and continued to develop a linked market strategy across Fujian and neighboring Jiangxi province.

Other profit measures also improved. Total profit rose 23.56% to 56.56 million yuan. Net profit excluding non-recurring items increased 20.58% to 46.30 million yuan. Basic and diluted earnings per share both rose to 0.195 yuan from 0.158 yuan a year earlier.

Not all financial indicators moved higher. Net cash flow from operating activities fell 18.69% to 99.54 million yuan. The company’s weighted average return on equity rose to 3.53% from 3.00%.

At the end of June, total assets stood at 1.756 billion yuan, up 0.54% from the end of last year. Net assets attributable to shareholders rose 1.75% to 1.381 billion yuan. The half-year report was not audited.

Huiquan said it continued to invest in manufacturing efficiency and lower energy use during the reporting period. The company reported an 8.75% decline in overall energy consumption and said it improved per-unit consumption of grain, coal, water and electricity. It also said it was advancing warehouse digitization and marketing data systems.

The earnings report was the first half-year filing from a Chinese beer producer for 2026, according to National Business Daily. The newspaper said the results showed how a stronger price mix can more than offset soft physical demand, turning mid-single-digit revenue growth into a more than 20% rise in profit.

The company’s shareholder list also changed sharply in the second quarter. Huiquan’s filing showed that, as of June 30, none of the foreign institutional investors that had appeared among the top 10 circulating shareholders in the first quarter remained on that list. National Business Daily said Goldman Sachs, UBS, Morgan Stanley, JPMorgan and Barclays had all exited the top 10 by the end of the second quarter.

The report showed the 10th-largest circulating shareholder at the end of June held 646,500 shares, a level well below the positions some of those foreign investors had disclosed earlier in the year. National Business Daily, using first-quarter and half-year shareholder disclosures, estimated that Goldman Sachs reduced its holdings by more than 2 million shares in the second quarter and UBS cut more than 1.7 million shares.

National Business Daily linked the trading moves to the World Cup cycle. Citing market participants and research from Changjiang Securities, the paper said beer stocks in China often attract speculative buying ahead of major soccer tournaments because brewers enter their peak shipping season from late spring into summer and investors

expect stronger consumption in viewing settings. After the event, the paper said, those positions often unwind as the seasonal demand boost fades and distributors shift toward reducing inventories.

According to the newspaper, Huiquan’s shares rose to as high as 14.4 yuan in May before weakening during the second quarter. It said the stock fell 26.08% in the quarter and at one point was down more than 35% during the June 12 to July 20 World Cup period in the United States, Canada and Mexico.

Beijing Yanjing Brewery remained Huiquan’s controlling shareholder with a 50.08% stake at the end of June, the filing showed. The company said there had been no change in control and that it had no outstanding bonds requiring disclosure in the half-year report.