

SPECIAL RESEARCH REPORT · OCTOBER 2026

Impairment among Hong Kong-listed mining companies

Policy shocks, not prices, drive mining write-downs

Mining rights, exploration assets, PP&E and goodwill at 78 HKEX-listed miners, FY2019 to 1H2026. Prepared by Valtech Valuation & Consulting for auditors, audit committees and management.

OBJECTIVE

Bring insights from impairment trends across HK-listed miners, and recap the disclosure checklist expected when an impairment is recognised.

Objective, scope and method

Objective

- Bring insights from impairment trends among Hong Kong-listed mining companies to auditors, audit committees and management.
- Recap the disclosure checklist that HKAS 36, HKFRS 6, HKEX Chapter 18 and HK regulators expect when an impairment is recognised or narrowly avoided.
- Flag what to watch at FY2026 year-ends.

Scope

78 HKEX-listed mining companies (Main Board and GEM), FY2019–FY2025 plus 1H2026, including issuers delisted or privatised in the period.

Assets

Mining and exploration rights, E&E assets, PP&E and CIP, ROU assets, goodwill and mining associates. Inventory, credit-loss and VAT impairments excluded.

Method

The study uses annual and interim reports, results announcements and profit warnings on HKEXnews, A-share filings for dual-listed companies, and World Bank and PwC benchmarks. Trends use full financial years, and 1H2026 interim figures are disclosed separately.

Six numbers that frame the study

78

HKEX-listed mining companies studied: 22 majors, 17 mid-caps, 39 small caps

RMB61bn

At least this much long-lived impairment at 14 RMB-reporting majors, FY2019–25

83%

Booked by five groups: Chalco, China Coal, Hongqiao, Tianqi, Shenhua

47%

Fell in the FY2021–22 coal and aluminium boom, not the downturn

2%

Goodwill's share of all charges. PP&E took about 70% and mining rights about 17%.

7–38%

Range of disclosed discount rates, often with an unclear pre- or post-tax basis

78 Hong Kong-listed mining companies across three tiers

22

Majors

Large A+H, SOE and HK-listed producers

17

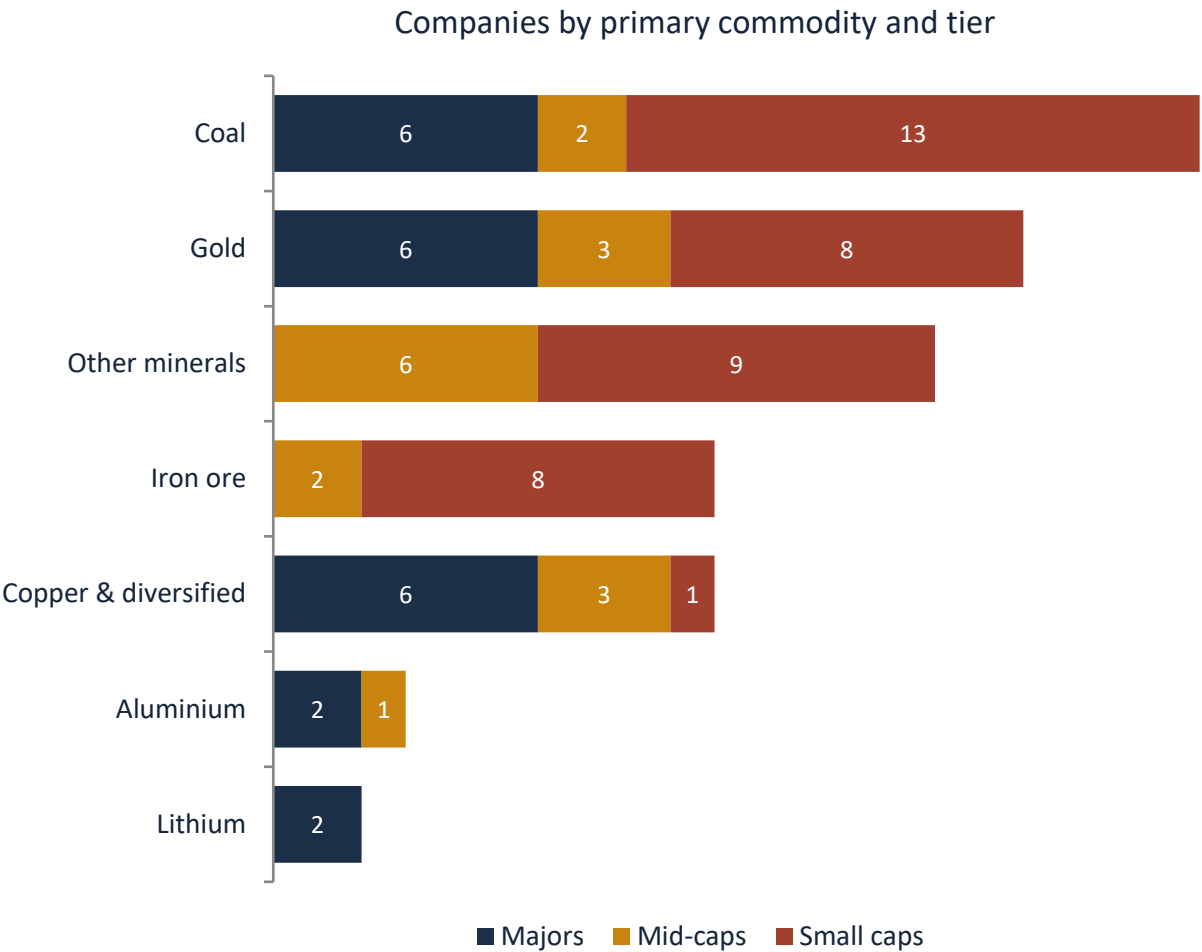
Mid-caps

Producers with single-country, FX or sanctions exposure

39

Small caps

Exploration-stage, single-asset or distressed issuers



Majors: 22 companies with HKEX stock codes

Code	Company	Commodity	Impairment finding, FY2019–FY2025 (1H2026 interim where noted)
Coal			
1898	China Coal Energy	Coal	≈RMB13.6bn; FY2022 RMB8,801m incl. Shalajida exploration right RMB6,285m (water-protection zone)
1088	China Shenhua Energy	Coal	≈RMB6.4bn FY2022–25; PP&E RMB2,151m (2022) and RMB2,782m (2023)
1171	Yankuang Energy	Coal	≈RMB2.6bn; FY2022 RMB2,140m confirmed (Australian exploration assets, Premier mine)
3668	Yancoal Australia	Coal	A\$1,383m Watagan reconsolidation loss FY2020 (not an IAS 36 charge); other years n.v.
0975	Mongolian Mining Corp	Coking coal	No impairment FY2024–25 (tested: net assets > market cap); no headroom disclosed
0639	Shougang Fushan Resources	Coking coal	Nil on mines; carries HK\$5.9bn mining rights + HK\$1.2bn goodwill
Aluminium			
2600	Aluminum Corporation of China (Chalco)	Aluminium	≈RMB15.0bn FY19–25 (restated), largest in study; charges every year from capacity relocation and idle lines

Majors: 22 companies with HKEX stock codes

Code	Company	Commodity	Impairment finding, FY2019–FY2025 (1H2026 interim where noted)
Aluminium			
1378	China Hongqiao Group	Aluminium	≈RMB8.0bn; plant-level PP&E charges incl. RMB2,636m FY2024 and RMB583m 1H2026
Copper & diversified			
0358	Jiangxi Copper	Copper	≈RMB1.9bn; Chengmenshan RMB946m FY2025 (land-use plan); RMB2.49bn inventory write-down 1H2026
2899	Zijin Mining	Diversified	≈RMB2.1bn; FY2021 RMB529m (newly verified); immaterial vs assets (≈0.09% in FY2025)
3993	CMOC Group	Copper / cobalt	Goodwill ≈RMB221m FY2020 (Brazil phosphate, secondary); FY2022–25 not verified
1208	MMG	Copper / zinc	US\$493m: Kinsevere US\$150m FY2019, US\$53m FY2024, US\$290m FY2025
2362	Jinchuan Group Intl Resources	Copper / cobalt	US\$8.6m Chibuluma South PP&E 1H2020; later only VAT impairments
1258	China Nonferrous Mining	Copper	No PP&E/mining-rights impairment found; input-VAT impairments only

Majors: 22 companies with HKEX stock codes

Code	Company	Commodity	Impairment finding, FY2019–FY2025 (1H2026 interim where noted)
Gold			
1818	Zhaojin Mining	Gold	≈RMB2.4bn FY2023–25; FY2025 RMB1,596m incl. copper smelter and mine in water-protection zone
1787	Shandong Gold Mining	Gold	≈RMB1.1bn; FY2025 RMB793m (fixed assets 452, goodwill 339); goodwill balance RMB12.67bn
3330	Lingbao Gold	Gold	RMB26m / 58m / 10m / 87m / 40m FY2019–23; nil FY2024–1H2026
6693	Chifeng Jilong Gold	Gold	H shares listed Mar 2025; RMB54m FY2025; 1H2026 reversal RMB31.9m is on non-long-lived assets
2099	China Gold International	Gold / copper	No mine CGU impairment to date (confirmed); US\$5.9m other assets FY2025
2259	Zijin Gold International	Gold	Listed Sep 2025; nil
Lithium			
9696	Tianqi Lithium	Lithium	≈RMB7.5bn; SQM stake RMB5,310m FY2019 (CAS, corrected); Kwinana + SQM RMB2,238m FY2024 (IFRS)
1772	Ganfeng Lithium	Lithium	RMB84m FY2024; RMB215m FY2025 (both confirmed); FY2019–23 not verified

Mid-caps: 17 companies with HKEX stock codes

Code	Company	Commodity	Impairment finding, FY2019–FY2025 (1H2026 interim where noted)
Coal			
0866	China Qinfa Group	Coal	RMB3,939m FY2020 (SRK reserve downgrade); RMB2,294m reversal FY2021; Shanxi mines sold Jul 2025
3948	Inner Mongolia Yitai Coal	Coal	RMB3.2bn FY2020 and ≈RMB3.2bn FY2022, both on coal-chemical plants; H shares withdrawn Aug 2023
Aluminium			
0486	United Company RUSAL	Aluminium / bauxite	Net ≈US\$1.84bn FY19–25 (FY2019 US\$291m confirmed); KAZ smelter flipped four times; going-concern MU FY24–25
Copper & diversified			
3833	Xinjiang Xinxin Mining	Nickel / copper	RMB135.5m vanadium rights FY2020 (nature reserve); RMB83.6m smelter + goodwill FY2022
3939	Wanguo Gold Group	Copper / gold	RMB11.4m Xizang Changdu FY2021; FY2025 headroom RMB128m at 28.31% (confirmed)
0661	China Daye Non-Ferrous	Copper	Nil on Sareke mine FY2019–21; RMB18.3m FY2022; FY2025 recoverable amount 'close to' carrying amount
Gold			
0340	Tongguan Gold Group	Gold	No impairment FY2019–1H2026 (VIU, 13.2–17.1% pre-tax); HK\$37m licence write-off FY2023; KAM every year
1712	Dragon Mining	Gold	Nil despite Fäboliden permit refusals; FY2024 Vammala at 7.0% pre-tax, US\$2,405/oz

Mid-caps: 17 companies with HKEX stock codes

Code	Company	Commodity	Impairment finding, FY2019–FY2025 (1H2026 interim where noted)
Gold			
6228	Merdeka Gold Resources (DR)	Gold	Listed Jun 2026; no impairment data yet
Iron ore			
1029	IRC	Iron ore	US\$75.8m reversal FY2020; impairments US\$103m / 164m / 160m (FY22/23/25); rouble strength
3788	Hanking Gold International	Iron ore / gold	Small: RMB17.5m idle plant FY2019; largest RMB31.1m FY2023; RMB12.4m 1H2026
Other minerals			
1091	South Manganese Investment	Manganese	HK\$95m / 22m / 236m / 120m FY2019–22 on mining rights and PP&E; FY2022 results delayed
2245	Lygend Resources & Technology	Nickel	RMB142m customer intangible FY2024; nothing on Indonesian plant
0769	China Rare Earth Holdings	Rare earths	Suspended since Jun 2025; concealed loans despite clean FY2024 opinion
0601	Rare Earth Magnesium Technology	Magnesium	VIU tested at a post-tax rate (15.02%); going-concern MU
3858	Jiaxin International Resources	Tungsten	Listed Aug 2025; no impairment data yet
3636	Yunnan Jinxun Resources	Mining (new listing)	Listed Jan 2026; no impairment data yet

Small caps: 39 companies with HKEX stock codes

Code	Company	Commodity	Impairment finding, FY2019–FY2025 (1H2026 interim where noted)
Coal			
1142	E&P Global (ex-Siberian Mining)	Coal (Russia)	+HK\$787m FY3/25; written to nil 1H FY3/26 then written back after court ruling; FY3/26 net charge disputed (HK\$13m vs 63m)
0276	Mongolia Energy Corp	Coal	HK\$1,299m FY3/2025; HK\$277m reversal FY3/2026, qualified (confirmed)
0985	CST Group	Coking coal	US\$93.85m FY3/20; US\$32.9m reversal FY3/22; US\$71.4m FY3/23; privatised Dec 2023
0943	Zhongzheng (ex-eForce)	Coal (Indonesia)	HK\$108m to nil 2022; HK\$31.8m reversal; HK\$15.6m FY6/2026 to sale price; qualified
0307	Up Energy Development	Coking coal	HK\$6.8bn FY3/2018 + HK\$574m FY3/2019; delisted Jan 2022
1738	Feishang Anthracite	Coal	RMB263m / 160m / 205m FY2023–25 on Liujiaba and Baiping mines (confirmed)
1878	SouthGobi Resources	Coal	US\$42.0m PP&E FY2025 (+US\$77.3m stockpile)
8203	Kaisun Holdings (GEM)	Coal	HK\$53.7m Xinjiang mining rights FY2025 (22% of value)
1733	E-Commodities Holdings	Coal logistics	HK\$253m FY2021; net reversal FY2022; HK\$44m FY2023
1277	Kinetic Development	Coal	RMB287m FY2025, all non-coal (property, goodwill)
1393	Hidili Industry	Coal	No mine charge found; RMB7.1bn mining assets under restructuring

Small caps: 39 companies with HKEX stock codes

Code	Company	Commodity	Impairment finding, FY2019–FY2025 (1H2026 interim where noted)
Coal			
0065	Grand Ocean Advanced Resources	Coal	Mine 958: +HK\$14m / 35m, reversals 33m / 27m, then +26m / 44m (FY2019–25)
1131	Agritrade Resources	Coal	No FY3/2020 results; delisted Jan 2022
Copper & diversified			
2546	Xizang Zhihui Mining	Zinc / lead / copper	Listed Dec 2025; no impairment data yet
Gold			
0621	Taung Gold International	Gold (South Africa)	HK\$626m FY3/21; reversals HK\$125m FY3/22 and HK\$428m FY3/26 on gold price
1194	Bay Area Gold (ex-China Precious Metal)	Gold	HK\$2,269m FY2020 (mining rights 1,335 + fixed assets 934); disclaimer FY2021; delisted Mar 2024
0274	Renaissance Asia Silk Road	Gold	Repeated charges FY2020–22 on 2015 data; disclaimers; suspended
0246	Real Gold Mining	Gold	RMB608m E&E written off; disclaimers; delisted Apr 2020
8299	GT Gold Holdings (GEM)	Gold	No long-lived impairment found FY3/2020–FY3/2026
2303	Hengxing Gold	Gold	No impairment seen; privatised Feb 2021

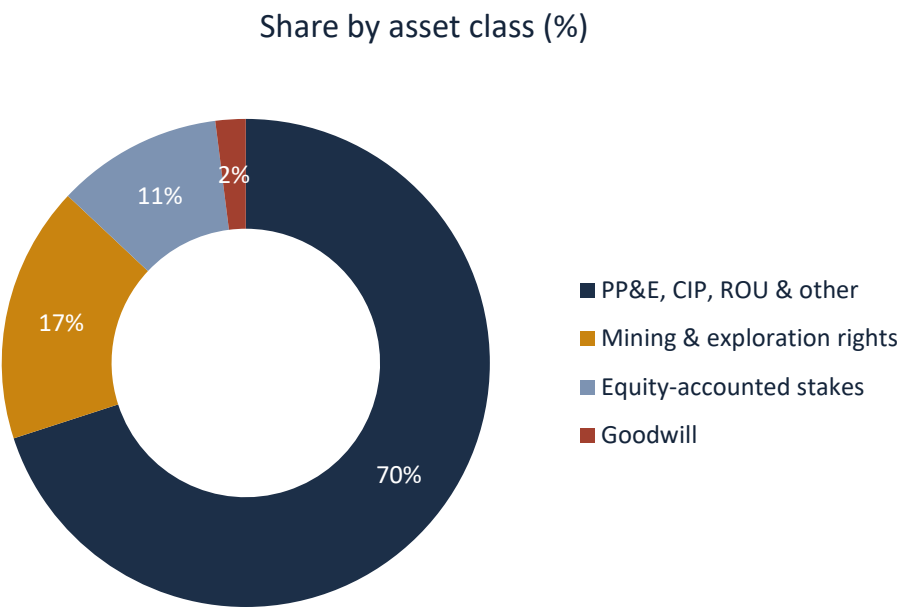
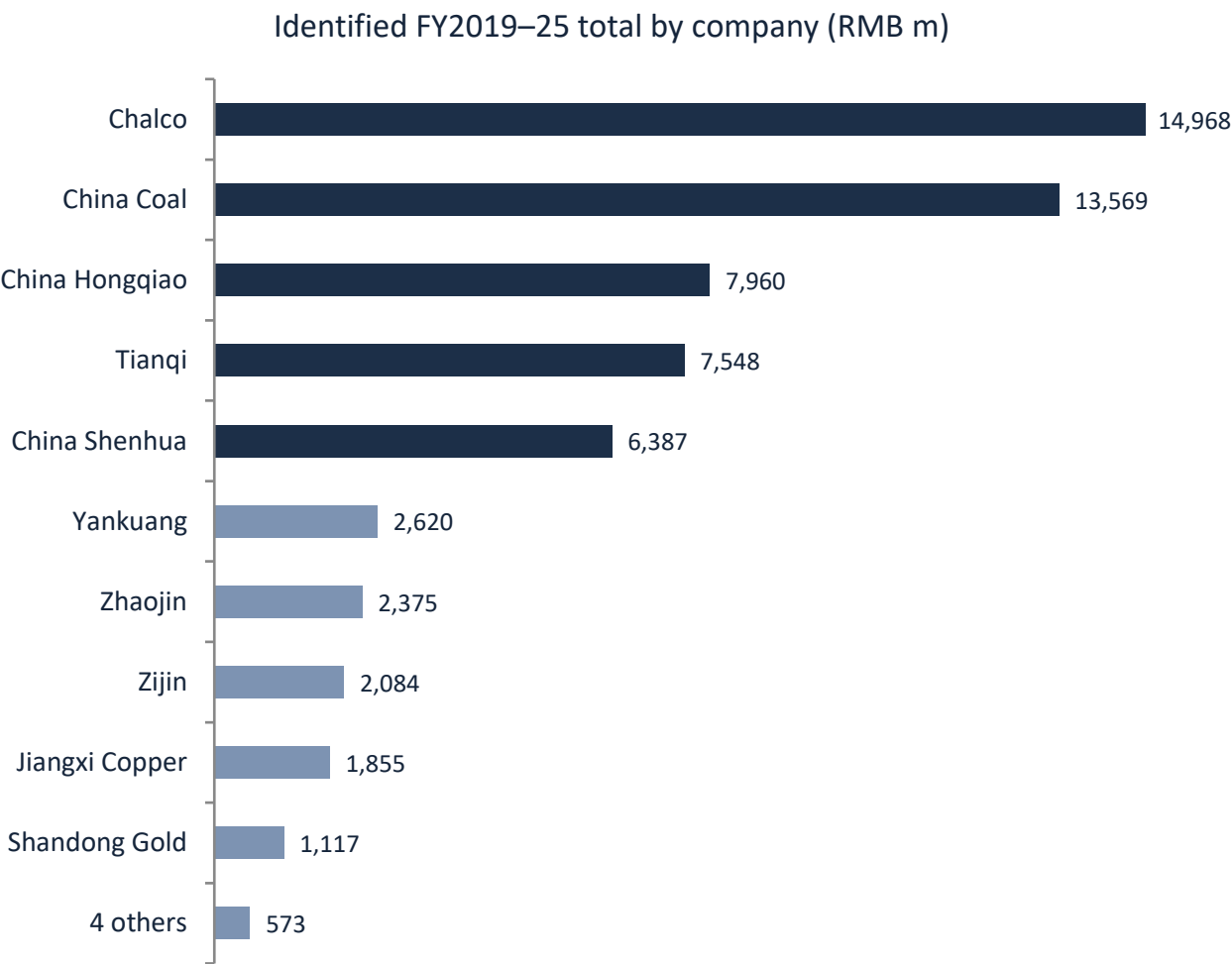
Small caps: 39 companies with HKEX stock codes

Code	Company	Commodity	Impairment finding, FY2019–FY2025 (1H2026 interim where noted)
Gold			
2489	Persistence Gold	Gold	Listed Dec 2023; no impairment seen
1303	Huili Resources	Nickel / gold	Reversals RMB15.4m and RMB14.9m; qualified FY2019
Iron ore			
1370	Aowei Holding (ex-Hengshi Mining)	Iron ore	≈RMB260m FY2019; RMB55m / 299m / 177m / 171m FY2022–25; going-concern MU FY2023
0893	China Vanadium Titano-Magnetite	Iron ore / vanadium	Heavy pre-2019 charges; RMB9.1m FY2024
1231	Newton Resources	Iron ore	Charge on expired-permit mine before 2020 sale; US\$4.1m offtake right
1104	APAC Resources	Iron ore stakes	Associates: ≈HK\$465m FY2022 (est.), 277m, 80m, 107m; net HK\$245m reversal FY2026
0159	Brockman Mining	Iron ore (E&E)	Nil every year; E&E 96–99% of assets; cash HK\$3.9m
0803	Prosperity International	Iron ore / granite	≈HK\$31m Malaysian iron ore FY3/2020; delisted Feb 2023
2112	CAA Resources	Iron ore (Malaysia)	No mining-asset impairment found; provisional liquidators Jun 2021
2668	Pak Tak International	Iron ore	Goodwill HK\$165m FY2024 (share-price artefact); HK\$11m FY2025

Small caps: 39 companies with HKEX stock codes

Code	Company	Commodity	Impairment finding, FY2019–FY2025 (1H2026 interim where noted)
Other minerals			
0433	North Mining Shares	Molybdenum / feldspar	HK\$613m FY2019; HK\$1,774m feldspar right FY2020; HK\$97m FY2023; HK\$364m FY2024; disclaimer FY2024
0195	Greentech Technology Intl	Tin (Australia)	Reversals HK\$28m FY2020 and HK\$257m FY2021; suspended Sep 2024, cancellation decided Apr 2026
2133	Greenway Mining (ex-China Polymetallic)	Lead / zinc	RMB2.9m FY2019 only data; delisted Apr 2023
2302	CNNC International	Uranium	E&E HK\$210m FY2019 and PP&E HK\$12m FY2020 (Mongolian uranium); mainly a trader
1380	China Kingstone Mining	Marble / limestone	RMB27m FY2023 and RMB56m FY2024 at 24–26%; nil FY2025 at 37.4%
2237	China Graphite Group	Graphite	Listed Jul 2022; no mining-asset impairment FY2024–1H2026
2623	ADD New Energy / HK Gold Industry	Ilmenite	RMB50.9m FY2025 from a higher discount rate alone
2212	Future Bright Mining	Marble	Nil; 47-year VIU projection
0899	Asia Resources Holdings	Mineral water mine	Pre-2016 charges only; HKEX criticised directors (2020)

At least RMB61bn written off, and five companies took 83%



Goodwill is almost irrelevant. Shandong Gold carries RMB12.67bn of goodwill against ~RMB0.5bn impaired. The acquisition premium sits in mining rights and associates: Tianqi's SQM stake alone lost RMB5.28bn.

Long-lived impairment by company and year (RMB m)

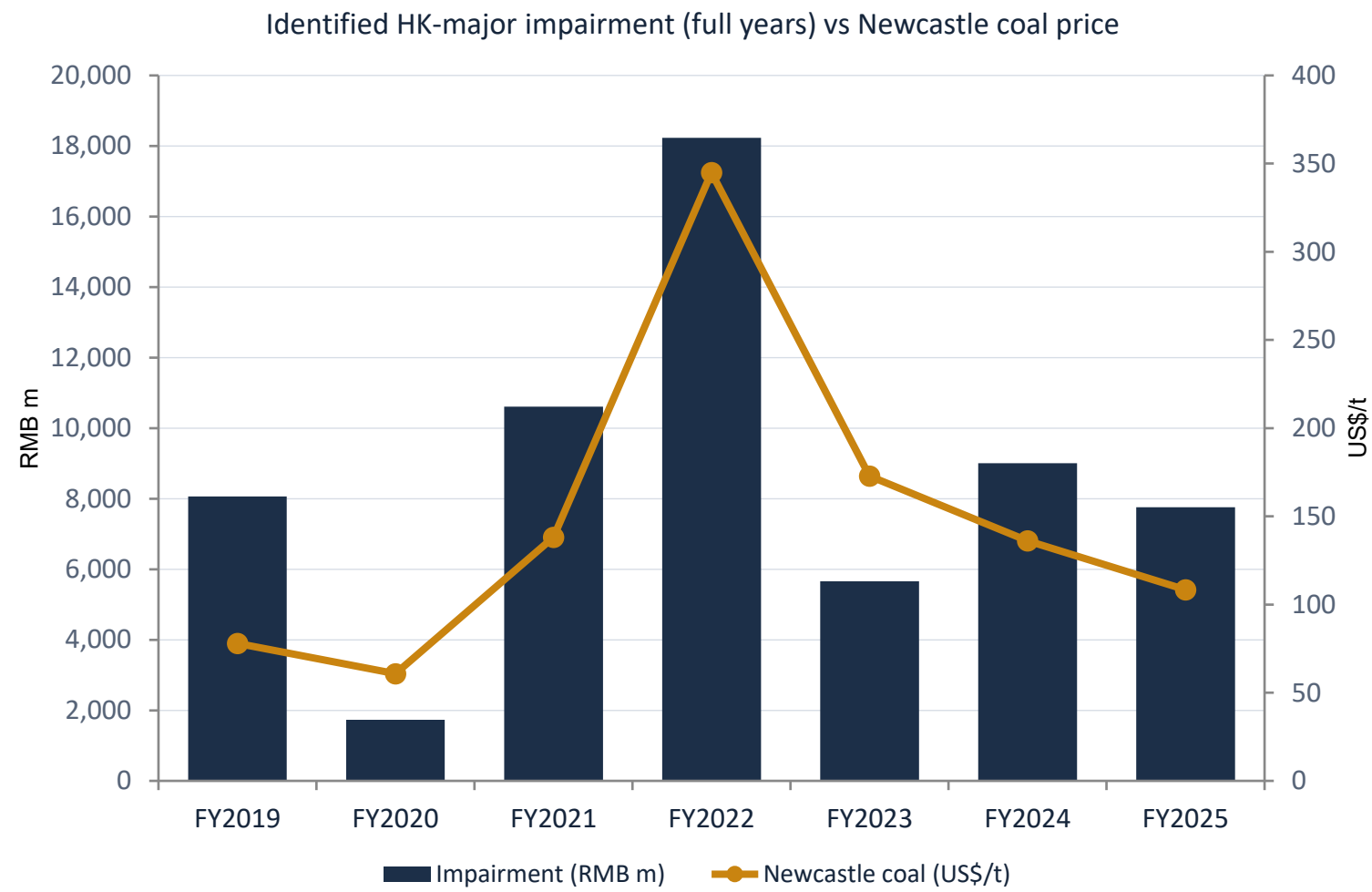
Company (code)	Commodity	Basis	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	1H26 interim
China Coal (1898)	Coal	CAS	≤688	56	3,963	8,801	285	464	n.v.	20.7
China Shenhua (1088)	Coal	CAS / IFRS	≤1,905	≤1,523	≤1,292	2,883	3,003	362	139	4‡
Yankuang (1171)	Coal	CAS	n.v.	n.v.	≥480	2,140	≤40.0	≤10.7	n.v.	0
Chalco (2600)	Aluminium	IFRS, restated	564.3	681.3	4,064.7	3,871.4	598.0	2,103.2	3,085.3	0
China Hongqiao (1378)	Aluminium	HKFRS	1,730.9	492.9	1,560.6	224.8	818.4	2,635.5	497.2	583.3
Jiangxi Copper (0358)	Copper & diversified	CAS (1H26 IFRS)	n.v.	n.v.	n.v.	144.7	248.1	302.6	1,159.9	386.8
Zijin (2899)	Copper & diversified	CAS	323.3	285.8	528.6	79.5	280.7	372.5	214.0	2.4
CMOC (3993)	Copper & diversified	CAS	n.v.	≈221	≈35.2	n.v.	n.v.	n.v.	n.v.	0‡
Zhaojin (1818)	Gold	HKFRS; CAS proxy	≈174.3	≈658.6	≈242.3	≈320	376.8	401.8	1,596.2	0
Shandong Gold (1787)	Gold	CAS	≥108.5	160.5	5.4	0.6	4.3	44.9	793.2	≤4.0
Lingbao (3330)	Gold	HKFRS	26.3	58.0	10.0	86.9	40.0	0	0	0
Chifeng (6693)	Gold	CAS	—	—	—	—	—	0	54	0
Tianqi (9696)	Lithium	CAS / IFRS 23–24	5,309.5	0	0	≤1.9	0	2,237.7	1	0
Ganfeng (1772)	Lithium	CAS	n.v.	n.v.	n.v.	n.v.	n.v.	83.6	214.6	n.v.
Total of firm figures, RMB m		mixed	≈8,063	≈1,735	≈10,612	≈18,232	≈5,654	≈9,008	≈7,754	≈993
<i>Memo item: reported in US\$ and not included in the total above</i>										
MMG (1208), US\$m	Copper / zinc	IFRS	150.0	0	0	0	0	53.0	290.0	0

A figure marked ≤ is a CAS total that still includes inventory, and ≈ marks a proxy figure. A dash marks years before Chifeng's H-share listing in 2025, n.v. means the figure could not be verified, and ‡ means it was not re-read against the filing. Full-year figures are audited. Most issuers test only at the year end, so the 1H2026 interim column is for disclosure only and is not comparable with full years. MMG reports in US dollars, so it is shown as a memo item outside the RMB total. CAS does not allow long-lived impairments to be reversed.

Eleven company-years make up two-thirds of the total

Company-year	RMB m	Main asset	Trigger
China Coal FY2022	8,801	Shalajida exploration right (6,285); slowed mines	Water-source protection zone; geology; feed-coal squeeze
Tianqi FY2019	5,310	SQM equity stake (SQM 5,237; SALA 73)	SQM lithium price -27.7%; EV demand downgrade (CAS, corrected)
Chalco FY2021	4,065	Idle and suspended asset groups; bauxite rights	Environmental regulation; expiring bauxite rights
Chalco FY2022	3,871	PP&E and associates	Not identified in sources
Chalco FY2025	3,085	Fixed assets, investment property, associates	Imported-bauxite alumina lines shut; idle land resumed
Shenhua FY2023	3,003	PP&E 2,782	Not identified in sources
Shenhua FY2022	2,883	PP&E 2,151; intangibles 348	Equipment and spares with impairment indications
Hongqiao FY2024	2,636	Plant PP&E (each plant a CGU)	Plant relocation and retirement
Tianqi FY2024	2,238	Kwinana Train 2; SQM (IFRS only)	Project terminated Jan 2025
Yankuang FY2022	2,140	Australian exploration 1,862; Premier mine 278	Not expected to be developed (confirmed)
Chalco FY2024	2,103	Capacity-replacement projects	Exits for new projects 964; standards 187; uneconomic 466

Write-downs peaked in the boom, not the bust



Peak with coal

FY2022 ≈RMB18.2bn as Newcastle coal averaged US\$345/t. Global top-40 miners peaked a year later (US\$18bn, 2023).

Boom paid for clean-ups

SOEs cleared stranded exploration rights, slowed mines and policy-hit plants while profits could absorb them.

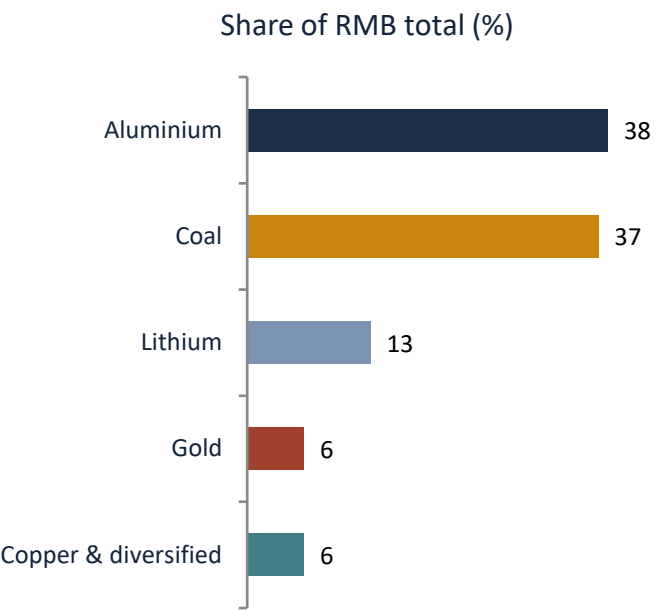
Trough in COVID year

FY2020 was the lowest full year at ≈RMB1.6bn.

Gold peaked at record prices

FY2025: Zhaojin RMB1,596m and Shandong Gold RMB793m, driven by licences, plant and goodwill.

Each commodity has its own impairment pattern

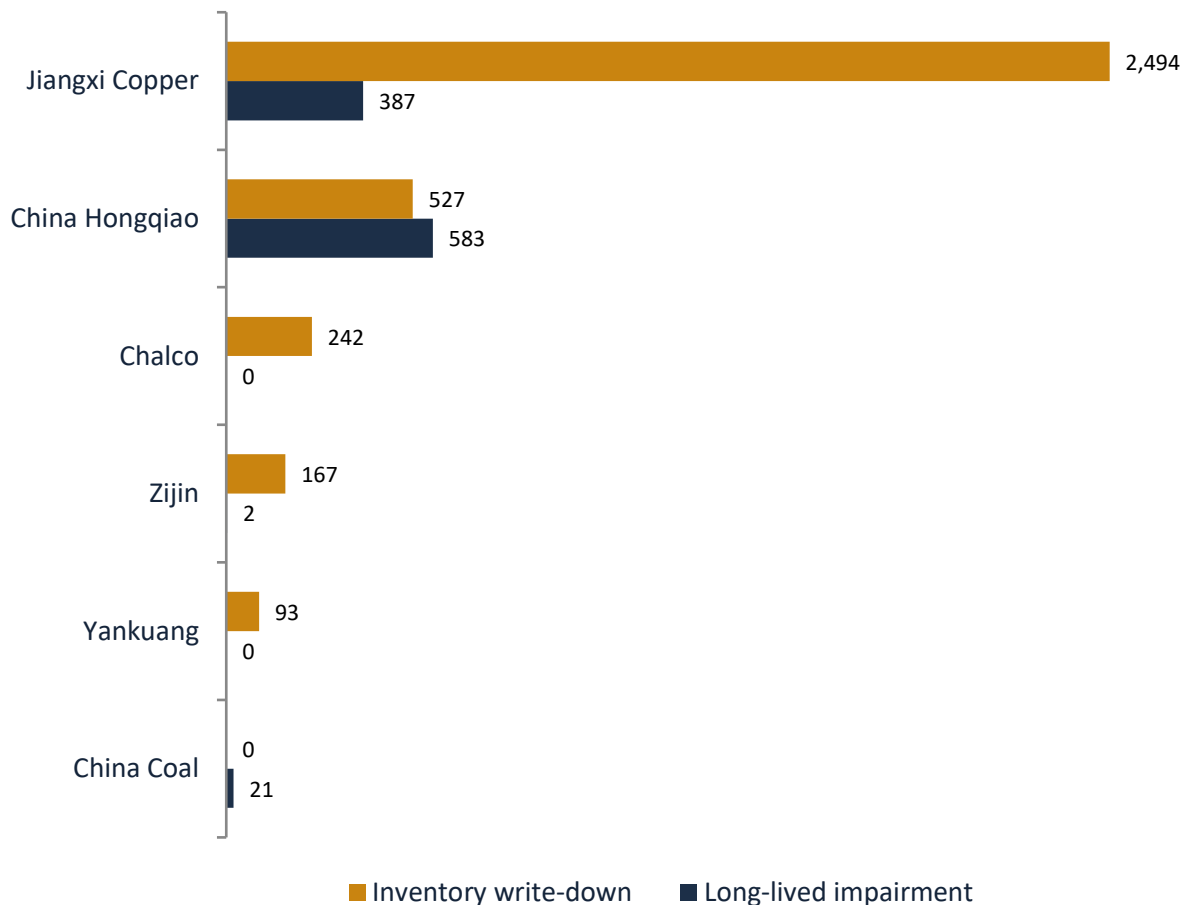


FX can outweigh price. IRC's K&S recoverable amount fell ≈48% in FY2025 (US\$268m to US\$140m) on rouble strength, though its iron ore deck and output both rose.

Commodity	Dominant asset	Typical trigger	Examples
Aluminium	Smelter and refinery PP&E	Capacity relocation; standards; idle lines	Chalco; Hongqiao; RUSAL
Coal	Exploration rights, slowed mines, chemical PP&E	Ecological red lines; geology; small caps: price, licences	Shalajida; Shenhua; Yitai
Lithium	Equity stakes, downstream projects	Price troughs; Chile; project termination	Tianqi SQM, Kwinana
Gold	Mine PP&E, rights, goodwill	Licence non-renewal; obsolete plant	Zhaojin; Shandong Gold
Copper / cobalt	Land-use CIP; DRC assets	Land-use plans; cobalt export ban	Jiangxi Copper; MMG
Iron ore	Mine PP&E, E&E	Rouble strength; sanctions; licences	IRC; China VTM
Nickel, vanadium, Mo, REE	Exploration and mining rights	Nature reserves; energy standards	Xinxin; North Mining

1H2026 interim disclosures: what was reported, and how to read it

Impairment disclosed in 1H2026 interim reports, RMB m (unaudited)



Not a trend

Most issuers run full impairment tests only at the year end and only assess indicators at the interim date, so 1H2026 should not be compared with full years.

What was disclosed

Long-lived charges were reported at Hongqiao (RMB583m) and Jiangxi Copper (RMB387m). Jiangxi Copper's RMB2.49bn charge was an inventory write-down, not an asset impairment.

Reversals

No major company reported a reversal. CAS reporters cannot reverse impairments, and MMG stated that it found no impairment or reversal indicators for any CGU.

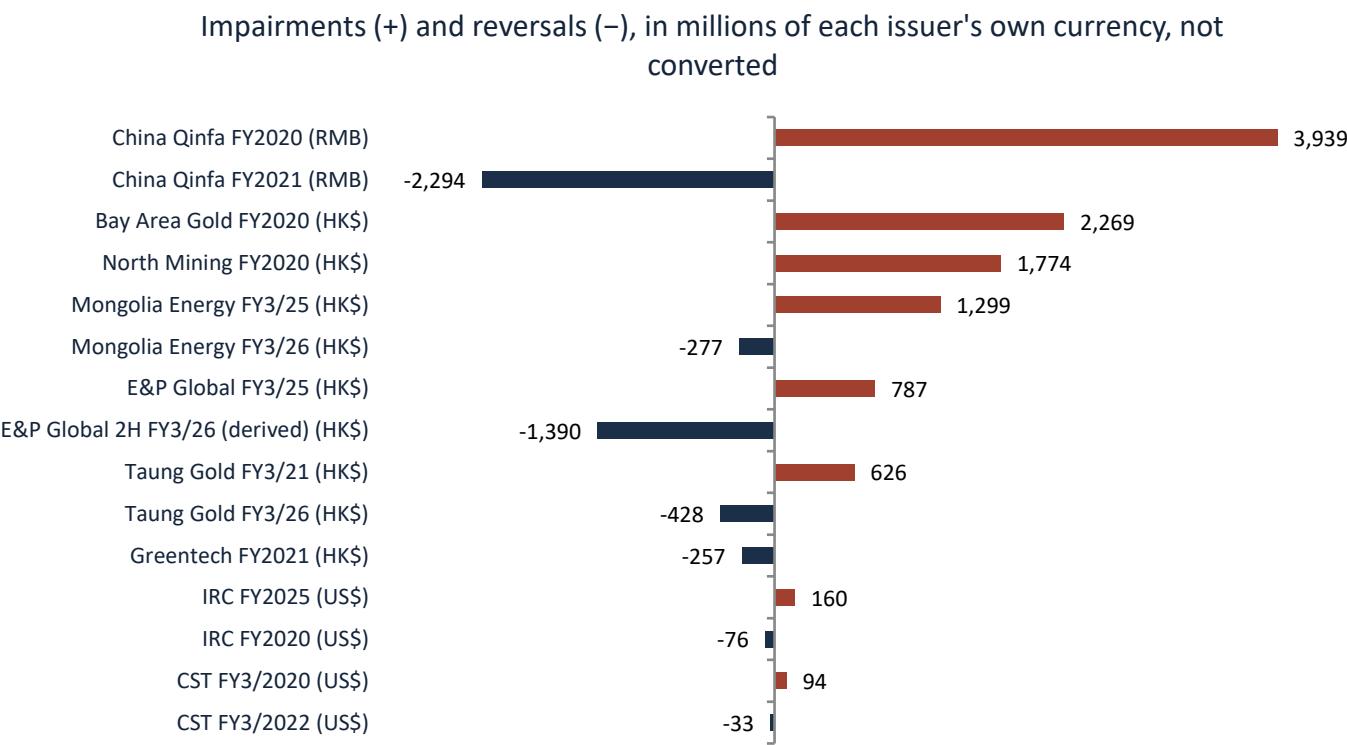
Reversal tests meet rising US-dollar rates

Asset type	Price vs FY2025	Rates	Policy and geopolitics	Net FY2026 signal
Gold mines	Strongly up (Aug-26 US\$4,411/oz)	USD up	Royalty, windfall-tax risk	Reversal candidates, IFRS only
Copper	Record highs (US\$14,875/t)	USD up	Peru, DRC, Mongolia disruption	Headroom or reversal
Lithium	RMB150–160k/t vs RMB60k trough	Mixed	Licences; Zimbabwe; Chile	Possible IFRS reversals
Cobalt (DRC)	High but easing	USD up	Export quotas	Neutral to negative
Nickel	≈US\$16.5k/t, weak	USD up	Indonesian quotas	Impairment risk persists
Iron ore	Below US\$100/t	—	China property	Risk for high-cost producers
PRC thermal coal	RMB983/t vs RMB697 avg	RMB low	Licence expiry; red-line exits	Licence-driven charges continue
Guinea bauxite	20–35% below 2025 highs	USD up	Licence revocations	Impairment indicator

Reserve price assumptions sit far below spot prices: Newmont uses US\$2,000/oz and Barrick US\$1,500/oz. The US Federal Reserve raised rates on 16 September 2026, and the US 10-year yield was about 4.8–5.3%. China's revised Mineral Resources Law caps mining-right terms at 30 years.

Smaller miners face binary, permit-driven write-downs

Dimension	Majors	Mid-caps	Small caps
Scale vs balance sheet	Tiny (Zijin ≈0.09% of tested assets)	Moderate, volatile (IRC -48%)	Large (CST ≈25% of net assets; E&P Global to nil)
Dominant triggers	Policy, ecology, capacity replacement	FX, sanctions, permits	Licence expiry or revocation; funding



FY2020: trough for majors, peak for small caps

China Qinfan RMB3.94bn, Bay Area Gold HK\$2.27bn and North Mining HK\$1.77bn all peaked in FY2020.

Auditors push back on reversals

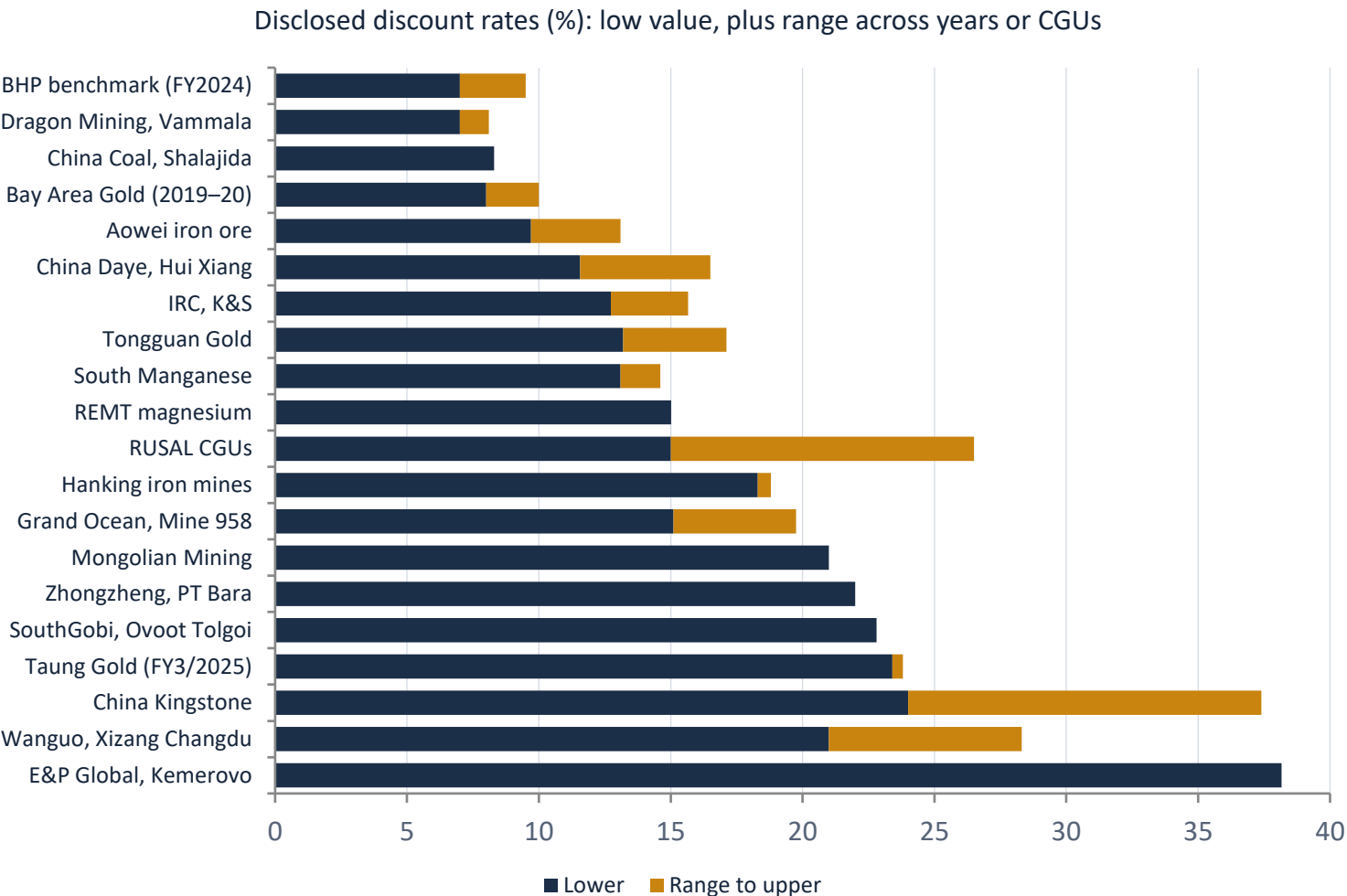
Qualified reversals at Huili, Zhongzheng and Mongolia Energy.

Acquired mines impaired fast

CST impaired Grande Cache ≈22 months after buying it; Up Energy was delisted.

KEY ASSUMPTION

Discount rates span 7% to 38%, and their basis is often unclear



Inconsistent labels

Pre- and post-tax, real and nominal are mixed. IRC relabelled its 2024 rate; REMT tested VIU at a post-tax rate.

Method switches

Issuers move between FVLCD and VIU without explaining why (SouthGobi, Wanguo).

Rate moves decide outcomes

ADD New Energy's RMB50.9m charge came entirely from a higher rate. Grand Ocean absorbed +4.65 points without headroom disclosure.

Nine trends to put in front of audit committees

1 Policy, permit and legal events trigger most large charges

Management: Keep a licence and permit register in the indicator review

Auditor: Obtain legal evidence on tenure; test horizon vs permits

2 SOE write-downs cluster in high-profit years

Management: Document why indicators arose when they did

Auditor: Retrospective review of prior 'no indicator' conclusions

3 Goodwill ≈2%; premium sits in rights and associates

Management: Test acquired rights and associates like goodwill

Auditor: Treat early impairment of an acquired mine as a red flag

4 Reversals absent at CAS reporters, contested at small caps

Management: Document FY2026 reversal assessments (IFRS)

Auditor: Evidence both the charge and the reversal

5 Discount rates vary widely, basis inconsistent

Management: State tax and inflation basis; explain moves

Auditor: Recompute rates; stress-test higher USD rates

6 Small caps face binary legal outcomes

Management: Disclose legal-scenario weighting

Auditor: Consider an expected-cash-flow approach

7 Technical data is stale

Management: Refresh the Competent Person's Report

Auditor: Evaluate experts under HKSA 500/620

8 Basis effects distort comparisons

Management: Footnote basis, restated vs original

Auditor: Check IFRS–CAS reconciling items

9 Inventory write-downs dominate good-year P&L

Management: Present separately from asset impairments

Auditor: Don't net inventory releases against charges

Disclosure checklist in relation to impairment assessment

#	Disclose	Basis
1	Indicator assessment each reporting date (prices, FX, rates, licences, market cap vs net assets)	HKAS 36.9–14
2	E&E: HKFRS 6 facts and circumstances, then the HKAS 36 test	HKFRS 6
3	CGU definition and any regrouping, with reasons	HKAS 36.130(d)
4	Where indicators existed but no charge: test, conclusion, headroom	HKAS 1.122/125
5	Specific events and circumstances behind the charge	HKAS 36.130(a)
6	Amount by asset class and segment	HKAS 36.130(b)–(d)
7	Recoverable amount, FVLCD or VIU, fair-value level, technique	HKAS 36.130(e)–(g); HKFRS 13
8	Valuer identity, code used, directors' own challenge	Rules 3.08, 18.34; SFC GN
9	Quantified deck: prices, FX, rate, volumes, grade, costs, capex, royalties, closure, life	HKAS 36.134(d)–(e)
10	Reasons for changes from the prior year	HKEX Guide s.2.3
11	Discount-rate basis stated consistently	HKAS 36.55
12	Horizon tied to licence term, permitted volumes, reserves	HKAS 36.33

Disclosure checklist in relation to impairment assessment

#	Disclose	Basis
13	Value split: reserves, converted resources, unapproved expansions	HKAS 36.134(e); Rule 18.30
14	Headroom for at-risk CGUs, not only goodwill CGUs	HKAS 36.134(f)
15	Break-even change or impact per unit change	HKAS 36.134(f)
16	Negative statement only when headroom supports it	HKEX Guide s.3.4
17	Reconcile to Chapter 18 reserves update, CPR, feasibility study	Rules 18.15–18.18
18	Climate and carbon assumptions consistent with climate disclosures	HKEX climate guidance
19	Consistency with MD&A, going concern, circular valuations	SFC GN para 14
20	Framework and basis: CAS vs IFRS, restated vs original	HKAS 8
21	Reversal assessment each period; CAS reporters state the prohibition	HKAS 36; CAS 8
22	Evidence for opening balance after write-off to nil or legal reversal	HKSA 500/540
23	Prompt profit warning with quantified range	MB Rule 13.09; SFO XIVA
24	From FY2027: HKFRS 18 reconciliation of 'underlying' profit	HKFRS 18

CONCLUSION

Impairment at HK miners is a measure of legal and policy risk

- Reconcile the impairment model to the issuer's own Chapter 18 resources and reserves record.
- Explain every change in method, discount rate and price deck from the prior year.
- IFRS reporters: document FY2026 reversal assessments for gold and copper; stress-test higher USD rates.
- Expect the FY2026 test to be harder than FY2025's, despite record prices.

How to read the figures

- The study is based on HK-filed annual and interim reports, results announcements and profit warnings on HKEXnews, A-share filings (cninfo, SSE, SZSE) for PRC dual listings, the World Bank Pink Sheet and PwC's Mine 2026.
- Long-lived assets include PP&E, CIP, mining and exploration rights, ROU assets, goodwill, investment property and associates. Inventory, expected credit loss and VAT impairments are excluded.
- All sums are lower bounds, because many company-years could not be verified (shown as n.v.). Amounts reported in US\$ and HK\$ are not converted to RMB.
- Under CAS, the asset-impairment total includes inventory write-downs, which have been removed wherever the filings allow. CAS also does not allow long-lived impairments to be reversed.
- Trends and totals use full financial years. Most issuers test only at the year end, so 1H2026 interim figures are shown for disclosure only and are not comparable with full years.
- The research is as at 2 October 2026 and is not investment, legal or audit advice.