

2026 Hong Kong Listed Companies Goodwill Impairment Study

June 2026

AGENDA

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- 02** Analysis of Goodwill Impairment in Hong Kong
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01

Introduction to Goodwill Impairment Study



Overview of the 2026 HK GWI Study

01

Study Background

We are delighted to introduce the 2026 Hong Kong Goodwill Impairment Study (the “**2026 HK GWI Study**”). This study analyzes trends in goodwill impairment (“**GWI**”) from January to December 2025 among more than 2,700 companies listed in Hong Kong.

02

Explanation of Key Focus Areas

Goodwill impairment remain key areas of focus for regulators and market participants. The International Accounting Standards Board (“**IASB**”), along with other bodies like the Financial Accounting Standards Board (“**FASB**”), has actively discussed these issues in recent years, including debates on maintaining the impairment-only approach versus reinstating amortization. In 2022, both boards decided to stick with the impairment-only model. However, even with this decision, discussions are still ongoing as they continue to look for better ways to measure and report the true value of goodwill.

Overview of the 2026 HK GWI Study (Cont'd)

03

Latest Developments of Regulatory Bodies

During its 2025 Agenda Consultation, the FASB sought stakeholder input on whether to initiate a project addressing the subsequent accounting for goodwill. The comment submission period ended in late June 2025, and the Board discussed the initial feedback in October 2025. The FASB aims to complete its comprehensive review of all stakeholder responses by the end of the summer in 2026.

In April 2026, the IASB continued redeliberating the feedback received for the Business Combinations—Disclosures, Goodwill and Impairment exposure draft. These discussions specifically focused on refining the proposed amendments to IAS 36 regarding the mechanics of impairment testing.

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Core Content of This Edition's Study

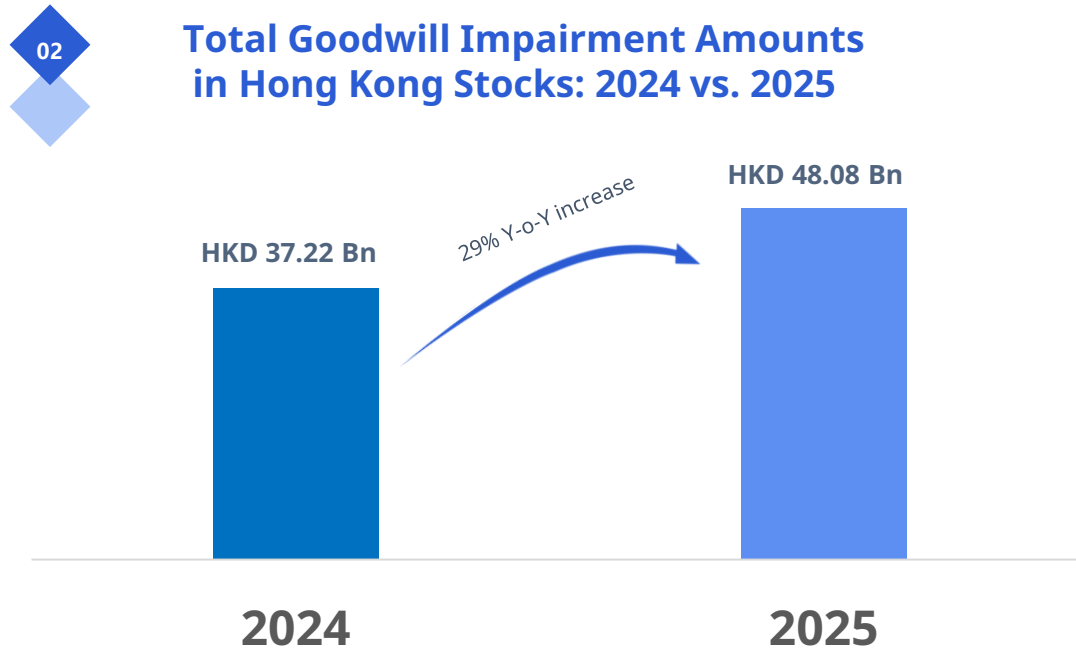
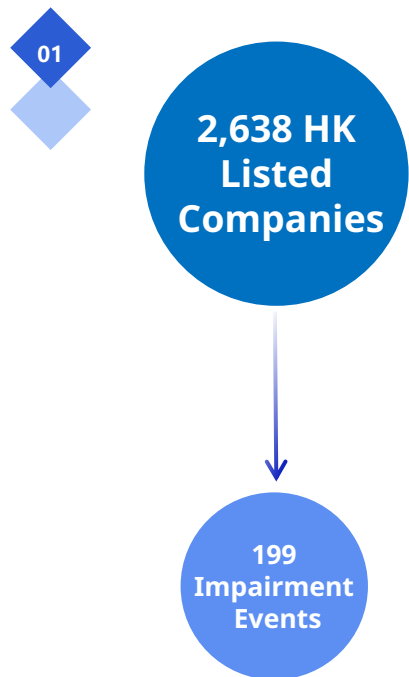
In this edition, we compile goodwill impairments reported by Hong Kong-listed companies for 2025 (based on data gathered and accessible as of May 7, 2026) and spotlight the Top 10 largest impairments from that year. Additionally, the study offers insights into GWI trends spanning the 2021-2025 timeframe.

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Analysis of Goodwill Impairment in Hong Kong



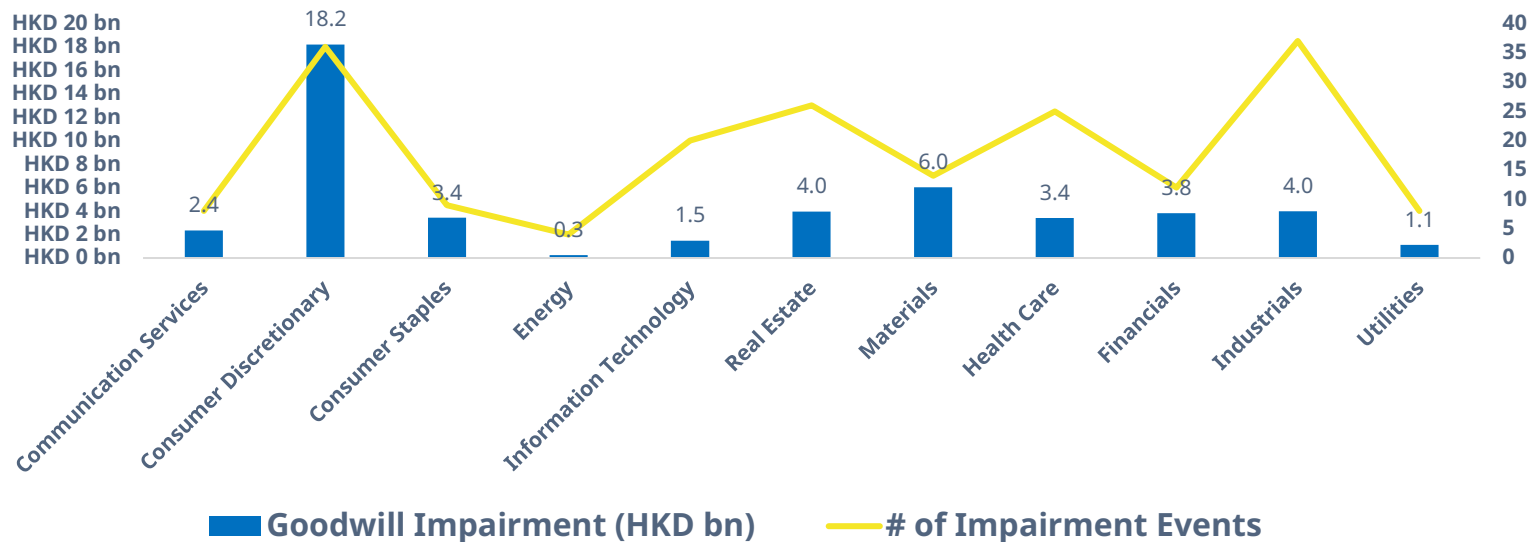
2025 Total Goodwill Impairment



2025 Total Goodwill Impairment (Cont'd)



2025 Total Goodwill Impairment by Industry Sector



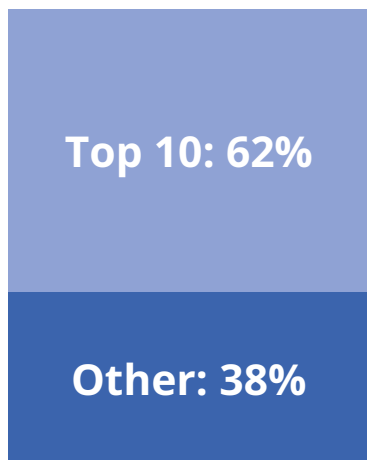
2025 Goodwill Impairment Spotlight



01

TOP 10 vs. Total GWI

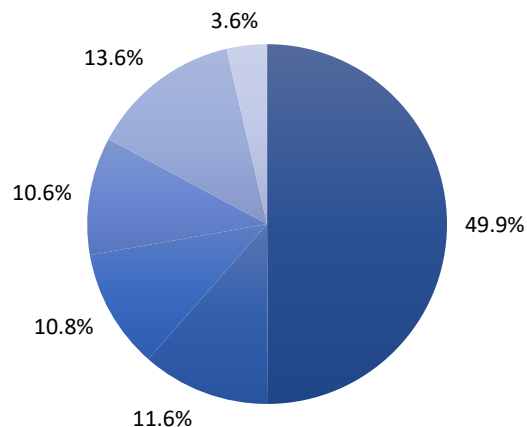
Total GWI (Top 10) : HKD 29.77 Bn
Total GWI : HKD 48.08 Bn



2025

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TOP 10 GWI by Industry Sector

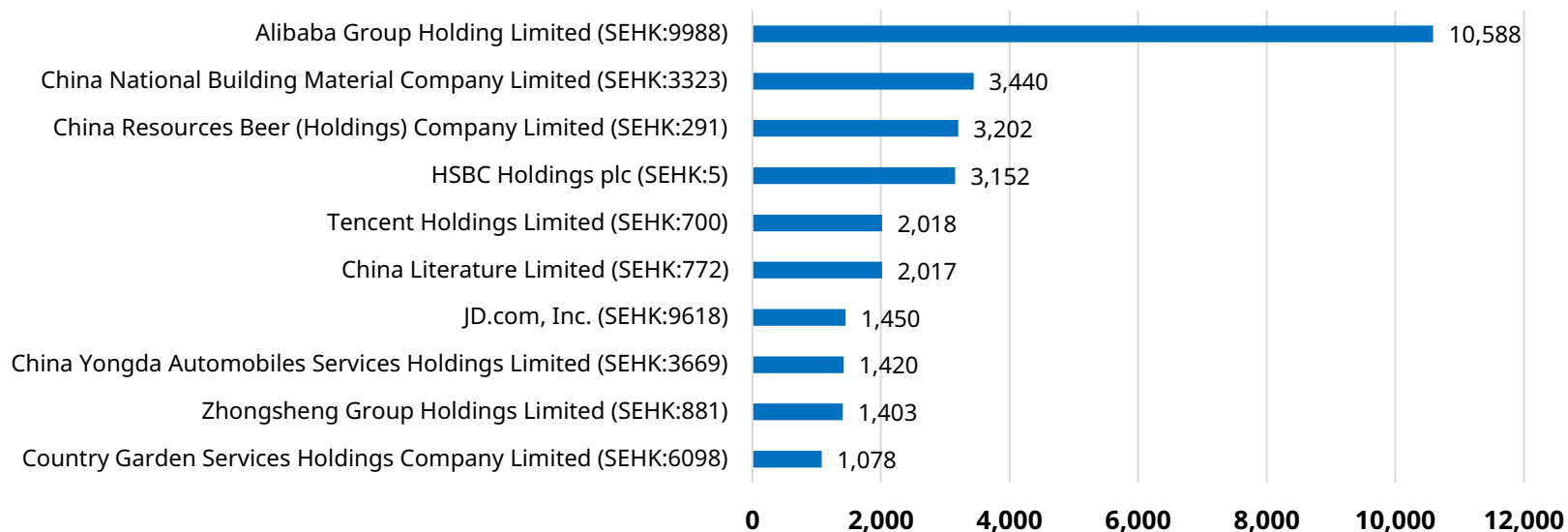


- Consumer Discretionary
- Materials
- Consumer Staples
- Financials
- Communication Services
- Real Estate

2025 Goodwill Impairment Spotlight (Cont'd)



Top 10 GWI in 2025 (HKD mm)



2025 Goodwill Impairment Spotlight (Cont'd)

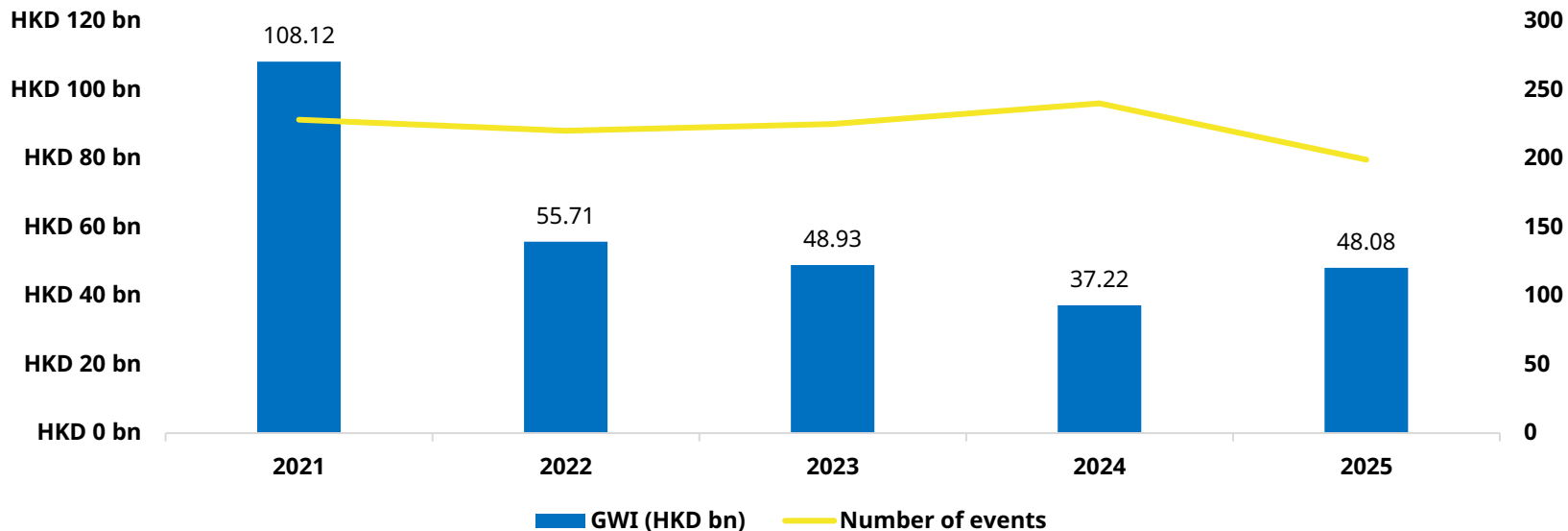


No.	Company Name	GICS	Primary Sector	Goodwill Impairment (HKD mm)	% of Goodwill Impaired
1	Alibaba Group Holding Limited (SEHK:9988)	25	Consumer Discretionary	10,588	4%
2	China National Building Material Company Limited (SEHK:3323)	15	Materials	3,440	9%
3	China Resources Beer (Holdings) Company Limited (SEHK:291)	30	Consumer Staples	3,202	17%
4	HSBC Holdings plc (SEHK:5)	40	Financials	3,152	10%
5	Tencent Holdings Limited (SEHK:700)	50	Communication Services	2,018	1%
6	China Literature Limited (SEHK:772)	50	Communication Services	2,017	33%
7	JD.com, Inc. (SEHK:9618)	25	Consumer Discretionary	1,450	5%
8	China Yongda Automobiles Services Holdings Limited (SEHK:3669)	25	Consumer Discretionary	1,420	80%
9	Zhongsheng Group Holdings Limited (SEHK:881)	25	Consumer Discretionary	1,403	15%
10	Country Garden Services Holdings Company Limited (SEHK:6098)	60	Real Estate	1,078	6%

Goodwill Impairment 5-Year History



Historical 5-Year Trend



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Appendix



Company Base Selection and Methodology



The 2026 HK GWI study analyzes financial data from Hong Kong-listed publicly traded companies for the 2025 calendar year. The primary data sources for the study was the S&P Capital IQ Platform¹, supplemented by annual and interim financial reports from individual companies.

For industry classification, the 2026 HK GWI Study adopts the Global Industry Classification Standard ("GICS[®]") structure, following the 2016 GICS[®] update by MSCI and S&P Dow Jones Indices².

Notes:

1. Data was sourced from S&P Capital IQ platform, with adjustments and analytical procedures conducted by AVISTA. While data was collected with utmost diligence from reliable sources, its completeness, accuracy, or timeliness is not guaranteed.
2. The GICS[®] classification, introduced in 1999 by MSCI and S&P Dow Jones Indices, includes 11 sectors as of the 2016 update with the addition of the Real Estate sector.
3. To prevent double-counting, financial results of subsidiaries were excluded when a parent company within the dataset consolidated the subsidiary's financials, including any recorded impairments.

The dataset for the 2026 HK GWI Study was constructed using the following methodology to derive summary statistics:

- The initial dataset included 2,728 publicly traded companies listed on the Hong Kong Stock Exchange as of May 7, 2026, including both primary and secondary listings, and excluding exchange-traded funds ("ETFs") and closed-end funds.
- Companies meeting any of the following criteria were excluded: 1) identified as consolidated subsidiaries of other companies within the dataset or 2) lacking a GICS[®] industry classification. This process yielded a refined dataset of 2,638 companies³.
- Financial data was standardized to a calendar year-end (December 31, 2025) to ensure consistency in analyzing impairments, regardless of individual companies' fiscal year-ends. Where applicable, adjustments were made to include GWI amounts reported within discontinued operations or disposal groups.
- For the purposes of this study, a "goodwill impairment event" is defined as any instance where a company recorded a goodwill impairment in 2025, regardless of whether multiple impairments occurred within the year. Each company with at least one impairment is counted as a single event.

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