Jin Hui’s second-quarter profit fell 85.3% to 9.5 million yuan

Higher tax costs, alongside weaker midrange sales, eroded margins after revenue rose 11.12%

Tuesday, August 25, 2026



Chinese baijiu producer Jin Hui reported a sharp drop in second-quarter profit even as sales continued to rise, underscoring how higher tax-related costs and weaker performance in part of its core price range weighed on earnings.

In its corporate report published on Aug. 19 and later cited by China Times and reproduced by Sina Finance on Aug. 23, the company said net profit for the second quarter fell 85.3% from a year earlier to 9.5 million yuan. Based on the reported rate of decline, that compares with roughly 64.6 million yuan a year earlier, a decrease of about 55.1 million yuan.

The earnings decline came despite revenue growth. Jin Hui said second-quarter revenue rose 11.12% to 724 million yuan, which indicates an increase of about 72.4 million yuan from the same period last year. The figures point to a clear split between commercial growth and profitability in the period.

For the first six months of 2026, the company reported revenue of 1.816 billion yuan, up 3.19% from a year earlier. Net profit for January through June fell 28.24% to 214 million yuan. The half-year results show that the pressure on margins was not limited to one quarter, even though the company still posted revenue growth for the period.

Jin Hui linked part of the profit pressure to taxes and surcharges. The company said those payments reached 83.82 million yuan. It also estimated that the impact would reduce full-year profit by 75 million yuan. That cost burden appears to have played a major role in turning higher sales into much lower earnings.

The company also pointed to weakness in the 100-yuan-to-300-yuan price band, an important segment in China’s baijiu market. Revenue in that range fell 4.77%. The decline suggests Jin Hui faced softer demand or stronger competition in the midrange category, even while its total revenue moved higher.

At the same time, sales outside the company’s regional base continued to expand. Jin Hui said revenue from markets beyond its home region rose 20.31% to 460 million yuan. That growth indicates the company is still making progress in broader market expansion, but the stronger out-of-region performance was not enough to offset the effect of lower profitability.

The numbers highlight the pressure that can emerge when a liquor producer increases shipments or sales value but faces higher costs and an uneven product mix. In Jin Hui’s case, rising revenue did not translate into stronger bottom-line results. Instead, the

second quarter showed a steep earnings contraction, with tax-related expenses and weaker performance in a key midpriced segment cutting into returns.

The half-year figures also suggest that the company’s challenges were broader than one-off quarterly volatility. Revenue growth of 3.19% in the first six months was modest compared with the scale of the profit decline. A 28.24% drop in net profit to 214 million yuan shows that profitability weakened much faster than turnover.

The report is based on the company filing released on Aug. 19 and reflects Jin Hui’s own financial disclosure for the second quarter and first half of 2026. It is not a fresh sectorwide statistical update on China’s liquor industry. The year-earlier absolute comparison figures implied by the percentages are approximate because they are derived from rounded rates.

Jin Hui’s latest results arrive at a time when investors in China’s consumer sector are closely watching whether liquor makers can maintain margins as competition shifts across price bands and regional markets. In this case, the company’s sales growth was real, but the quarter was defined by how little of that growth reached net profit.