

# Goodwill impairment in Hong Kong-listed technology companies

Trends FY2021–FY2025, AI exposure and the FY2026 year-end outlook — for auditors, management and audit committees

**56 companies studied · Data to 30 September 2026**

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# Stress is building in headroom, not yet in losses

Five numbers that frame the study

**RMB54bn**

Alibaba's goodwill impairment over its FY22–FY26 tests — about 61% of the sample total

**~RMB88bn**

Goodwill-only impairment across the sample, FY2021–FY2025, incl. Tencent's RMB20.6bn [computed]

**10 of 13**

AI pure-plays and AI-chip makers with no goodwill — but 2026 deals add it (UBTech RMB1.12bn, Zhipu RMB284m)

**–61%**

Fall in Xiaomi's Zimi headroom in FY2025, the sharpest headroom erosion found

**–22.9%**

Hang Seng TECH Index, year to date: 5,515.98 at end-2025 to 4,253.89 at 30 Sep 2026

*Many headline "impairments" in the sector were not goodwill at all — Tencent's RMB44.8bn 2022 line (mostly investees), Alibaba's RMB21.6bn Sun Art intangibles, Baidu's RMB16.2bn 2025 asset-group charge. Separating them is the first discipline.*

# Companies studied (1 of 3): internet, platforms and software

21 companies · 56 in total

| Company (code)                    | Segment                | AI exposure | Latest goodwill                    | GW % assets | Status              | Goodwill impairment FY21–FY25 / note                     |
|-----------------------------------|------------------------|-------------|------------------------------------|-------------|---------------------|----------------------------------------------------------|
| Alibaba (9988)                    | Internet & platforms   | High        | RMB247.4bn (Mar-26)                | 13.0%       | Impaired            | RMB54.1bn over FY22–FY26 tests; goodwill is the sole KAM |
| Tencent (0700)                    | Internet & platforms   | High        | RMB153.8bn                         | 7.5%        | Impaired            | RMB20.6bn (2021–25); 2022 RMB8.8bn; combined KAM         |
| Baidu (9888)                      | Internet & platforms   | High        | RMB36.8bn (+14.2bn YY Live)        | 8.2%        | Non-GW charges only | None; KAMs are long-lived assets and investments         |
| Meituan (3690)                    | Internet & platforms   | Medium      | RMB27.8bn (food delivery RMB4.8bn) | 8.0%        | No GW impairment    | None; KAM; delivery discount rate cut to 21%             |
| JD.com (9618)                     | Internet & platforms   | Low         | RMB26.3bn                          | 3.8%        | Impaired            | RMB5.2bn (Dada 2023; JD Retail 2024–25); not a CAM       |
| Trip.com (9961)                   | Internet & platforms   | Low         | RMB62.3bn                          | 23.3%       | No GW impairment    | None ever; qualitative test                              |
| Tencent Music (1698)              | Internet & platforms   | Low         | RMB20.5bn → 29.8bn Jun-26          | 20.0%       | No GW impairment    | None; goodwill is the sole CAM                           |
| Tongcheng Travel (0780)           | Internet & platforms   | Low         | RMB6.2bn                           | 14.8%       | Impaired            | RMB453m (2025, tourism); not a KAM                       |
| China Literature (0772)           | Internet & platforms   | Medium      | RMB3.7bn (pre-write-off)           | —           | Impaired            | RMB2.9bn (NCM 2024 + 2025)                               |
| Bilibili (9626)                   | Internet & platforms   | Medium      | RMB2.8bn                           | 6.8%        | No GW impairment    | None                                                     |
| NetEase (9999)                    | Internet & platforms   | Low         | RMB1.86bn                          | 0.8%        | No GW impairment    | None; 2023 fall was a RMB311m disposal                   |
| Kuaishou (1024)                   | Internet & platforms   | Medium      | RMB845m                            | 0.5%        | No GW impairment    | None                                                     |
| Alibaba Health (0241)             | Internet & platforms   | Low         | RMB805m (Mar-26)                   | 3.5%        | Impaired            | RMB5.5m (FY26)                                           |
| JD Health (6618)                  | Internet & platforms   | Low         | No goodwill line                   | 0%          | No goodwill         | n/a                                                      |
| Kingsoft Cloud (3896)             | Software, SaaS & cloud | High        | RMB4.6bn (Camelot)                 | 17.2%       | Non-GW charges only | None; goodwill and long-lived assets are KAMs            |
| Kingdee (0268)                    | Software, SaaS & cloud | Medium      | RMB0.36bn                          | —           | Impaired            | RMB20.1m (2023); goodwill is a KAM                       |
| Kingsoft Corp (3888)              | Software, SaaS & cloud | Low         | RMB186m (WPS)                      | 0.5%        | Non-GW charges only | None; associate (Kingsoft Cloud) impaired                |
| Ming Yuan Cloud (0909)            | Software, SaaS & cloud | Low         | RMB0–46m                           | —           | No GW impairment    | None; trades at P/B 0.49                                 |
| Weimob (2013)                     | Software, SaaS & cloud | High        | RMB695m (sole KAM)                 | —           | Impaired            | RMB236.7m (2022, 2024)                                   |
| Youzan Technology (6051, ex-8083) | Software, SaaS & cloud | Low         | Fully written off                  | —           | Impaired            | RMB1.62bn (2021, ~121% of equity)                        |
| Yeahka (9923)                     | Software, SaaS & cloud | Low         | RMB447.9m                          | 5.4%        | Impaired            | RMB9.0m (2025)                                           |

AI rating from disclosed AI revenue, capex or orders (2025–1H26); n/r = not rated. Figures checked against annual reports, auditor's reports and 20-F/6-K filings; [sec] secondary source only. GW % assets computed from the latest balance sheet.

# Companies studied (2 of 3): AI pure-plays, AI chips and hardware

23 companies · 56 in total

| Company (code)                   | Segment                   | AI exposure | Latest goodwill                  | GW % assets | Status              | Goodwill impairment FY21–FY25 / note                  |
|----------------------------------|---------------------------|-------------|----------------------------------|-------------|---------------------|-------------------------------------------------------|
| SenseTime (0020)                 | AI pure-plays & AI chips  | High        | Nil                              | 0%          | Non-GW charges only | None; ECL charges RMB0.8–1.8bn a year                 |
| Horizon Robotics (9660)          | AI pure-plays & AI chips  | High        | Nil                              | 0%          | No goodwill         | n/a                                                   |
| Black Sesame (2533)              | AI pure-plays & AI chips  | High        | Nil                              | 0%          | No goodwill         | n/a                                                   |
| Mobvoi (2438)                    | AI pure-plays & AI chips  | High        | Nil since 2022                   | 0%          | Secondary source    | Education units sold; RMB33.8m impaired 2020–21 [sec] |
| Fourth Paradigm (6682)           | AI pure-plays & AI chips  | High        | Nil since 1H25                   | 0%          | No goodwill         | None; derecognised on partial disposals               |
| UBTech Robotics (9880)           | AI pure-plays & AI chips  | High        | RMB1,123.5m provisional (Jun-26) | 10.4%       | Impaired            | RMB52.2m (2024–25); new Fenglong goodwill             |
| Zhipu AI (2513)                  | AI pure-plays & AI chips  | High        | RMB283.8m (Jun-26)               | 2.9%        | No GW impairment    | None; RMB244m from 60% of XCore Sigma                 |
| Dobot (2432)                     | AI pure-plays & AI chips  | High        | RMB8.85m (first, 2025)           | 0.3%        | No GW impairment    | None                                                  |
| Geek+ (2590)                     | AI pure-plays & AI chips  | High        | Nil                              | 0%          | No goodwill         | n/a                                                   |
| Unisound (9678)                  | AI pure-plays & AI chips  | High        | Nil (1H25)                       | 0%          | No goodwill         | n/a                                                   |
| MiniMax (0100)                   | AI pure-plays & AI chips  | High        | Nil                              | 0%          | No goodwill         | n/a                                                   |
| Biren Technology (6082)          | AI pure-plays & AI chips  | High        | Nil (balance-sheet face)         | 0%          | No goodwill         | n/a                                                   |
| Montage Technology (A+H, Feb-26) | AI pure-plays & AI chips  | High        | Nil                              | 0%          | No goodwill         | n/a                                                   |
| Lenovo (0992)                    | Hardware & semiconductors | High        | US\$4.93bn (Mar-26)              | 8.6%        | No GW impairment    | None; KAM; thin ISG headroom                          |
| Xiaomi (1810)                    | Hardware & semiconductors | Medium      | RMB1.70bn                        | 0.3%        | No GW impairment    | None; Zimi headroom –61% in 2025                      |
| SMIC (0981)                      | Hardware & semiconductors | High        | Nil                              | 0%          | No goodwill         | n/a                                                   |
| Hua Hong (1347)                  | Hardware & semiconductors | Medium      | Nil                              | 0%          | No goodwill         | n/a (long-lived asset KAM)                            |
| ZTE (0763)                       | Hardware & semiconductors | High        | Nil after write-off              | 0%          | Impaired            | RMB14.4m (2025, hotel unit)                           |
| ASMPT (0522)                     | Hardware & semiconductors | High        | HK\$746m                         | 2.9%        | Impaired            | HK\$464m (AMICRA 2021; NEXX/AEi 2025)                 |
| BYD Electronic (0285)            | Hardware & semiconductors | Low         | RMB4.36bn (Jabil mobility)       | 5.2%        | No GW impairment    | None; KAM FY24–25                                     |
| AAC Technologies (2018)          | Hardware & semiconductors | Medium      | RMB2.28bn                        | 4.7%        | No GW impairment    | None                                                  |
| Kingboard Holdings (0148)        | Hardware & semiconductors | Medium      | HK\$2.67bn                       | 2.6%        | No GW impairment    | None                                                  |
| Sunny Optical (2382)             | Hardware & semiconductors | Low         | RMB2.1m                          | 0%          | No GW impairment    | None                                                  |

AI rating from disclosed AI revenue, capex or orders (2025–1H26); n/r = not rated. Figures checked against annual reports, auditor's reports and 20-F/6-K filings; [sec] secondary source only. GW % assets computed from the latest balance sheet.

# Companies studied (3 of 3): small and mid-cap case studies

12 companies · 56 in total

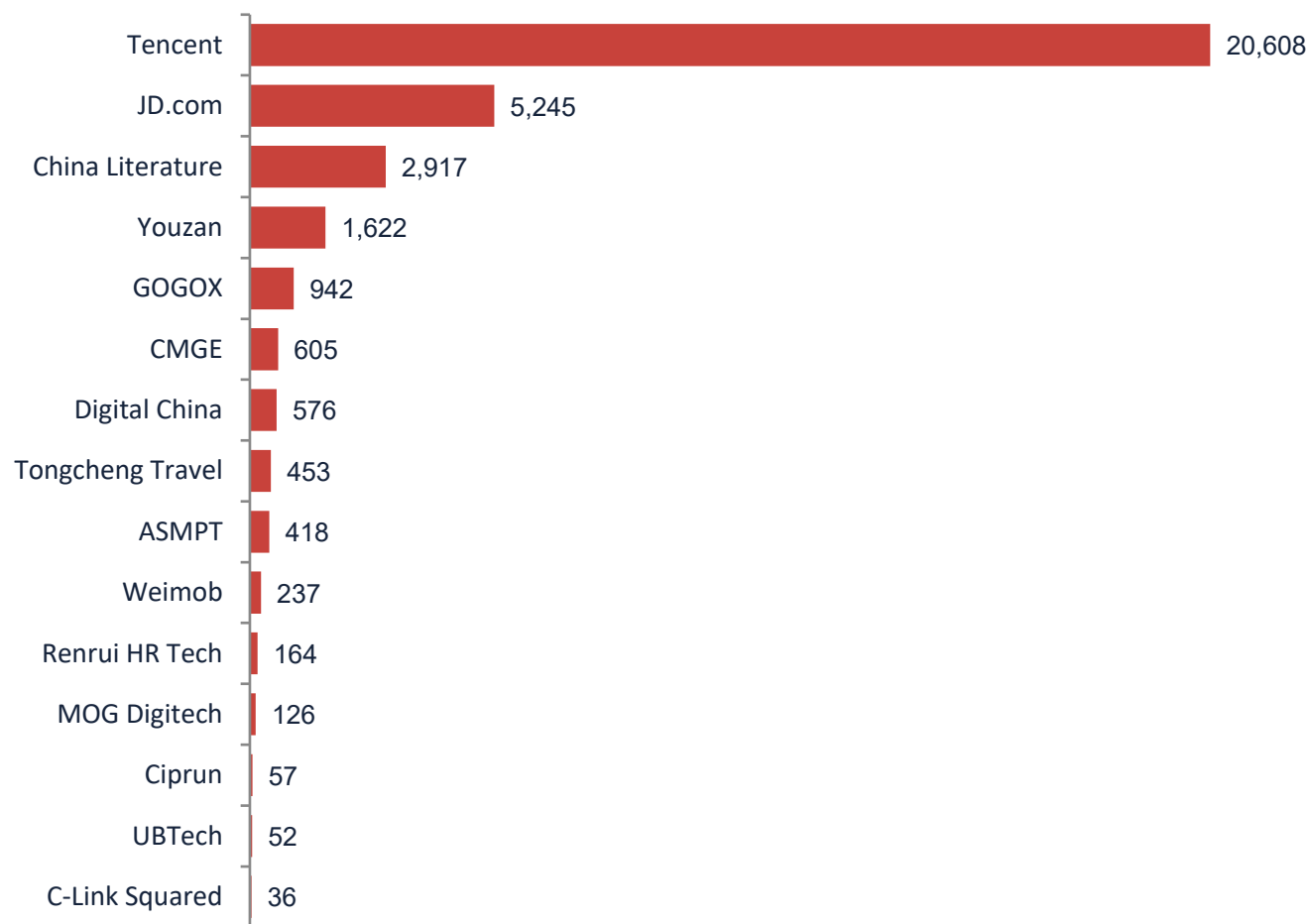
| Company (code)             | Segment       | AI exposure | Latest goodwill   | GW % assets | Status              | Goodwill impairment FY21–FY25 / note                      |
|----------------------------|---------------|-------------|-------------------|-------------|---------------------|-----------------------------------------------------------|
| GOGOX (2246)               | Small/mid-cap | n/r         | ~90% written down | —           | Impaired            | RMB942m (2023–24)                                         |
| CMGE (0302)                | Small/mid-cap | n/r         | Reduced           | —           | Impaired            | RMB605m (2024–25, Wenmai Hudong); KAM; going-concern note |
| Digital China (0861)       | Small/mid-cap | n/r         | Reduced           | —           | Impaired            | RMB576m (2023–25; Zhongnong Xinda)                        |
| Renrui HR Tech (6919)      | Small/mid-cap | n/r         | Reduced           | —           | Impaired            | RMB163.7m (2022)                                          |
| Ciprun (Cybernaut) (1020)  | Small/mid-cap | n/r         | Reduced           | —           | Impaired            | RMB57.2m (2025) of a RMB65.5m net charge                  |
| MOG Digitech (1942)        | Small/mid-cap | n/r         | Reduced           | —           | Impaired            | RMB125.9m (2023–24)                                       |
| C-Link Squared (1463)      | Small/mid-cap | n/r         | Reduced           | —           | Impaired            | RM23.3m (2024, Sun Join Group)                            |
| HK Robotics Group (0370)   | Small/mid-cap | n/r         | Reduced           | —           | Impaired            | HK\$24.2m (FY Mar-24 and Mar-25)                          |
| Tongdao Liepin (6100)      | Small/mid-cap | n/r         | —                 | —           | Impaired            | RMB15.5m (2023)                                           |
| Nexion Technologies (8420) | Small/mid-cap | n/r         | —                 | —           | Impaired            | ~HK\$2.8m (2023, WerkDone)                                |
| Newlink Technology (9600)  | Small/mid-cap | n/r         | RMB36.7m          | —           | No GW impairment    | None despite doubled loss                                 |
| Hi Sun Technology (0818)   | Small/mid-cap | n/r         | —                 | —           | Non-GW charges only | None; HK\$556m associate impairment 1H26                  |

## Small-cap patterns

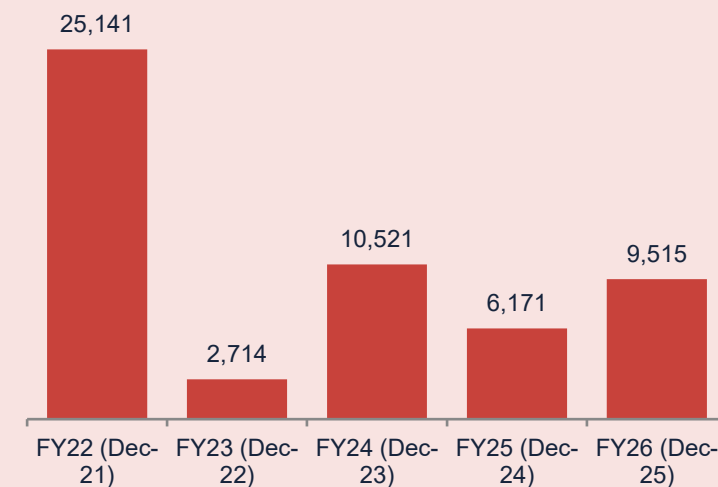
- Repeat write-downs on the same business (GOGOX, CMGE, Digital China, China Literature/NCM).
- Business-unit detail arriving months later in supplementary announcements (CMGE, Digital China, MOG Digitech).
- Auditor changes around impairment years (GOGOX: PwC → Forvis Mazars); write-downs bundled into "big bath" years with other losses.

# One issuer dominates goodwill write-downs

Goodwill-only impairment, FY2021–FY2025 test years, RMB m



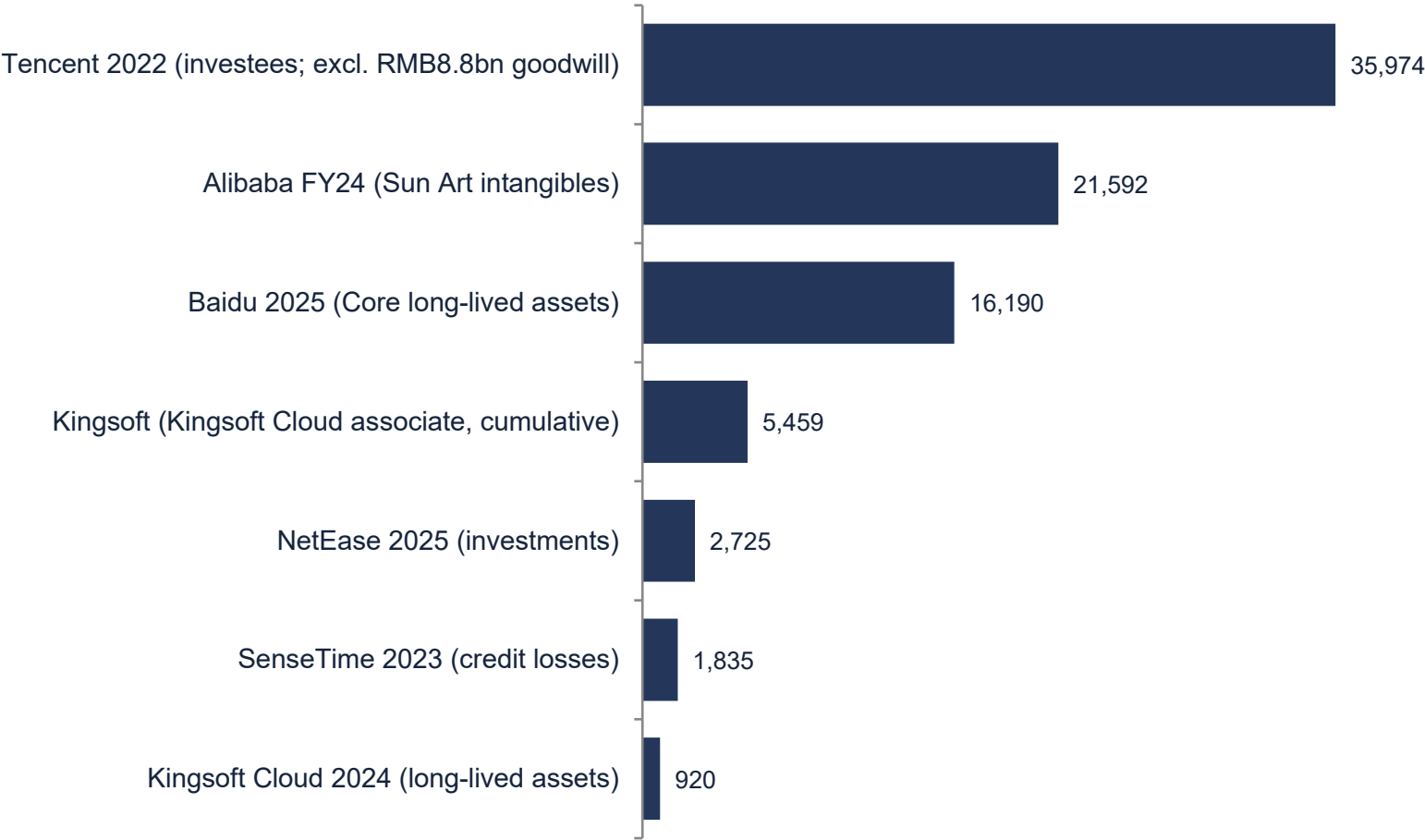
## Alibaba, by annual test



RMB54.1bn in total — media & entertainment (Youku) first, now the "All others" segment holding loss-making strategic bets (+54% in FY26).

# The biggest "impairment" headlines were not goodwill

Material non-goodwill impairments, RMB m — keep these out of goodwill statistics



## Tencent

Reports one combined line for investees, goodwill and acquired intangibles. Of 2022's RMB44.8bn, RMB8.8bn was goodwill (per the auditor's KAM); the rest was investees.

## Baidu

Absorbed a RMB16.2bn asset-group charge in 2025 while goodwill rose to RMB36.8bn.

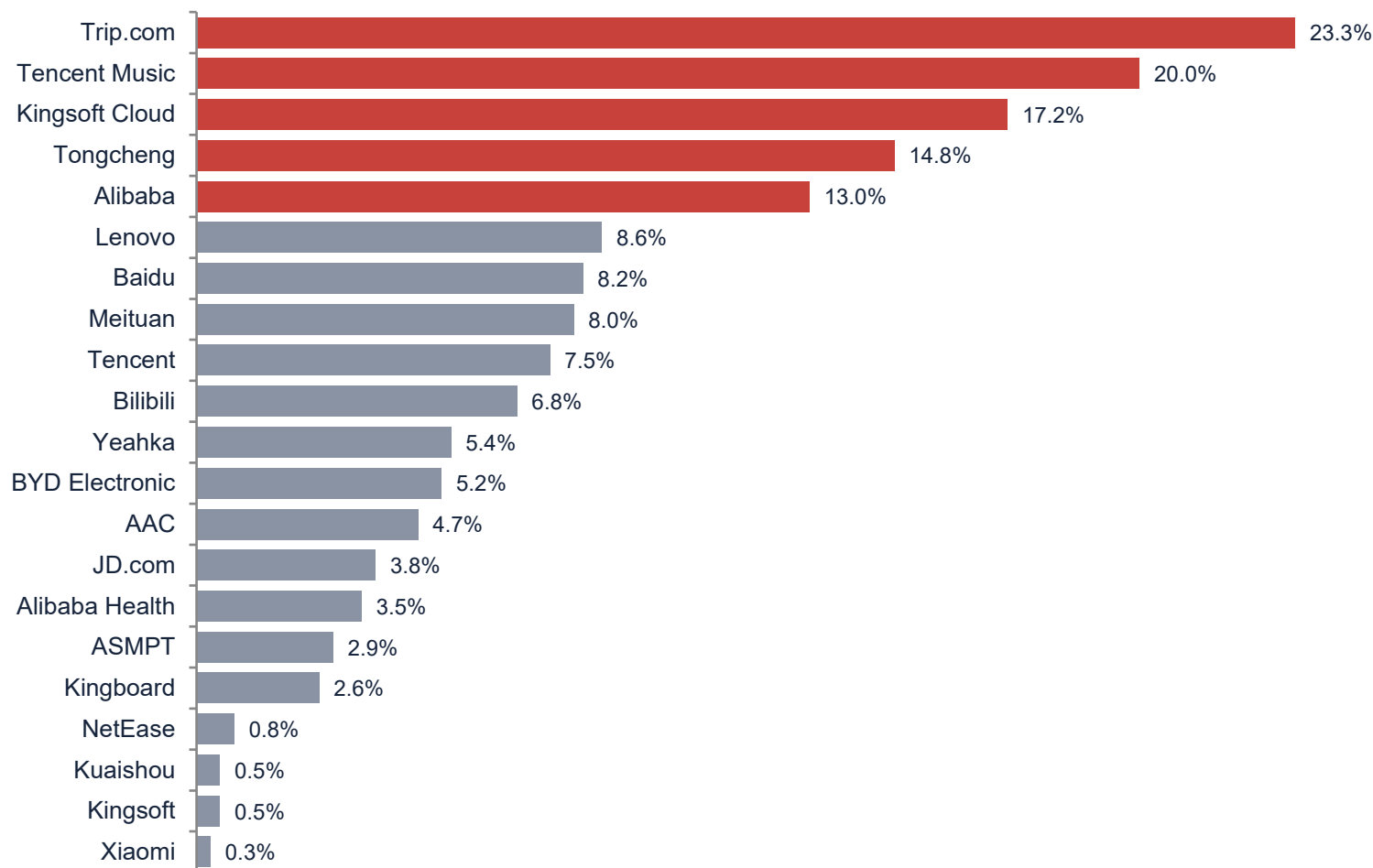
## Auditor ask

Reconcile large asset-group or associate losses with an unimpaired goodwill test, and keep KAMs and MD&A from blending them.

Tencent 2022 non-goodwill part computed as RMB44.8bn less RMB8.8bn goodwill. Sources: Tencent AR2022/AR2024; Alibaba 20-F FY2024; Baidu FY2025 results; Kingsoft AR2025; NetEase Q4 2025; SenseTime AR2024; Kingsoft Cloud FY2024 results.

# Goodwill weight is concentrated in travel, music and cloud

Goodwill as % of total assets, latest year end [computed]



Above 10% of assets

## Trip.com — RMB62.3bn

About a quarter of assets, never impaired, tested qualitatively in 2023–24; revenue is its only CAM.

## Tencent Music — RMB29.8bn Jun-26

Ximalaya (~RMB14.0bn, closed 18 May 2026) added RMB9.24bn; goodwill reached 25.4% of assets [c].

## Kingsoft Cloud — RMB4.6bn

~50% of equity at end-2025 (84% in 2024) while the business remains loss-making.

## Lenovo — US\$4.93bn

8.6% of assets but 58% of equity; two ISG units have thin headroom.

# AI exposure and goodwill rarely sit in the same company

Where AI-linked impairment risk actually lives on the balance sheet

## AI pure-plays & chips

### Little or no goodwill

SenseTime, Horizon, Black Sesame, Geek+, Unisound, MiniMax, Biren, Montage — nil goodwill. Mobvoi and Fourth Paradigm removed theirs through disposals. 2026 deals are adding it: UBTech RMB1.12bn (Fenglong), Zhipu RMB284m (XCore Sigma).

**Where the risk is:** Receivables (SenseTime ECL RMB1.8bn in 2023; Fourth Paradigm coverage ~8%), capitalised R&D, and new goodwill bought at rally prices — UBTech's is 10.4% of its assets.

## AI-heavy platforms

### Large goodwill + AI capex + start-up stakes

Alibaba (AI cloud +45%, capex +75% in Q2 2026), Tencent (capex +176%), Baidu (~50% of general revenue AI-powered), Kingsoft Cloud (AI 56% of public cloud billings).

**Where the risk is:** Goodwill is mostly legacy (media, O2O, Camelot), but AI adds GPU/server carrying values and stakes in Moonshot, Zhipu, MiniMax, StepFun — investment impairments, not goodwill.

## AI hardware & compute

### Moderate goodwill, rising rates

Lenovo (AI 35% of revenue; US\$54bn AI server pipeline), ZTE (computing 35% of revenue), ASMPT (bookings +85% on AI demand), SMIC and Hua Hong (nil goodwill).

**Where the risk is:** AI demand supports cash flows, but discount rates stepped up at FY2024 tests (Lenovo ISG 14–17%, BYDE 14.67%). ASMPT impaired NEXX/AEi goodwill in 2025.

# AI-linked balance-sheet items to watch at FY2026

Goodwill, deals and stakes with AI exposure

| Company               | AI   | Balance-sheet item                                                                                                      | FY2026 watch point                                                                                 |
|-----------------------|------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Alibaba (9988)        | High | ~36% of Moonshot (last round US\$20bn, ~US\$7bn look-through [c]); 13.66% MiniMax (indirect)                            | Moonshot under CAC data-security probe (Sep 2026); "All others" goodwill already impaired RMB9.5bn |
| Tencent (0700)        | High | Capex RMB52.8bn in Q2 2026 (+176%); stakes in Zhipu (~2%), MiniMax (2.58%), Moonshot, StepFun, Baichuan [single source] | Listed stakes now marked to market (Zhipu -12.4% on 23 Sep); GPU/server carrying values            |
| Kingsoft Cloud (3896) | High | Goodwill RMB4.6bn (Camelot) ~ 50% of equity; AI billings RMB1.33bn Q2 (+82%)                                            | Loss-maker with large goodwill — check market cap vs net assets and AI capex funding               |
| Lenovo (0992)         | High | Goodwill US\$4.93bn; ISG headroom US\$291m (China) / US\$156m (AP)                                                      | Headroom gone if ISG growth falls ~4–5pp; AI server pipeline supports forecasts                    |
| UBTech (9880)         | High | 43% of Zhejiang Fenglong, consolidated Apr 2026; provisional goodwill RMB1,123.5m (10.4% of assets)                     | First annual test of goodwill priced in the robotics rally; PPA still provisional                  |
| Tencent Music (1698)  | Low  | Ximalaya: ~RMB14.0bn (RMB8.6bn cash + shares); goodwill +RMB9.24bn; net assets ~RMB4.7bn                                | Largest new goodwill of 2026; goodwill is already TME's sole CAM                                   |
| Zhipu (2513)          | High | Goodwill RMB283.8m at Jun-26, mainly RMB244m from 60% of XCore Sigma; MiniMax and Biren carry none                      | Tiny free floats make prices volatile — feeds investors' stake impairments                         |

Sources: Alibaba and Tencent Q2 2026 results; 36Kr (Tencent stakes); TME 2026 interim 6-K; UBTech and Zhipu 2026 interim reports; Lenovo FY25/26 AR and Q1 FY26/27 results; Kingsoft Cloud Q2 2026.

# FY2026 year-end tests look like the next pressure point

Four forces converge on the 31 December 2026 test date

## -22.9%

**Hang Seng TECH down year to date**

5,515.98 at end-2025 to 4,253.89 on 30 Sep 2026 (-20.6% by 23 Sep). Market cap below net assets is an HKAS 36.12(d) indicator — most likely at small and mid caps.

## 3.75–4.00%

**Fed funds after the 16 Sep 2026 hike**

Voted 12–0; first hike since July 2023. HKMA base rate 4.25% from 17 Sep. Discount rates that eased in 2024–25 now turn up again.

## RMB23.4bn

**Meituan's 2025 net loss from the subsidy war**

Yet its FY2025 test cut the food-delivery discount rate to 21% (from 24%) and found no impairment. SAMR subsidy caps now also limit the margin recovery forecasts can assume.

## >US\$400bn

**China M&A in 2025, +47%**

Goodwill bought in 2025–26 at rally valuations — TME/Ximalaya RMB9.24bn, UBTech/Fenglong RMB1.12bn, Zhipu RMB0.28bn — faces its first annual test.

*Also: the CAC's Sep 2026 data-security probe into DeepSeek and Moonshot hit AI valuations (HSTECH -1.33% on 23 Sep), adding risk to AI start-up stakes held by Alibaba, Tencent and Meituan.*

# Where FY2026 impairments are most likely

Sub-sector risk ranking and the decision timeline

- 1** Local services, instant retail and new-initiative units
- 2** EV and consumer hardware
- 3** SaaS and small-cap cloud
- 4** 2025–26 deals at AI-rally prices
- 5** Lower: gaming, travel, semiconductors

## Timeline

- 30 Sep 2026**  
Interim indicator review: market cap vs net assets, rate hike, CAC probe
- Q4 2026**  
Board-approved budgets; independent discount-rate range; sensitivity heatmap
- 31 Dec 2026**  
Annual goodwill tests under current HKAS 36 (no IASB amendments final)
- 1 Jan 2027**  
HKFRS 18 effective: impairment in operating category; MPM reconciliations
- Mar 2027**  
Results: profit-warning path (SFO s307B) and per-CGU disclosures

# For engagement partners and quality reviewers

Nine actions for the FY2026 audit cycle

**1** **Re-assess indicators for 2025-vintage CGUs**  
Treat the HSTECH de-rating and Fed hike as presumptive indicators

**2** **Rebuild the discount rate independently**  
Challenge rates flat year on year while rates and risk moved

**3** **Evidence a retrospective review by CGU**

**4** **Challenge wide growth ranges and TG > 3%**

**5** **Reconcile market cap to net assets**  
Loss-makers with goodwill

**6** **Question qualitative step-zero on big balances**

**7** **Own the valuation expert's inputs**  
AFRC Enforcement Report 2025-26

**8** **Heighten EQCR on first-year / lower-fee audits**  
9 of 10 lower-fee first-year PIE audits rated 3–4

**9** **Keep goodwill apart from other charges**

# For management and audit committees

Seven actions before the 31 December 2026 test

**1** **Use the board-approved budget as the VIU base**  
Minute the audit committee's challenge

**2** **Publish per-CGU assumption tables**  
Prior year, headroom in currency, break-even values

**3** **Model the Sept 2026 rate rise explicitly**  
Show a discount-rate heatmap to the committee

**4** **Plan the announcement path now**

**5** **Avoid year-end CGU reallocations**

**6** **Prepare for HKFRS 18 (1 Jan 2027)**  
Impairment in MPM reconciliations

**7** **Separate goodwill in results releases**

# Data limits and sources

Read the figures with these caveats

- No market-wide total of goodwill or goodwill impairment is published for HK-listed issuers; Wind/Choice totals cover A-shares only. All totals here are sample sums.
- Figures were re-checked on 1 Oct 2026 against annual reports, auditor's reports and 20-F/6-K filings. Tencent's goodwill impairments now come from the KAM in each annual report; 2022 is RMB8.8bn, not nil as the aggregator showed.
- AI ratings use disclosed AI revenue, capex or orders (2025–1H26). Some indicators come from results summaries rather than filings (Kingdee, Weimob, AAC, JD Health, Youzan; BYD Electronic from one source).
- Hang Seng TECH closes (5,515.98 on 31 Dec 2025; 4,253.89 on 30 Sep 2026) agree across four or more market-data sources; the official daily report was not retrieved.
- Still open: Mobvoi's goodwill removal (secondary source) and the names of JD's impaired units (segment level only). Alibaba's and Baidu's audit matters and Meituan's FY2025 goodwill note are now confirmed from their annual reports.
- Currency conversions in totals are approximate (HK\$ x0.9, RM x1.55).
- Main sources: HKEXnews announcements and annual reports; SEC 20-F/6-K; company IR releases; AFRC and HKEX review reports; IFRS Foundation; federalreserve.gov; hkma.gov.hk; PwC HK; Reuters, SCMP, Caixin.

# Disclaimer

## Important information about this study

This study has been prepared by Valtech for general information and discussion purposes only. It is based on publicly available information — including company annual reports, auditor's reports, regulatory filings and market data — as at 1 October 2026. Valtech has not audited or independently verified this information beyond the checks described in this study.

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