2025 Hong Kong Listed Companies Goodwill Impairment Study

November 2025

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AGENDA

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Introduction to Goodwill Impairment Study

Overview of the 2025 HK GWI Study

01

Study Background

We are delighted to introduce the 2025 Hong Kong Goodwill Impairment Study (the "**2025 HK GWI Study**"). This study analyzes trends in goodwill impairment ("**GWI**") from January to December 2024 among more than 2,600 companies listed in Hong Kong.

02

Explanation of Key Focus Areas

Goodwill and 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.

Overview of the 2025 HK GWI Study (Cont'd)

03

Latest Developments of Regulatory Bodies

In 2022, both the IASB and FASB opted to keep the impairment-only model in place, though discussions persisted. In February 2025, the IASB's members unanimously decided not to reconsider the impairment-only framework for goodwill.

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 FASB is now assessing the feedback to decide which projects to include on its standard-setting agenda.

04

Core Content of This Edition's Study

In this edition, we compile goodwill impairments reported by Hong Kong-listed companies for 2024 (based on data gathered and accessible as of October 15, 2025) and spotlight the Top 10 largest impairments from that year. Additionally, the study offers insights into GWI trends spanning the 2020-2024 timeframe.

02

Analysis of Goodwill Impairment in Hong Kong

2024 Total Goodwill Impairment

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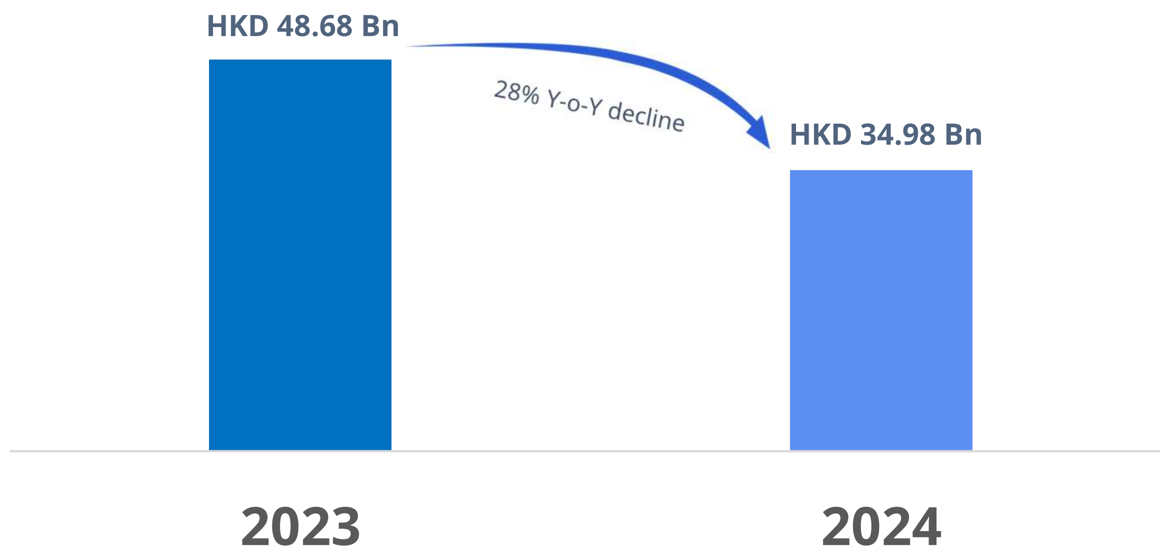
2,590 HK Listed Companies

236 Impairment Events

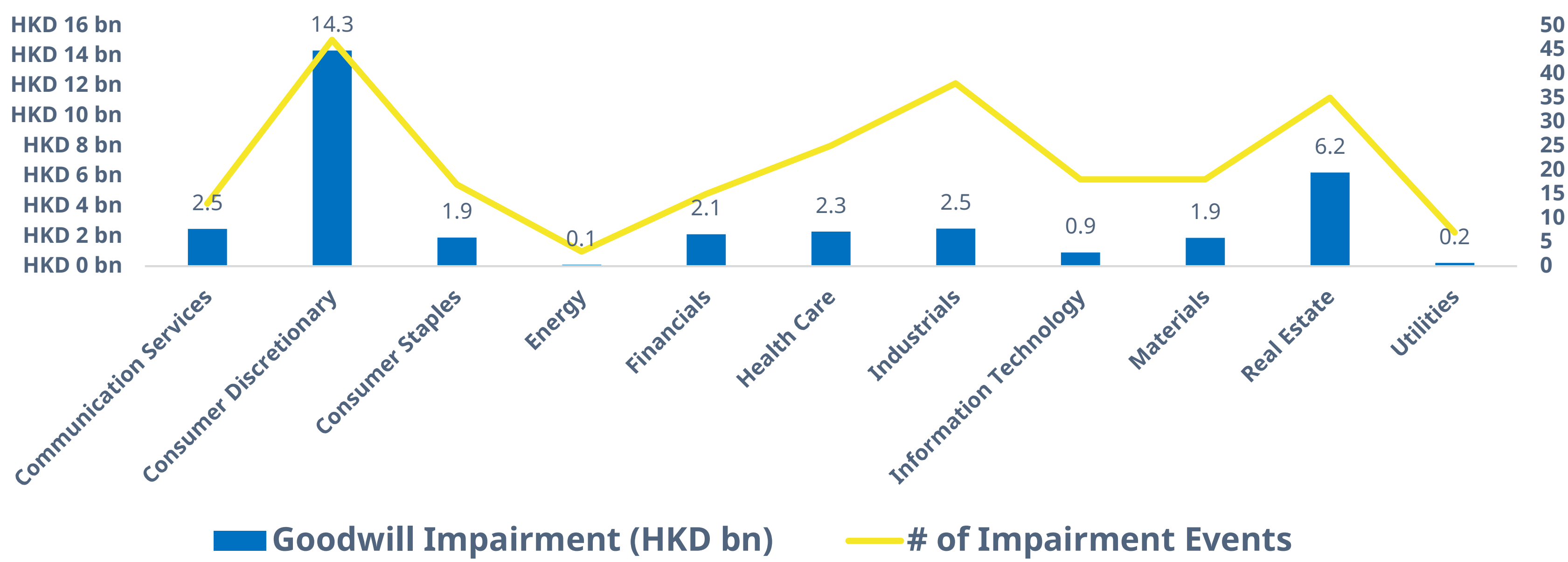
02

Total Goodwill Impairment Amounts in Hong Kong Stocks: 2023 vs. 2024



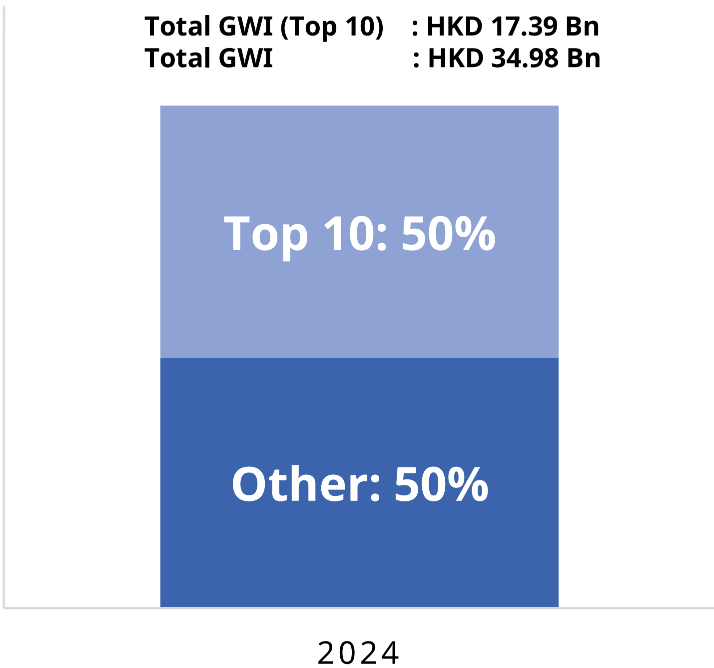
2024 Total Goodwill Impairment (Cont'd)

2024 Total Goodwill Impairment by Industry Sector

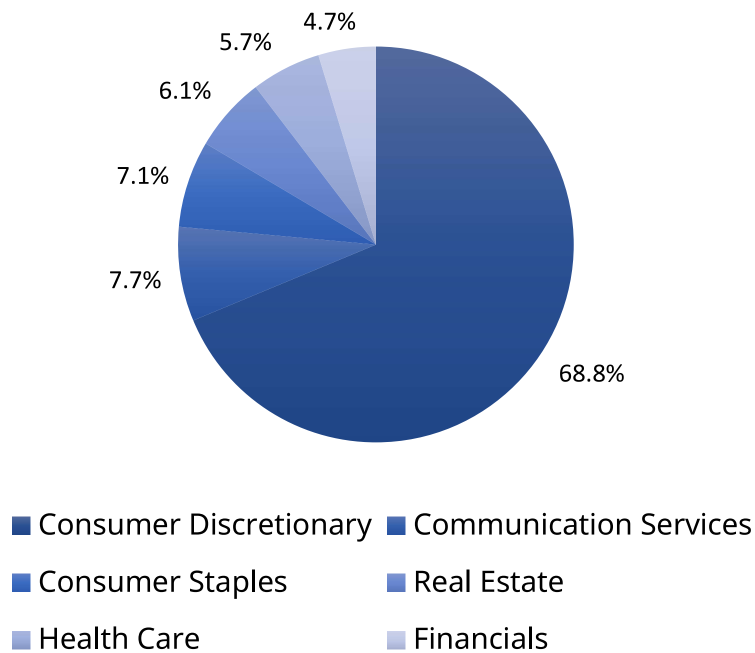


2024 Goodwill Impairment Spotlight

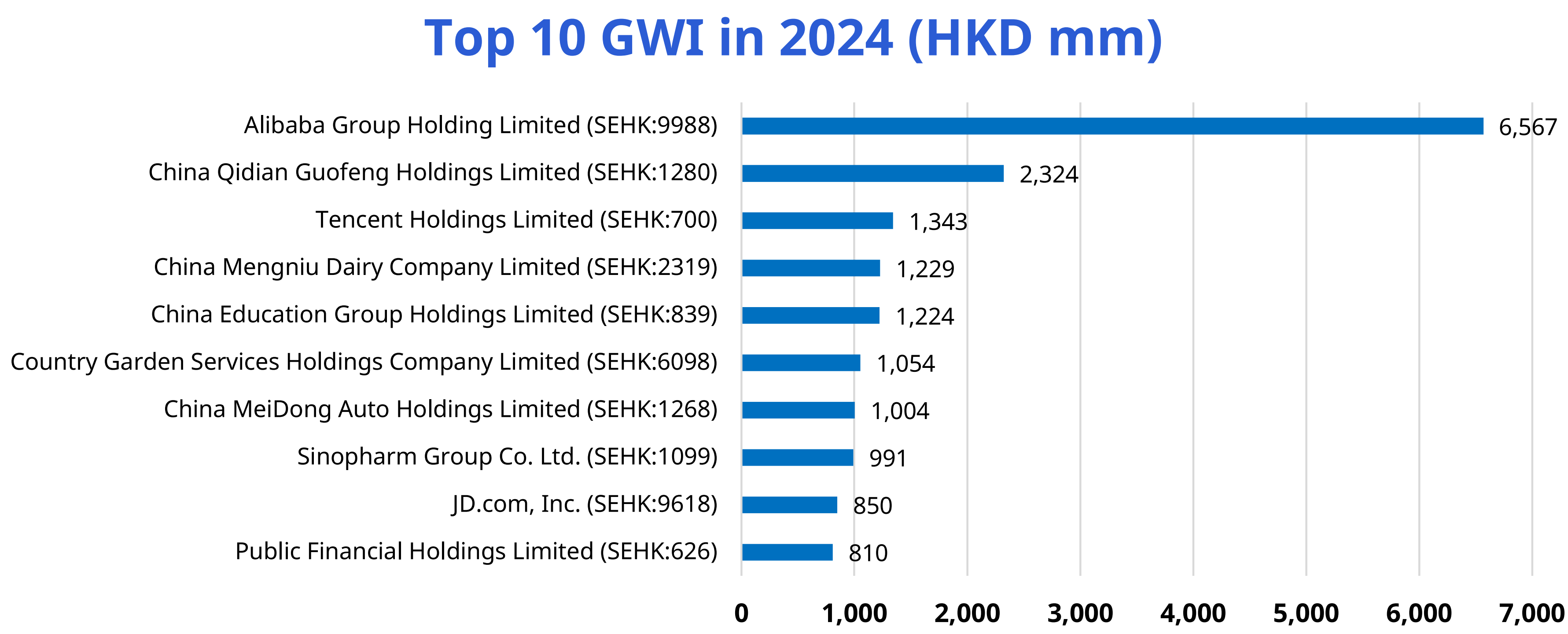
01 TOP 10 vs. Total GWI



02 TOP 10 GWI by Industry Sector



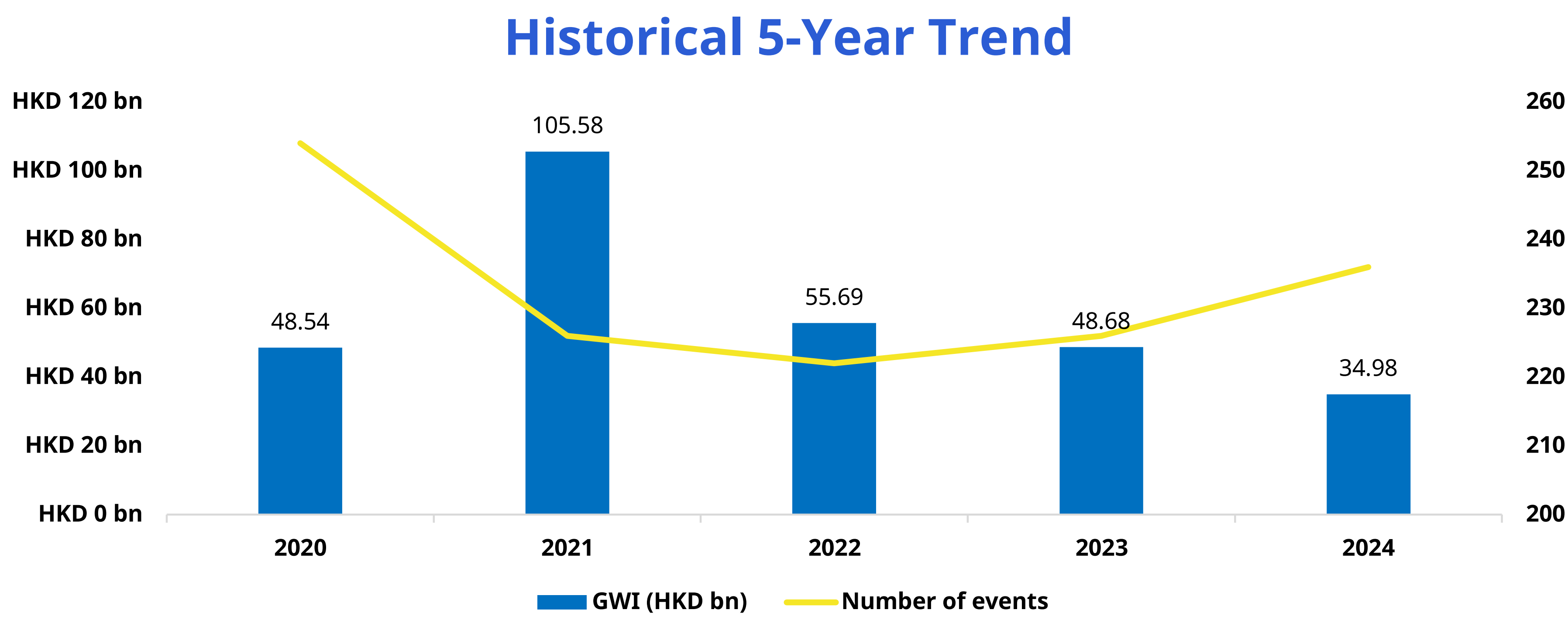
2024 Goodwill Impairment Spotlight (Cont'd)



2024 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	6,567	2%
2	China Qidian Guofeng Holdings Limited (SEHK:1280)	25	Consumer Discretionary	2,324	88%
3	Tencent Holdings Limited (SEHK:700)	50	Communication Services	1,343	1%
4	China Mengniu Dairy Company Limited (SEHK:2319)	30	Consumer Staples	1,229	13%
5	China Education Group Holdings Limited (SEHK:839)	25	Consumer Discretionary	1,224	31%
6	Country Garden Services Holdings Company Limited (SEHK:6098)	60	Real Estate	1,054	6%
7	China MeiDong Auto Holdings Limited (SEHK:1268)	25	Consumer Discretionary	1,004	98%
8	Sinopharm Group Co. Ltd. (SEHK:1099)	35	Health Care	991	13%
9	JD.com, Inc. (SEHK:9618)	25	Consumer Discretionary	850	4%
10	Public Financial Holdings Limited (SEHK:626)	40	Financials	810	29%

Goodwill Impairment 5-Year History



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Appendix

Company Base Selection and Methodology

The 2025 HK GWI study analyzes financial data from Hong Kong-listed publicly traded companies for the 2024 calendar year. The primary data sources for the study was the S&P Capital IQ Platform[1], supplemented by annual and interim financial reports from individual companies.

For industry classification, the 2025 HK GWI Study adopts the Global Industry Classification Standard ("**GICS®**") structure, following the 2016 GICS® update by MSCI and S&P Dow Jones Indices[2].

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 2025 HK GWI Study was constructed using the following methodology to derive summary statistics:

- The initial dataset included 2,671 publicly traded companies listed on the Hong Kong Stock Exchange as of October 15, 2025, 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 2,590 companies[3].
- Financial data was standardized to a calendar year-end (December 31, 2024) 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 2024, 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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With a strong presence in the Asia-Pacific region, we have offices in Hong Kong, Shanghai, Beijing and Shenzhen. Through effective utilization of our local and international networks and the synergies among our service lines, we aim at providing high-quality services to clients and assisting clients in formulating strategies to maximize their value under complex business circumstances.


THANKS