



CSOP ETF SERIES III
(An umbrella unit trust established in Hong Kong)

CSOP HANG SENG INDEX ETF
Stock Code: 3037

(A sub-fund of CSOP ETF Series III)

Reports and Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2025



CSOP Hang Seng Index ETF

(A Sub-Fund of CSOP ETF Series III, an umbrella unit trust established under the laws of Hong Kong)

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CSOP Hang Seng Index ETF

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REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, CSOP Asset Management Limited, the Manager of CSOP Hang Seng Index ETF (the "Sub-Fund"), a sub-fund of CSOP ETF Series III, has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 16 March 2021 for the year ended 31 December 2025.

BOCI-Prudential Trustee Limited (the "Trustee")

28 April 2026

Independent auditor's report

To the unitholders of CSOP Hang Seng Index ETF

(A Sub-Fund of CSOP ETF Series III, an umbrella unit trust established under the laws of Hong Kong)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CSOP Hang Seng Index ETF (the "Sub-Fund") for the year ended 31 December 2025 set out on pages 7 to 37, which comprise the statement of net assets as at 31 December 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders, and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Sub-Fund in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent auditor's report (continued)

To the unitholders of CSOP Hang Seng Index ETF

(A Sub-Fund of CSOP ETF Series III, an umbrella unit trust established under the laws of Hong Kong)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Existence and valuation of financial assets at fair value through profit or loss</i>	
<p>As at 31 December 2025, the financial assets at fair value through profit or loss were valued at HKD662,677,420 which represented 99.60% of the net asset value of the Sub-Fund. These financial assets were listed shares traded on the Hong Kong Stock Exchange.</p> <p>We focused on this area because the financial assets at fair value through profit or loss represented the principal element of the financial statements.</p> <p>Disclosures in respect of the financial assets at fair value through profit or loss are set out in the summary of material accounting policies and notes 5(f), 12(b)(i) and 12(e) to the financial statements.</p>	<p>The procedures we performed to address the key audit matter included:</p> <ul style="list-style-type: none">• Obtained independent confirmations from the custodians of the investment portfolio held at 31 December 2025 and agreed the quantities held to the Sub-Fund's accounting records.• Obtained an understanding of the valuation process of financial assets at fair value through profit or loss.• Tested valuation of the financial assets at fair value through profit or loss by agreeing the valuation to independent third-party sources.

Information Other than the Financial Statements and Auditor's Report Thereon

The Manager and the Trustee of the Sub-Fund are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report (continued)

To the unitholders of CSOP Hang Seng Index ETF

(A Sub-Fund of CSOP ETF Series III, an umbrella unit trust established under the laws of Hong Kong)

Responsibilities of the Manager and the Trustee for the financial statements

The Manager and the Trustee of the Sub-Fund are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA, and for such internal control as the Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Trustee of the Sub-Fund are responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Trustee of the Sub-Fund either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 16 March 2021 and the relevant disclosure provisions of Appendix E of the *Code on Unit Trusts and Mutual Funds* (the "SFC Code") issued by the Securities and Futures Commission of Hong Kong.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

Independent auditor's report (continued)

To the unitholders of CSOP Hang Seng Index ETF

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Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager and the Trustee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent auditor's report (continued)

To the unitholders of CSOP Hang Seng Index ETF

(A Sub-Fund of CSOP ETF Series III, an umbrella unit trust established under the laws of Hong Kong)

Auditor's responsibilities for the audit of the financial statements (continued)

From the matters communicated with the Manager and the Trustee, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on matters under the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Li Siu Hong (practising certificate number: P08592).

Certified Public Accountants

Hong Kong

28 April 2026

CSOP Hang Seng Index ETF

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STATEMENT OF NET ASSETS

As at 31 December 2025

	Notes	2025 HKD	2024 HKD
ASSETS			
Financial assets at fair value through profit or loss	5(f), 10	662,677,420	925,490,130
Dividend receivable		1,842,420	-
Cash and cash equivalents	6	<u>953,088</u>	<u>1,033,234</u>
TOTAL ASSETS		<u><u>665,472,928</u></u>	<u><u>926,523,364</u></u>
LIABILITIES			
Management fee payable	5(a)	63,523	84,949
Other payables		<u>43,000</u>	<u>76,000</u>
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>106,523</u>	<u>160,949</u>
Net assets attributable to unitholders	3(a)	<u>665,366,405</u>	<u>926,362,415</u>
TOTAL LIABILITIES		<u><u>665,472,928</u></u>	<u><u>926,523,364</u></u>

For and on behalf of

CSOP Asset Management Limited
as the Manager

The accompanying notes are an integral part of these financial statements.

CSOP Hang Seng Index ETF

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HKD	2024 HKD
INCOME			
Net gains on financial assets at fair value through profit or loss	4	248,634,045	189,556,355
Interest income from bank deposits	5(c)	733	3,102
Dividend income		35,714,382	58,610,957
Net foreign exchange losses		<u>(5,374)</u>	<u>(8,806)</u>
TOTAL INCOME		<u>284,343,786</u>	<u>248,161,608</u>
EXPENSES			
Management fee	5(a)	(947,422)	(1,289,341)
Brokerage and transaction fees	5(e), 13	(558,460)	(555,750)
Bank charges	5(c)	<u>(3,540)</u>	<u>(1,950)</u>
TOTAL OPERATING EXPENSES		<u>(1,509,422)</u>	<u>(1,847,041)</u>
OPERATING INCOME		282,834,364	246,314,567
Finance cost			
Distribution to unitholders			
- Listed class	9	<u>(27,234,000)</u>	<u>(52,400,000)</u>
GAIN AFTER DISTRIBUTION AND BEFORE TAX		255,600,364	193,914,567
Withholding income tax expenses	8	<u>(1,790,274)</u>	<u>(2,675,606)</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE YEAR		<u>253,810,090</u>	<u>191,238,961</u>

The accompanying notes are an integral part of these financial statements.

CSOP Hang Seng Index ETF

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2025

	Notes	<u>Number of units</u>	<u>HKD</u>
Net assets attributable to unitholders at 1 January 2025		45,702,217	926,362,415
<u>Listed class</u>			
Issue of units	3(b)	2,000,000	
- In-kind	16		46,564,239
- Cash component and cash creation	16		193,861
Net issue of units		<u>2,000,000</u>	<u>46,758,100</u>
<u>Listed class</u>			
Redemption of units	3(b)	(22,000,000)	
- In-kind	16		(558,951,269)
- Cash component and cash creation	16		(2,612,931)
Net redemption of units		<u>(22,000,000)</u>	<u>(561,564,200)</u>
Increase in net assets attributable to unitholders for the year			<u>253,810,090</u>
Net assets attributable to unitholders at 31 December 2025		<u>25,702,217</u>	<u>665,366,405</u>

The accompanying notes are an integral part of these financial statements.

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2024

	Notes	<u>Number of units</u>	<u>HKD</u>
Net assets attributable to unitholders at 1 January 2024		76,702,217	1,322,065,254
<u>Listed class</u>			
Issue of units	3(b)	3,000,000	
- In-kind	16		53,290,943
- Cash component and cash creation	16		<u>750,757</u>
Net issue of units		<u>3,000,000</u>	<u>54,041,700</u>
<u>Listed class</u>			
Redemption of units	3(b)	(34,000,000)	
- In-kind	16		(638,589,305)
- Cash component and cash creation	16		<u>(2,394,195)</u>
Net redemption of units		<u>(34,000,000)</u>	<u>(640,983,500)</u>
Increase in net assets attributable to unitholders for the year			<u>191,238,961</u>
Net assets attributable to unitholders at 31 December 2024		<u>45,702,217</u>	<u>926,362,415</u>

The accompanying notes are an integral part of these financial statements.

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STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HKD	2024 HKD
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income before tax		282,834,364	246,314,567
Adjustments for:			
Dividend income		(35,714,382)	(58,610,957)
Interest income from bank deposits		(733)	(3,102)
Operating cash flows before movements in working capital		247,119,249	187,700,508
Increase in financial assets at fair value through profit or loss		(249,574,320)	(191,153,212)
Increase in due from participating dealers		-	168,137
Decrease in management fee payable		(21,426)	(17,771)
(Decrease)/increase in other payables		(33,000)	49,000
Cash used in operations		(2,509,497)	(3,253,338)
Interest on bank deposits received		733	3,102
Dividends received, net of withholding tax		32,081,688	57,498,118
Net cash flows generated from operating activities		29,572,924	54,247,882
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash component and cash creation received on issue of units - Listed class	16	193,861	750,757
Cash component and cash redemption paid on units - Listed class	16	(2,612,931)	(2,394,195)
Dividend distribution	9	(27,234,000)	(52,400,000)
Net cash flows used in financing activities		(29,653,070)	(54,043,438)
NET DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(80,146)	204,444
Cash and cash equivalents at the beginning of the year		1,033,234	828,790
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
		953,088	1,033,234
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances	6	953,088	1,033,234
Cash and cash equivalents as stated in the statement of cash flows		953,088	1,033,234

The accompanying notes are an integral part of these financial statements.

CSOP Hang Seng Index ETF

(A Sub-Fund of CSOP ETF Series III, an umbrella unit trust established under the laws of Hong Kong)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. GENERAL INFORMATION

CSOP ETF Series III (the "Trust") is an umbrella unit trust governed by its trust deed dated 16 March 2021, between CSOP Asset Management Limited (the "Manager") and BOCI-Prudential Trustee Limited (the "Trustee"). It is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") pursuant to Section 104(1) of the Securities and Futures Ordinance of Hong Kong.

CSOP Hang Seng Index ETF (the "Sub-Fund") is the only sub-fund of the Trust, which commenced trading under the stock code 3037 on the Stock Exchange of Hong Kong Limited ("SEHK") on 6 May 2021.

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the Underlying Index, namely, Hang Seng Index (the "Index"). There is no assurance that the Sub-Fund will achieve its investment objective. In order to achieve the investment objective of the Sub-Fund, the Sub-Fund will adopt a full replication strategy by directly investing all, or substantially all, of the Sub-Fund's assets in Index Securities constituting the Underlying Index in substantially the same weightings as these Index Securities have in the Underlying Index. The Manager will not use a representative sampling strategy other than in exceptional circumstances.

Under exceptional circumstances (i.e. due to restrictions, suspensions of trading, limited availability of certain Index Securities, corporate events, or as the Manager believes there is significant market mispricing or foreseeable market turbulence), where it is not feasible or not in the best interest of investors to acquire certain securities which are constituents of the Underlying Index due to restrictions or limited availability and/or it is not cost efficient, by reference to the Sub-Fund's net asset value ("NAV"), to use a full replication strategy, the Manager may also use a representative sampling strategy to invest in:

- i. A representative sample whose performance is closely correlated with the Underlying Index, but whose constituents may or may not themselves be constituents of the Underlying Index; and/or
- ii. Other collective investment schemes (CIS). "CIS" means an exchange traded fund and/or an unlisted index tracking fund which tracks an index that has a high correlation with the Underlying Index. The Sub-Fund's ability to invest in other CIS may not exceed 10% of its NAV and the Sub-Fund will not hold more than 10% of any units issued by any single CIS; and/or
- iii. Financial derivative instruments (mainly swaps with one or more counterparties) with no more than 10% of the Sub-Fund's NAV for investment and hedging purposes, where the Manager believes such investments will help the Sub-Fund achieve its investment objective and are beneficial to the Sub-Fund.

In pursuing a representative sampling strategy, the Manager may cause the Sub-Fund to deviate from the index weighting on condition that the maximum deviation from the index weighting of any constituent will not exceed 3% or such other percentage as determined by the Manager after consultation with the SFC.

CSOP Hang Seng Index ETF

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. GENERAL INFORMATION (continued)

If any non-constituent of the Index is held in the portfolio, for reasons other than underlying index rebalancing and Index related corporate action, to enhance transparency the Manager will disclose the name and weighting of such non-constituent securities and other CIS on the Manager's website immediately after the purchase and it will be reported daily until its disposal.

The Manager reviews the Index Securities held in the Sub-Fund's portfolio each business day. In order to minimise tracking error, the Manager closely monitors factors such as any changes in the weighting of each Index Security in the Underlying Index, suspension, dividend distributions and the liquidity of the Sub-Fund's portfolio. The Manager will also conduct adjustment on the portfolio of the Sub-Fund regularly, taking into account tracking error reports, the index methodology and any rebalance notification of the Underlying Index.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a)(i) Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions specified in Appendix E of the *Code on Unit Trusts and Mutual Funds* of the SFC (the "SFC Code").

The financial statements have been prepared under the historical cost convention, except for financial assets classified as at fair value through profit or loss ("FVPL") that have been measured at fair value. The financial statements are presented in Hong Kong dollars ("HKD") for the Sub-Fund. All values are rounded to the nearest HKD except where otherwise indicated.

(a)(ii) Significant accounting judgements, estimates and assumptions

The preparation of financial statements, in conformity with HKFRS Accounting Standards, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts recognised in the financial statements and disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

(a)(iii) Changes in accounting policy and disclosure

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1 January 2025 that have a material effect on the Sub Fund's financial statements.

(a)(iv) Issued but not yet effective HKFRS Accounting Standards

The Sub-Fund has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Sub-Fund intends to apply these new and amended HKFRS Accounting Standards, if applicable when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Sub-Fund are described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Sub-Fund is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Sub-Fund's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

(a)(iv) Issued but not yet effective HKFRS Accounting Standards (continued)

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Sub-Fund's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

(b) Financial instruments

(i) **Classification**

In accordance with HKFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial assets

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial assets

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. The Sub-Fund includes in this category short-term non-financing receivables including dividend receivable and cash and cash equivalents.

Financial assets measured at FVPL

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are SPPI on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Fund includes in this category equity instruments held for trading.

CSOP Hang Seng Index ETF

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2. MATERIAL ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

(i) **Classification** (continued)

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities other than those measured at FVPL. The Sub-Fund includes in this category amounts management fee payable and other payables.

(ii) **Recognition**

The Sub-Fund recognises a financial asset or a financial liability when it becomes a party to the contractual.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

(iii) **Initial measurement**

Financial assets at FVPL are recorded in the statement of net assets at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) **Subsequent measurement**

After initial measurement, the Sub-Fund measures financial instruments which are classified as at FVPL at fair value. Subsequent changes in the fair values of those financial instruments are recorded in "Net gains/losses on financial assets at fair value through profit or loss". Interest and dividend earned on these instruments are recorded separately in "interest income" and "dividend income" in the profit or loss.

Financial assets, other than those classified as at FVPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the financial assets are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

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2. MATERIAL ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

(iv) ***Subsequent measurement*** (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(v) ***Derecognition***

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired, or where the Sub-Fund has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either the Sub-Fund has transferred substantially all the risks and rewards of the asset or the Sub-Fund has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Sub-Fund's continuing involvement in the asset. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained. The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged or cancelled or expired.

Fair value measurement

The Sub-Fund measures its investments in financial instruments at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Sub-Fund.

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2. MATERIAL ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments that are listed or traded on an exchange is based on quoted last traded market prices, that are within the bid-ask spread.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(c) Dividend income

Dividend income is recognised on the date when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of profit or loss and other comprehensive income.

(d) Interest income

Interest income is recognised in the statement of profit or loss and other comprehensive income for all interest-bearing financial instruments using the effective interest method.

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2. MATERIAL ACCOUNTING POLICIES (continued)

(e) Expenses

Expenses are recognised in the statement of profit or loss on an accrual basis.

(f) Cash and cash equivalents

Cash and cash equivalents in the statement of net assets comprise short-term deposits in banks which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, with original maturities of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

(g) Due from participating dealers

Due from participating dealers represent the subscription receivable from the participating dealers on the reporting date.

(h) Net assets attributable to unitholders

Redeemable units are redeemable at the holder's option and are classified as financial liabilities as they do not meet the conditions to be classified as equity. Redeemable units are measured at the redemption amount.

Redeemable units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net asset value per unit at the time of issue or redemption. The Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to unitholders by the number of units in issue of the relevant class.

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2. MATERIAL ACCOUNTING POLICIES (continued)

(i) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

(j) Impairment of financial assets

For financial assets measured at amortised cost, impairment allowances are recognised under the general approach where expected credit losses are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Sub-Fund is required to provide for credit losses that result from possible default events within the next 12 months (stage 1). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default (stage 2).

The Sub-Fund considers a default has occurred when a financial asset is more than 90 days past due unless the Sub-Fund has reasonable and supportable information to demonstrate that a more appropriate default criterion should be applied.

(k) Net gains or losses on financial assets at fair value through profit or loss

Net gains or losses on financial assets at FVPL are changes in the fair values of financial assets held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as at FVPL are calculated using the weighted average method. They represent the differences between an instrument's initial carrying amount and disposal amount.

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2. MATERIAL ACCOUNTING POLICIES (continued)

(l) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of net assets if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(m) Taxes

The Sub-Fund is exempt from all forms of taxation in Hong Kong, including income, capital gains and withholding taxes. However, in some jurisdictions, investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Sub-Fund. The Sub-Fund presents the withholding tax separately from the gross investment income in the statement of profit or loss and other comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented gross of withholding taxes, when applicable.

(n) Distributions to unitholders

Distributions are at the discretion of the Manager.

During the year ended 31 December 2025 and 2024, a distribution to the Sub-Fund's unitholders is accounted for as a finance cost recognised in the statement of profit or loss and other comprehensive income. A proposed distribution is recognised as a liability in the period in which it is approved by the Manager. No distribution will be paid out of the Sub-Fund's capital.

(o) Transaction fees

Transaction fees are costs incurred to acquire financial assets/liabilities at FVPL. They include fees and commissions paid to agents, brokers and dealers. Transaction fees, when incurred, are immediately recognised in profit or loss as an expense.

(p) Related parties

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Sub-Fund;
 - (ii) has significant influence over the Sub-Fund; or
 - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund;

or

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2. MATERIAL ACCOUNTING POLICIES (continued)

(p) Related parties (continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Sub-Fund are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Sub-Fund are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Sub-Fund or the parent of the Sub-Fund.

(q) Foreign currency translations

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency translation gains and losses on financial instruments classified as at FVPL are included in profit or loss as part of the 'net gain or loss on financial assets and liabilities at fair value through profit or loss'.

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3. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND MOVEMENT OF UNITS

(a) Net assets attributable to unitholders

The creation and redemption of units of the Sub-Fund can only be facilitated by or through participating dealers. Investors other than the participating dealers make a request to create or redeem units through a participating dealer, and if the investor is a retail investor, such request must be made through a stockbroker which has opened an account with a participating dealer. Units are created or redeemed at a minimum of 1,000,000 shares or in multiples thereof for the Sub-Fund.

The Trustee shall receive subscription proceeds from the participating dealers for the creation of units and pay redemption proceeds for the redemption of units to the relevant participating dealer in such form and manner as prescribed by the Trust Deed. Subscriptions and redemptions of units during the year are shown on the statement of changes in net assets attributable to unitholders.

In accordance with HKAS32, the redeemable participating unitholders are in substance a liability of the Sub-Fund are reflected as such in the financial statements.

(b) Movement of units

The table below summarises the movement of units during the year, and the accounting NAV per unit and the dealing NAV per unit of the Sub-Fund as at the year ended.

	2025		2024	
	Number of units		Number of units	
	Listed Class	Unlisted Class	Listed Class	Unlisted Class
Units in issue at beginning of year	45,700,000	2,217	76,700,000	2,217
Issued during the year	2,000,000	-	3,000,000	-
Redeemed during the year	(22,000,000)	-	(34,000,000)	-
Units in issue at end of year	<u>25,700,000</u>	<u>2,217</u>	<u>45,700,000</u>	<u>2,217</u>
	2025		2024	
	Net assets attributable to unitholders		Net assets attributable to unitholders	
	HKD	HKD	HKD	HKD
NAV per unit at end of year	<u>25.8872</u>	<u>28.9534</u>	<u>20.2694</u>	<u>21.9419</u>

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4. NET GAINS IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The following is a breakdown of the net gains on financial assets at FVPL:

	2025 HKD	2024 HKD
Net realised gains/(losses) on sale of financial assets at FVPL	130,409,057	(77,417,709)
Net change in unrealised gains financial assets at FVPL	<u>118,224,988</u>	<u>266,974,064</u>
	<u>248,634,045</u>	<u>189,556,355</u>

5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND ITS CONNECTED PERSONS

Related parties are those as defined in note 2(p). Related parties of the Sub-Fund also include the Manager of the Sub-Fund and its connected persons. Connected persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by SFC Code. All transactions entered into during the year between the Sub-Fund and its related parties, including the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms.

To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with its related parties, including the Manager and its connected persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee of up to 2% per year of the NAV of the Sub-Fund. The current management fee in respect of the Sub-Fund is 0.1% of the NAV for listed class of units and 0.09% of the NAV of unlisted Class A units and are accrued daily and calculated as at each dealing day and payable monthly in arrears with no fixed terms.

The management fees of the Sub-Fund for the year ended 31 December 2025 were HKD947,422 (2024: HKD1,289,341) of which HKD63,523 (2024: HKD84,949) remained payable as of 31 December 2025.

(b) Custodian, fund administration and trustee fees

The Trustee fee and Registrar's fee were included in the management fee and the Manager paid the fees to the Trustee and Registrar out of the management fee.

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5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND ITS CONNECTED PERSONS (continued)

(c) Cash and cash equivalents, interest income and bank charges

As at 31 December 2025, the interest-bearing bank balance were held with Bank of China (Hong Kong) Ltd, an affiliate of the Trustee. Refer to note 6 for details of cash and cash equivalents.

During the year ended 31 December 2025, the interest income earned from the bank balances maintained with Bank of China (Hong Kong) Ltd. and bank charges amounted to HKD733 (2024: HKD3,102), and HKD3,540 (2024: HKD1,950) respectively.

(d) Holdings of units

As at 31 December 2025, 3 unitholders (2024: 3) held more than 10% of the Sub-Fund's total net assets. 6,863,100 units (2024: 7,138,100 units) of the Sub-Fund were held by Bank of China (Hong Kong) Ltd, an affiliate of the Trustee, as a market intermediary.

(e) Brokerage fee

The Sub-Fund does not utilise the trading services of brokers who are related to the Trustee and the Manager in the purchases and sales of investments.

(f) Investments held by the Trustee's affiliate

The investments deposited with Bank of China (Hong Kong) Ltd., the Trustee's affiliate as at 31 December 2025 and 2024 are summarised below:

	2025 HKD	2024 HKD
Financial assets at fair value through profit or loss	<u>662,677,420</u>	<u>925,490,130</u>

(g) Investments held by the Manager's affiliate

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund. The holdings in the Sub-Fund by the Manager and its connected persons as at 31 December 2025 and 2024 were as follows:

	Units outstanding at 1 January 2025	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2025
Unlisted Class A shares held by the Manager	<u>2,217</u>	<u>-</u>	<u>-</u>	<u>2,217</u>
	<u>2,217</u>	<u>-</u>	<u>-</u>	<u>2,217</u>

As at 31 December 2025

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NOTES TO THE FINANCIAL STATEMENTS**31 December 2025****5. TRANSACTIONS WITH THE TRUSTEE, MANAGER AND ITS CONNECTED PERSONS
(continued)****(g) Investments held by the Manager affiliate (continued)**

	Units outstanding at 1 January 2024	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2024
<u>As at 31 December 2024</u>				
Unlisted Class A shares held by the Manager	<u>2,217</u>	<u>-</u>	<u>-</u>	<u>2,217</u>
	<u>2,217</u>	<u>-</u>	<u>-</u>	<u>2,217</u>

6. CASH AND CASH EQUIVALENTS

	2025 HKD	2024 HKD
Cast at bank	<u>953,088</u>	<u>1,033,234</u>

As at 31 December 2025 and 2024, the interest-bearing bank balances were held with Bank of China (Hong Kong) Ltd, a connected company of the Trustee.

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NOTES TO THE FINANCIAL STATEMENTS

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7. SOFT COMMISSION ARRANGEMENTS

The Manager may effect transactions, provided that any such transaction is consistent with standards of "best execution", by or through the agency of another person for the account of the Sub-Fund with whom the Manager or any of its connected persons has an arrangement under which that party will from time to time provide to or procure for the Manager or any of its connected persons goods, services or other benefits (such as advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Sub-Fund as a whole and may contribute to an improvement in the performance of the Sub-Fund. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. During the year ended 31 December 2025, the Manager obtained the services through soft dollar arrangements on transactions amounted to HKD296,731,937 (2024: HKD257,183,104). Commission which amounted to HKD237,386 (2024: HKD196,220) was paid from the Sub-Fund on these transactions.

8. TAXATION

No provision for Hong Kong profits tax has been made for the Sub-Fund as it is authorised as collective investment schemes under section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from Hong Kong profits tax under section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

PRC tax

The Sub-Fund has investments in shares of companies in the People's Republic of China (the "PRC") listed on the Hong Kong Stock Exchange ("H-shares") and stocks that are based in mainland China and controlled, either directly or indirectly, by the central, provincial or municipal governments of the PRC but listed in Hong Kong to allow overseas investment in ("Red Chips"). Under general taxing provisions of the Corporate Income Tax Law ("CIT Law"), a fund could be technically subject to 10% withholding income tax ("WIT") on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties. However, there may be practical difficulty for the PRC tax authorities to impose and collect WIT on such capital gains. The 10% WIT has not been strictly enforced by local tax bureau on capital gains derived by non-tax resident enterprises of the PRC from the trading of H-Shares and Red Chips. Where capital gains are derived from trading of H-Shares and Red Chips, Value added tax ("VAT") in general is not imposed as the purchase and disposal are often concluded and completed outside the PRC.

No provision was made for taxation from such gains in the financial statements as the Manager believes that the taxation on capital gains derived from H-Shares and Red Chips are not probable under the current enforcement environment.

Withholding tax of 10% was charged on dividend income received from H-shares and Red Chips during year ended 31 December 2025 amounted to HKD1,790,274 (2024: HKD2,675,606).

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NOTES TO THE FINANCIAL STATEMENTS

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9. DISTRIBUTIONS TO UNITHOLDERS

The Manager may in its absolute discretion distribute income to unitholders annually (usually in December of each financial year) or determine that no distribution shall be made in any financial year. Distributions may not be paid if the cost of the Sub-Fund's operations is higher than the yield from management of the Sub-Fund's cash and holdings of investments.

During the year ended 31 December 2025 and 2024, the Sub-Fund made distributions for the listed class units:

	HKD	Distribution per unit HKD
2025		
Distributions declared on 23 May 2025		
Listed class	10,008,000	0.24
Distributions declared on 21 November 2025		
Listed class	<u>17,226,000</u>	0.58
Total	<u>27,234,000</u>	
2024		
Distributions declared on 24 May 2024		
Listed class	12,272,000	0.16
Distributions declared on 22 November 2024		
Listed class	<u>40,128,000</u>	0.64
Total	<u>52,400,000</u>	

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HKD	2024 HKD
Financial assets at FVTPL		
- Listed equities	<u>662,677,420</u>	<u>925,490,130</u>

11. INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE

The SFC Code states that not more than 10% of the NAV of the Sub-Fund may be invested in securities issued by any single issuer, subject to certain provisions of the SFC Code. There were no securities that individually accounted for more than 10% of the NAV of the Sub-Fund as at 31 December 2025 and 2024.

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Strategy in using financial instruments

Investment objective and investment policies

The investment objective of the Sub-Fund is to provide investment results that, before deduction of fees and expenses, closely correspond to the performance of the underlying index relevant to the Sub-Fund by adopting a replication strategy and investing all, or substantially all, of the assets of such Sub-Fund in index securities constituting the underlying index in substantially the same weightings as constituted in the underlying index. Further details are set out in note 1.

The Sub-Fund itself is subject to various risks. The main risks associated with the investments, assets and liabilities of the Sub-Fund are set out below:

(b) Market risk

(i) *Equity price risk*

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Sub-Fund is designated to track the performance of the index, and therefore the exposures to market risk in the Sub-Fund will be substantially the same as the tracked index. The Manager manages the Sub-Fund's exposure to market risk by ensuring that the key characteristics of the portfolio, such as security weight and industry weight, are closely aligned with the characteristics of the tracked index.

The Sub-Fund's financial assets at FVPL were concentrated in the following countries/jurisdictions:

	As at 31 December 2025		As at 31 December 2024	
	Fair value	% of net asset value	Fair value	% of net asset value
	HKD		HKD	
<u>Listed equities</u>				
Hong Kong				
Total financial assets at FVPL	<u>662,677,420</u>	<u>99.60</u>	<u>925,490,130</u>	<u>99.91</u>

Sensitivity analysis in the event of a possible change in the tracked index by sensitivity threshold as estimated by the Manager

As at 31 December 2025, if the index increases by 32% (2024: 10%) with all other variables held constant, this would increase the NAV by HKD215,125,014 (2024: HKD92,549,013). Conversely, if the tracked index decreases by the same sensitivity threshold, this would decrease the NAV by approximately equal amounts.

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Market risk (continued)

(i) *Equity price risk*

The Manager has used the view of what would be a "reasonable shift" in each key market to estimate the change for use in the market sensitivity analysis above. The disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in the market index % are revised annually depending on the Manager's current view of market volatility and other relevant factors.

(ii) *Interest rate risk*

The majority of the Sub-Fund's financial assets and liabilities are non-interest bearing. As a result, the Sub-Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

(iii) *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Sub-Fund currently holds assets and liabilities denominated in HKD, a currency the same with its functional currency. The Manager considers that there is no currency risk and therefore the Sub-Fund is not exposed to significant currency risk.

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NOTES TO THE FINANCIAL STATEMENTS

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund's financial assets which are potentially subject to credit risk consist principally of securities and cash and cash equivalents. The Sub-Fund limits its exposure to credit risk by transacting with well-established broker-dealers and banks with high credit ratings.

The tables below summarise the Sub-Fund's assets placed with banks.

	2025 HKD	2024 HKD
<u>Financial assets at FVPL</u>		
Bank of China (Hong Kong) Ltd.	662,677,420	925,490,130
<u>Cash at bank</u>		
Bank of China (Hong Kong) Ltd.	953,088	1,033,234

As at 31 December 2025 and 2024, the credit rating of the Sub-Fund's custodian is at or above investment grade.

CSOP Hang Seng Index ETF

(A Sub-Fund of CSOP ETF Series III, an umbrella unit trust established under the laws of Hong Kong)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

Accordingly, the Manager considers the Sub-Fund has no significant credit risk.

Financial assets subject to HKFRS 9's impairment requirements

The Sub-Fund's financial assets subject to the expected credit losses model within HKFRS 9 are dividend receivable and cash and cash equivalents. At 31 December 2025, the total amount of these financial assets was HKD2,795,508 (2024: HKD1,033,234) for the Sub-Fund, on which no loss allowance had been provided. No assets are considered impaired and no amounts have been written off during the year-end.

The Sub-Fund applies the general approach for impairment, and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. The financial assets therefore are still classified as stage 1 and presented in gross carrying amount.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request. The Sub-Fund's securities are considered readily realisable, as they are listed. It is the intent of the Manager to monitor the Sub-Fund's liquidity position on a daily basis. The following table illustrates the expected liquidity of financial assets held and provides the contractual undiscounted cash-flow projection of the Sub-Fund's financial liabilities as at 31 December 2025 and 2024. The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 1 month or less. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	On demand HKD	Less than 1 month HKD	Others *	Total HKD
<u>As at 31 December 2025</u>				
Financial assets				
Financial assets at fair value				
through profit or loss	662,677,420	-	-	662,677,420
Cash and cash equivalents	953,088	-	-	953,088
Dividend receivable	-	1,842,420	-	1,842,420
Total	<u>663,630,508</u>	<u>1,842,420</u>	<u>-</u>	<u>665,472,928</u>
Financial liabilities				
Management fee payable	-	63,523	-	63,523
Other payables	-	43,000	-	43,000
Net assets attributable to unitholders	-	-	665,366,405	665,366,405
Total	<u>-</u>	<u>106,523</u>	<u>665,366,405</u>	<u>665,472,928</u>

* Subject to redemption terms set out in the offering documents of the Sub-Fund.

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NOTES TO THE FINANCIAL STATEMENTS**31 December 2025**

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity risk (continued)

	On demand HKD	Less than 1 month HKD	Others *	Total HKD
<u>As at 31 December 2024</u>				
Financial assets				
Financial assets at fair value through profit or loss	925,490,130	-	-	925,490,130
Cash and cash equivalents	<u>1,033,234</u>	<u>-</u>	<u>-</u>	<u>1,033,234</u>
Total	<u><u>926,523,364</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>926,523,364</u></u>
Financial liabilities				
Management fee payable	-	84,949	-	84,949
Other payables	-	76,000	-	76,000
Net assets attributable to unitholders	<u>-</u>	<u>-</u>	<u>926,362,415</u>	<u>926,362,415</u>
Total	<u><u>-</u></u>	<u><u>160,949</u></u>	<u><u>926,362,415</u></u>	<u><u>926,523,364</u></u>

* Subject to redemption terms set out in the offering documents of the Sub-Fund.

(e) Fair value estimation

The fair values of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. The Sub-Fund uses the last traded market prices as its fair valuation inputs for financial assets.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

HKFRS 13 requires the Sub-Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the assets or liabilities.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Fair value estimation (continued)

The determination of what constitutes "observable" requires significant judgement by the Sub-Fund. The Sub-Fund considers observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant markets.

Financial assets carried at fair value

The following tables analyse the fair value hierarchy within the Sub-Fund's financial assets measured at fair value at 31 December 2025 and 2024:

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
<u>As at 31 December 2025</u>				
Financial assets at FVPL:				
Listed equities	<u>662,677,420</u>	<u>-</u>	<u>-</u>	<u>662,677,420</u>
<u>As at 31 December 2024</u>				
Financial assets at FVPL:				
Listed equities	<u>925,490,130</u>	<u>-</u>	<u>-</u>	<u>925,490,130</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include listed equity securities. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that are traded in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they are traded infrequently.

There were no transfers between levels during the year ended 31 December 2025 and 2024.

Other financial assets and financial liabilities

The management has assessed that the carrying values of cash and cash equivalents, dividend receivable, management fee payable and other payables approximate to their fair values largely due to the short-term maturities of these instruments.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Capital risk management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The Sub-Fund's objective is to provide investment results that correspond generally to the performance of the index.

The Manager may:

- redeem and issue new units in accordance with the constitutive documents of the Sub-Fund;
- exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders; and
- suspend the creation and redemption of units under certain circumstances stipulated in the Trust Deed.

13. BROKERAGE AND TRANSACTION FEES

Broker commissions pertains to the broker commissions for every transaction made through the broker at the average market rate based on the transaction value. Transaction fee pertains to fees such as trading fee and transaction levy for every transaction made on the exchange.

The brokerage and transaction fees of the Sub-Fund for the year ended 31 December 2025 was HKD558,460 (2024: HKD555,750).

14. AUDIT FEE

The audit fee of the Sub-Fund for the year ended 31 December 2025 was USD10,000 (2024: USD18,310). The amount was borne by the investment manager. There were no non-audit services provided to the Sub-Fund by the auditor for the years ended 31 December 2025 and 2024.

15. SEGMENT INFORMATION

The Manager makes the strategic resource allocations on behalf of the Sub-Fund and has determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Manager is responsible for the Sub-Fund's entire portfolio and considers the business to have a single operating segment. The objective of the Sub-Fund is to track the performance of its index and invests in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the Index.

The Sub-Fund trades in the constituent shares of the Hang Seng Index with the objective to provide investment results that closely correspond to the performance of the Index.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

15. SEGMENT INFORMATION (continued)

The internal financial information used by the Manager for the Sub-Fund's assets, liabilities and performance is the same as that disclosed in the statement of net assets and the statement of profit or loss and other comprehensive income.

The Sub-Fund is domiciled in Hong Kong. All of the Sub-Fund's income is generated in Hong Kong. Majority of such income is from investments in entities listed in Hong Kong.

The Sub-Fund has no assets and no liabilities classified as non-current.

16. MAJOR NON-CASH TRANSACTIONS

In accordance with the Trust Deed, units are issued through an in-kind creation of an Index Basket with the remaining balances in cash. For each creation unit (of 1,000,000 units), the Sub-Fund receives an index basket consisting of constituent shares as determined by the Manager on a daily basis. During the year ended 31 December 2025, the Sub-Fund issued 2,000,000 units (2024: 3,000,000 units) of listed class totalling HKD46,758,100 (2024: HKD54,041,700) in exchange for index baskets consisting of investments valued at HKD46,564,239 (2024: HKD53,290,943) plus the relevant cash component of HKD193,861 (2024: HKD750,757) for listed class. The Sub-Fund also redeemed 22,000,000 units (2024: 34,000,000 units) of listed class amounting to HKD561,564,200 (2024: HKD640,983,500) in exchange for index baskets consisting of investment valued at HKD558,951,269 (2024: HKD638,589,305) plus the relevant cash component of HKD2,612,931 (2024: HKD2,394,195).

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Trustee on 28 April 2026.

CSOP Hang Seng Index ETF

(A Sub-Fund of CSOP ETF Series III, an umbrella unit trust established under the laws of Hong Kong)

INVESTMENT PORTFOLIO (UNAUDITED)

As at 31 December 2025

	HOLDINGS	FAIR VALUE	% OF
	UNITS	HKD	NET ASSETS
<u>Listed Equities</u>			
Hong Kong			
AIA GROUP LTD	436,434	34,871,077	5.24
ALIBABA GROUP HLDG LTD	345,366	49,318,265	7.41
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	259,200	1,308,960	0.20
ANTA SPORTS PRODUCTS LTD	57,952	4,668,034	0.70
BAIDU INC-CLASS A	51,151	6,726,357	1.01
BANK OF CHINA LTD-H	2,947,176	13,144,405	1.97
BOC HONG KONG (HLDGS) LTD	153,199	6,039,105	0.91
BUDWEISER BREWING CO APAC LTD	77,557	588,658	0.09
BYD CO LTD-H	152,831	14,572,436	2.19
BYD ELECTRONIC (INTL) CO LTD	31,799	1,069,718	0.16
CHINA CONSTRUCTION BANK CORP-H	3,994,835	30,720,281	4.62
CHINA HONGQIAO GROUP LTD	137,775	4,494,221	0.67
CHINA LIFE INSURANCE CO LTD-H	307,897	8,430,220	1.27
CHINA MENGNIU DAIRY CO LTD	127,241	1,897,163	0.28
CHINA MERCHANTS BANK CO LTD-H	161,937	8,550,274	1.28
CHINA MOBILE LTD	258,118	21,088,241	3.17
CHINA OVERSEAS LAND & INVESTMENT LTD	156,154	1,912,887	0.29
CHINA PETROLEUM & CHEMICAL CORP-H	938,850	4,384,430	0.66
CHINA RESOURCES BEER (HLDGS) CO LTD	65,959	1,729,445	0.26
CHINA RESOURCES LAND LTD	132,169	3,594,997	0.54
CHINA RESOURCES MIXC LIFESTYLE SERVICES LTD	27,560	1,183,426	0.18
CHINA RESOURCES POWER HLDGS CO	83,088	1,438,253	0.22
CHINA SHENHUA ENERGY CO LTD-H	132,502	5,141,078	0.77
CHINA TELECOM CORP LTD-H	541,030	2,916,152	0.44
CHINA UNICOM (HONG KONG) LTD	249,506	1,941,157	0.29
CHOW TAI FOOK JEWELLERY GROUP LTD	79,156	980,743	0.15
CITIC LTD	238,370	2,874,742	0.43
CK ASSET HLDGS LTD	78,537	3,088,075	0.46
CK HUTCHISON HLDGS LTD	110,585	5,855,476	0.88
CK INFRASTRUCTURE HLDGS LTD	25,343	1,459,757	0.22
CLP HLDGS LTD	83,663	5,822,945	0.88
CNOOC LTD	646,140	13,762,782	2.07
CSPC PHARMACEUTICAL GROUP LTD	327,984	2,764,905	0.42
ENN ENERGY HLDGS LTD	32,419	2,243,395	0.34
GALAXY ENTERTAINMENT GROUP LTD	80,386	3,080,392	0.46
GEELY AUTOMOBILE HLDGS LTD	250,508	4,484,093	0.67
H Aidilao Intl Hldg Ltd	78,094	1,112,840	0.17
HAIER SMART HOME CO LTD -H	99,546	2,416,977	0.36
HANG LUNG PROPERTIES LTD	69,357	597,164	0.09
HANG SENG BANK LTD	30,951	4,750,979	0.71
HANSON PHARMACEUTICAL GROUP CO LTD	62,244	2,245,764	0.34
HENDERSON LAND DEVELOPMENT CO LTD	58,713	1,652,184	0.25
HENGAN INTL GROUP CO LTD	25,124	700,960	0.11
HONG KONG EXCHANGES & CLEARING LTD	49,981	20,372,256	3.06

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INVESTMENT PORTFOLIO (UNAUDITED)

As at 31 December 2025

	HOLDINGS	FAIR VALUE	% OF
	UNITS	HKD	NET ASSETS
Listed Equities (continued)			
Hong Kong (continued)			
HSBC HLDGS PLC	488,540	59,797,291	8.99
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	3,423,088	21,531,224	3.24
INNOVENT BIOLOGICS INC (B)	67,064	5,113,630	0.77
JD HEALTH INTL INC	45,960	2,550,780	0.38
JD LOGISTICS INC	107,405	1,226,565	0.18
JD.COM INC	72,587	8,100,709	1.22
KUAISHOU TECHNOLOGY	125,210	8,007,180	1.20
LENOVO GROUP LTD	305,392	2,827,930	0.43
LI AUTO INC-CL A	57,305	3,716,229	0.56
LI NING CO LTD	94,499	1,764,296	0.27
LINK REAL ESTATE INVESTMENT TRUST	106,395	3,696,162	0.56
LONGFOR GROUP HLDGS LTD	98,098	839,719	0.13
MEITUAN-CLASS B	228,352	23,588,762	3.55
MIDEA GROUP CO LTD-H	25,155	2,136,917	0.32
MTR CORP LTD	76,264	2,272,667	0.34
NETEASE INC	59,116	12,686,294	1.91
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	31,067	1,312,270	0.20
NONGFU SPRING CO LTD-H	82,818	3,879,195	0.58
ORIENT OVERSEAS INTL LTD	5,385	675,279	0.10
PETROCHINA CO LTD-H	874,671	7,329,743	1.10
PING AN INSURANCE GROUP CO OF CHINA LTD-H	278,263	18,128,834	2.72
POP MART INTL GROUP LTD	30,398	5,705,705	0.86
POWER ASSETS HLDGS LTD	56,873	3,136,546	0.47
SANDS CHINA LTD	99,090	1,942,164	0.29
SEMICONDUCTOR MANUFACTURING INTL CORP	186,895	13,353,648	2.01
SHENZHOU INTL GROUP HLDGS LTD	33,814	2,069,417	0.31
SINO BIOPHARMACEUTICAL LTD	423,511	2,617,298	0.39
SINOPHARM GROUP CO LTD-H	53,762	1,045,133	0.16
SUN HUNG KAI PROPERTIES LTD	59,538	5,638,249	0.85
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	29,092	1,906,981	0.29
TECHTRONIC INDUSTRIES CO LTD	60,362	5,426,544	0.81
TENCENT HLDGS LTD	87,942	52,677,253	7.92
THE HONG KONG & CHINA GAS CO LTD	460,113	3,225,392	0.48
TINGYI (CAYMAN ISLANDS) HLDG CORP	78,313	923,310	0.14
TRIP.COM GROUP LTD	9,961	5,518,394	0.83
WH GROUP LTD	341,605	2,961,715	0.44
WHARF REAL ESTATE INVESTMENT CO LTD	67,240	1,652,759	0.25
WUXI APPTTEC CO LTD-H	19,067	1,881,913	0.28
WUXI BIOLOGICS (CAYMAN) INC	151,771	4,771,680	0.72
XIAOMI CORP-CLASS B SHARE	757,053	29,752,183	4.47
XINYI GLASS HLDG CO LTD	86,921	718,837	0.11
XINYI SOLAR HLDGS LTD	176,531	524,297	0.08
ZHONGSHENG GROUP HLDGS LTD	25,798	299,773	0.04
ZIJIN MINING GROUP CO LTD-H	246,769	8,799,783	1.32
ZTO EXPRESS CAYMAN INC	18,183	2,951,101	0.44
TOTAL INVESTMENTS, AT FAIR VALUE		<u>662,677,420</u>	<u>99.60</u>
TOTAL INVESTMENTS, AT COST		<u>540,657,876</u>	

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the year ended 31 December 2025

	As at 1 January 2025 Units	Additions Units	Disposals Units	As at 31 December 2025 Units
Listed equities				
Hong Kong				
AIA GROUP LTD	799,779	86,311	(449,656)	436,434
ALIBABA GROUP HLDG LTD	863,861	138,099	(656,594)	345,366
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	463,708	88,527	(293,035)	259,200
ANTA SPORTS PRODUCTS LTD	103,231	13,430	(58,709)	57,952
BAIDU INC-CLASS A	51,551	44,772	(45,172)	51,151
BANK OF CHINA LTD-H	6,100,939	760,767	(3,914,530)	2,947,176
BOC HONG KONG (HLDGS) LTD	269,968	36,687	(153,456)	153,199
BUDWEISER BREWING CO APAC LTD	141,848	14,802	(79,093)	77,557
BYD CO LTD-H	80,136	192,147	(119,452)	152,831
BYD ELECTRONIC (INTL) CO LTD	56,788	8,580	(33,569)	31,799
CHINA CONSTRUCTION BANK CORP-H	7,894,784	921,924	(4,821,873)	3,994,835
CHINA HONGQIAO GROUP LTD	205,526	62,310	(130,061)	137,775
CHINA LIFE INSURANCE CO LTD-H	542,941	72,506	(307,550)	307,897
CHINA MENGNIU DAIRY CO LTD	229,713	35,154	(137,626)	127,241
CHINA MERCHANTS BANK CO LTD-H	284,501	37,364	(159,928)	161,937
CHINA MOBILE LTD	450,406	58,428	(250,716)	258,118
CHINA OVERSEAS LAND & INVESTMENT LTD	277,853	37,078	(158,777)	156,154
CHINA PETROLEUM & CHEMICAL CORP-H	1,775,543	225,093	(1,061,786)	938,850
CHINA RESOURCES BEER (HLDGS) CO LTD	117,346	13,730	(65,117)	65,959
CHINA RESOURCES LAND LTD	233,694	33,048	(134,573)	132,169
CHINA RESOURCES MIXC LIFESTYLE SERVICES LTD	49,146	6,175	(27,761)	27,560
CHINA RESOURCES POWER HLDGS CO	139,498	32,652	(89,062)	83,088
CHINA SHENHUA ENERGY CO LTD-H	246,403	32,338	(146,239)	132,502
CHINA TELECOM CORP LTD-H	-	918,000	(376,970)	541,030
CHINA UNICOM (HONG KONG) LTD	443,613	62,080	(256,187)	249,506
CHOW TAI FOOK JEWELLERY GROUP LTD	142,448	27,298	(90,590)	79,156
CITIC LTD	529,925	53,091	(344,646)	238,370
CK ASSET HLDGS LTD	140,457	16,824	(78,744)	78,537
CK HUTCHISON HLDGS LTD	195,446	24,820	(109,681)	110,585
CK INFRASTRUCTURE HLDGS LTD	45,764	6,566	(26,987)	25,343
CLP HLDGS LTD	147,637	21,157	(85,131)	83,663
CNOOC LTD	1,137,332	146,381	(637,573)	646,140
CSPC PHARMACEUTICAL GROUP LTD	595,695	70,552	(338,263)	327,984
ENN ENERGY HLDGS LTD	57,351	8,494	(33,426)	32,419

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the year ended 31 December 2025

	As at 1 January 2025 Units	Additions Units	Disposals Units	As at 31 December 2025 Units
Listed equities (continued)				
Hong Kong (continued)				
GALAXY ENTERTAINMENT GROUP LTD	159,323	21,178	(100,115)	80,386
GEELY AUTOMOBILE HLDGS LTD	440,102	61,882	(251,476)	250,508
H Aidilao Intl Hldg Ltd	140,673	17,222	(79,801)	78,094
HAIER SMART HOME CO LTD -H	177,138	24,776	(102,368)	99,546
HANG LUNG PROPERTIES LTD	135,940	22,856	(89,439)	69,357
HANG SENG BANK LTD	54,907	7,473	(31,429)	30,951
HANSOH PHARMACEUTICAL GROUP CO LTD	86,201	27,860	(51,817)	62,244
HENDERSON LAND DEVELOPMENT CO LTD	104,900	16,666	(62,853)	58,713
HENGAN INTL GROUP CO LTD	49,842	8,565	(33,283)	25,124
HONG KONG EXCHANGES & CLEARING LTD	87,901	10,970	(48,890)	49,981
HSBC HLDGS PLC	992,575	86,354	(590,389)	488,540
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	5,699,693	1,088,973	(3,365,578)	3,423,088
INNOVENT BIOLOGICS INC (B)	-	77,500	(10,436)	67,064
JD HEALTH INTL INC	80,688	13,858	(48,586)	45,960
JD LOGISTICS INC	-	178,500	(71,095)	107,405
JD.COM INC	127,604	17,016	(72,033)	72,587
KUAISHOU TECHNOLOGY	221,290	28,321	(124,401)	125,210
LENOVO GROUP LTD	588,669	78,546	(361,823)	305,392
LI AUTO INC-CL A	100,633	14,064	(57,392)	57,305
LI NING CO LTD	168,381	23,977	(97,859)	94,499
LINK REAL ESTATE INVESTMENT TRUST	187,914	27,097	(108,616)	106,395
LONGFOR GROUP HLDGS LTD	148,487	35,506	(85,895)	98,098
MEITUAN-CLASS B	421,602	31,647	(224,897)	228,352
MIDEA GROUP CO LTD-H	-	43,198	(18,043)	25,155
MTR CORP LTD	135,483	17,034	(76,253)	76,264
NETEASE INC	50,404	54,689	(45,977)	59,116
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	49,062	13,489	(31,484)	31,067
NONGFU SPRING CO LTD-H	146,742	21,412	(85,336)	82,818
ORIENT OVERSEAS INTL LTD	9,493	2,414	(6,522)	5,385
PETROCHINA CO LTD-H	1,538,184	205,423	(868,936)	874,671
PING AN INSURANCE GROUP CO OF CHINA LTD-H	488,943	62,599	(273,279)	278,263
POP MART INTL GROUP LTD	-	51,400	(21,002)	30,398
POWER ASSETS HLDGS LTD	100,802	14,546	(58,475)	56,873
SANDS CHINA LTD	176,832	23,803	(101,545)	99,090
SEMICONDUCTOR MANUFACTURING INTL CORP	305,351	66,814	(185,270)	186,895
SHENZHOU INTL GROUP HLDGS LTD	60,272	8,713	(35,171)	33,814
SINO BIOPHARMACEUTICAL LTD	747,472	101,762	(425,723)	423,511
SINOPHARM GROUP CO LTD-H	96,827	20,667	(63,732)	53,762
SUN HUNG KAI PROPERTIES LTD	105,831	13,776	(60,069)	59,538
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	55,893	5,435	(32,236)	29,092

CSOP Hang Seng Index ETF

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

For the year ended 31 December 2025

	As at 1 January 2025 Units	Additions Units	Disposals Units	As at 31 December 2025 Units
Listed equities (continued)				
Hong Kong (continued)				
TECHTRONIC INDUSTRIES CO LTD	113,834	9,320	(62,792)	60,362
TENCENT HLDGS LTD	180,360	11,212	(103,630)	87,942
THE HONG KONG & CHINA GAS CO LTD	816,455	131,788	(488,130)	460,113
TINGYI (CAYMAN ISLANDS) HLDG CORP	142,072	16,240	(79,999)	78,313
TRIP.COM GROUP LTD	12,477	8,026	(10,542)	9,961
WH GROUP LTD	604,963	136,332	(399,690)	341,605
WHARF REAL ESTATE INVESTMENT CO LTD	121,163	19,354	(73,277)	67,240
WUXI APPTTEC CO LTD-H	25,012	10,604	(16,549)	19,067
WUXI BIOLOGICS (CAYMAN) INC	272,533	34,146	(154,908)	151,771
XIAOMI CORP-CLASS B SHARE	1,274,319	177,690	(694,956)	757,053
XINYI GLASS HLDG CO LTD	151,419	40,800	(105,298)	86,921
XINYI SOLAR HLDGS LTD	351,215	61,846	(236,530)	176,531
ZHONGSHENG GROUP HLDGS LTD	50,544	11,612	(36,358)	25,798
ZIJIN MINING GROUP CO LTD-H	415,261	97,187	(265,679)	246,769
ZIJIN MINING GROUP-RIGHTS (PREFERENTIAL OFFER SHARE)	-	889	(889)	-
ZTO EXPRESS CAYMAN INC	-	30,563	(12,380)	18,183

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PERFORMANCE RECORD (UNAUDITED)**NET ASSET VALUE**

	Dealing net asset value HKD	Dealing net asset value per unit HKD
As at 31 December 2025		
Listed Class	665,302,212	25.8872
Unlisted Class	64,193	28.9534
As at 31 December 2024		
Listed Class	926,313,768	20.2694
Unlisted Class	48,648	21.9419
As at 31 December 2023		
Listed Class	1,322,025,547	17.2363
Unlisted Class	39,708	17.9097

HIGHEST ISSUE PRICE AND LOWEST REDEMPTION PRICE PER UNIT

	Highest issue price per unit		Lowest redemption price per unit	
	Listed Class HKD	Unlisted Class HKD	Listed Class HKD	Unlisted Class HKD
For the year ended 31 December 2025	28.0716	30.6950	19.1371	20.7161
For the year ended 31 December 2024	24.0591	25.2132	15.1283	15.7194
For the year ended 31 December 2023	22.9886	22.9900	16.3649	17.0041
For the year ended 31 December 2022	25.4471	22.5905	15.3678	15.3684
For the period from 5 May 2021 (date of inception) to 31 December 2021	29.6047	-	23.1871	-

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PERFORMANCE RECORD (UNAUDITED) (CONTINUED)

COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE

The table below illustrates the comparison between the Sub-Fund's performance (market-to-market) and that of the Index:

	Sub-Fund performance %	Index performance %
For the year ended 31 December 2025		
- Listed class*	27.72	32.26
- Unlisted class	31.95	32.26
For the year ended 31 December 2024		
- Listed class**	17.60	22.69
- Unlisted class	22.51	22.69

* During the year ended 31 December 2025, the listed class of the Sub-Fund made a distribution of HKD0.82 per unit, which represents 3.17% to the net asset value per unit of the listed class as at 31 December 2025. For the details of the distribution, refer to Note 9 of the audited financial statements.

** During the year ended 31 December 2024, the listed class of the Sub-Fund made a distribution of HKD0.80 per unit, which represents 3.95% to the net asset value per unit of the listed class as at 31 December 2024. For the details of the distribution, refer to Note 9 of the audited financial statements.

CSOP Hang Seng Index ETF

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MANAGEMENT AND ADMINISTRATION

Manager

CSOP Asset Management Limited
2801-2803, Two Exchange Square
8 Connaught Place
Central,
Hong Kong

Trustee, Custodian and Registrar

BOCI-Prudential Trustee Limited
Suite 1501-1507 & 1513-1516, 15/F
1111 King's Road, Taikoo Shing
Hong Kong

Directors of the Manager

Chen Ding
Huachen Zhang (appointed on 25 March 2025)
Li Chen (appointed on 25 March 2025)
Qin Wang (appointed on 25 March 2025)
Gaobo Zhang (resigned on 25 March 2025)
Zhiwei Liu (resigned on 25 March 2025)
Yundong Zhu (resigned on 25 March 2025)
Xiaosong Yang
Yi Zhou
Zhongping Cai

Legal Counsel to the Manager

Deacons
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

Auditors

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Listing Agent

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong