



KINGDOM OF CAMBODIA
NATION RELIGION KING

PHNOM PENH WATER SUPPLY AUTHORITY



ANNUAL REPORT 2025

MAJOR STRATEGIC GOALS OF THE PHNOM PENH WATER SUPPLY AUTHORITY

To expand water supply to Phnom Penh suburban and surrounding areas at the same rate and standard as in Phnom Penh analyze the costs and improve the process and procedure to reduce the water cost; to improve staff efficiencies and build the capacity of Authority; to maintain a strong commitment to social environmental responsibilities; to Strategically compare and benchmark the most-efficient water utilities in the world.



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VISION & MISSION

VISION

PPWSA has committed to continue to grow its water supply services in a sustainable manner and to act as a consultant as a facilitator for people who are living in towns, provinces, and the cities throughout the Kingdom of Cambodia and residents in the developing countries of the world, there is access to clean water.

MISSION

PPWSA mission is keep supplying of clean water 24 hours a day, 7 days a week with sufficient pressure and at a reasonable price to the people in Phnom Penh and the town of Kandal province adjacent to Phnom Penh, and low-income residents. In addition, PPWSA has been sharing its work experiences to a number of provincial and municipal water utilities in the Kingdom of Cambodia, as well as regional and global water to achieve the Cambodia's Sustainable Development Goals (CSDGs).

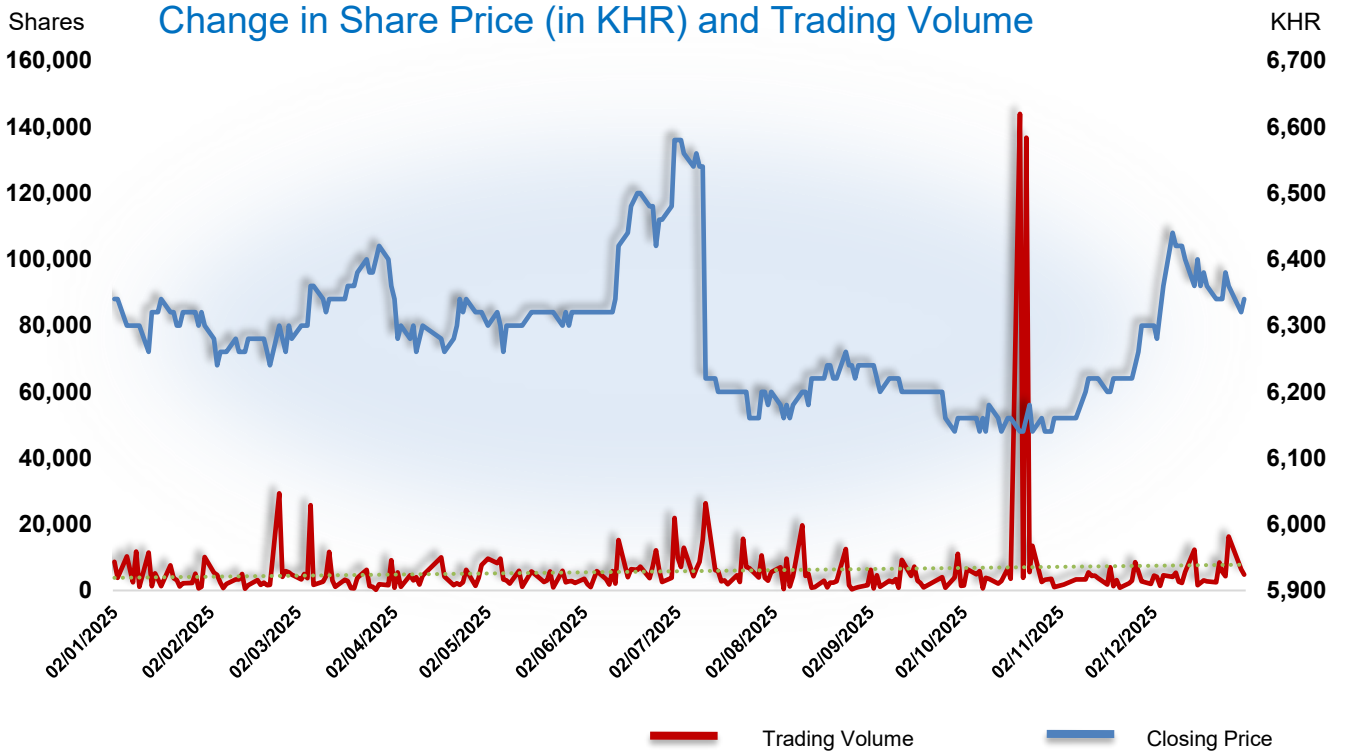
FINANCIAL HIGHLIGHTS

Financial Position	2025	2024	2023 (restated)
Total assets (KHR'000)	3,446,163,303	3,279,165,281	3,038,365,177
Total liabilities (KHR'000)	1,974,833,782	1,914,092,668	1,753,769,386
Total shareholders' equity (KHR'000)	1,471,329,521	1,365,072,613	1,284,595,791

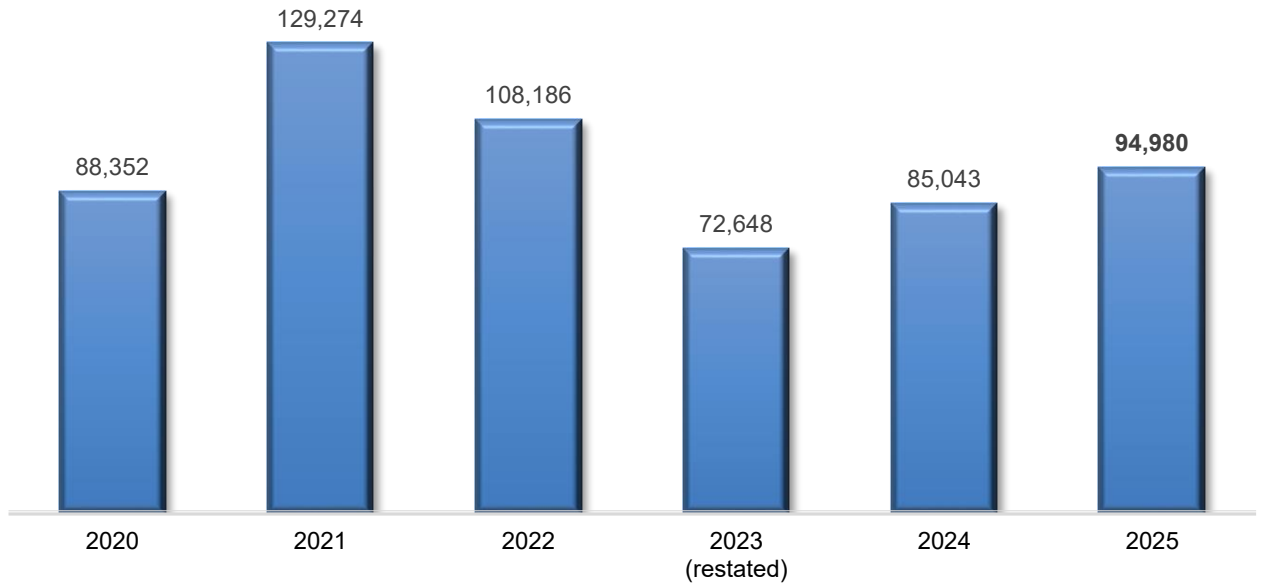
Profit / (Loss)	2025	2024	2023 (restated)
Total Revenue (KHR'000)	373,276,928	347,697,778	333,408,830
Profit/(Loss) before tax (KHR'000)	118,864,631	107,174,361	98,938,047
Profit/(Loss) after tax (KHR'000)	94,980,122	85,042,913	72,647,572
Total comprehensive income (KHR'000)	94,980,122	85,042,913	72,647,572

Financial Ratio	2025	2024	2023 (restated)	
Solvency Ratio				
Liquidity Ratio	Current Ratio (Times)	0.24	0.38	0.76
	Quick Ratio (Times)	0.14	0.18	0.38
Profitabilities Ratio	Return on Assets (%)	2.82	2.69	2.57
	Return on Equity (%)	6.70	6.42	5.81
	Gross Profit margin (%)	35.02	25.60	25.72
	Profit Margin (%)	25.44	24.46	21.79
	Earning Per Share (KHR)	1,092.06	977.81	835.29
Interest Coverage Ratio (Times)	4.83	2.28	3.32	

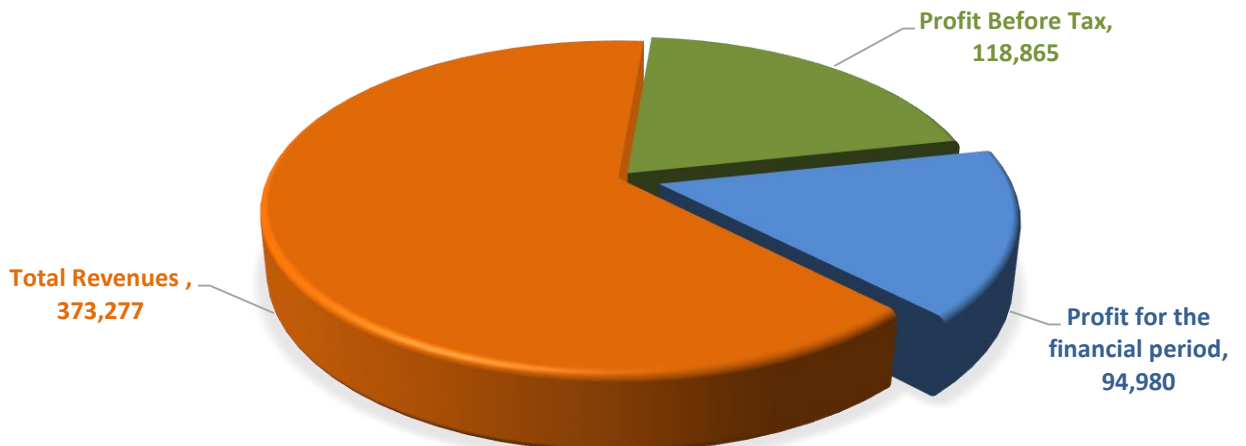
FINANCIAL SUMMARY CHARTS



Profit for each year (In Million KHR)



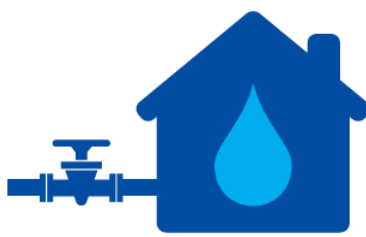
Profit for the year ended of 2025 (In million KHR)



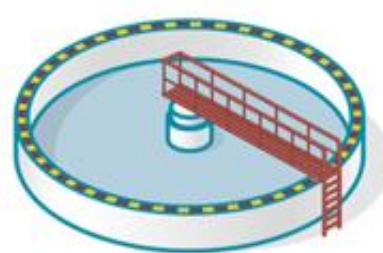
A SNAPSHOT OF OUR PERFORMANCE IN 2025



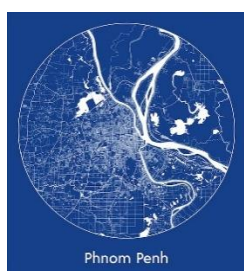
Water Production
308,924,000 cubic meters



Total House Connections
Increased by 526,072



Number of Treatment Plants
9 Production Facilities



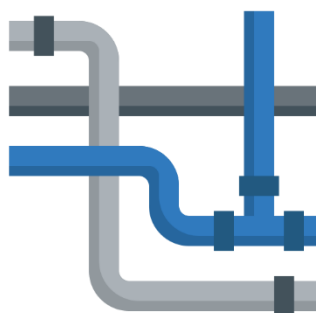
Service Coverage by Communes: 92%
(887/966 Communes)



Annual Installed Pipe Lengths
399.13 Km



Quality Service 24/7, Average Pressure at 20 meters



Total Network Length:
5,683 Km



Total Asset (KHR) - Increased
KHR3,446,163,303,000



Toral Revenue (Khmer Riel)
KHR373,276,928,000



Basic Earnings Per Share
KHR1,092.06

BOARD OF DIRECTORS



H.E. EK SONNCHAN

Minister Attached To The Prime Minister

Chairman



H.E. Long Naro

Delegation of the Royal Government of Cambodia in charge of the Director General of Phnom Penh Water Supply Authority

Member



H.E. Mey Vann

Secretary of State,
Ministry of Economy and Finance

Member



H.E. Chhay Vireak

Deputy Governor of the Board
Governors of Phnom Penh

Member



Mr. Ma Noravin

Representative
Of PPWSA's Employee

Member



Mr. Nam Chantry

Non-Executive Director
Representing Private Shareholders

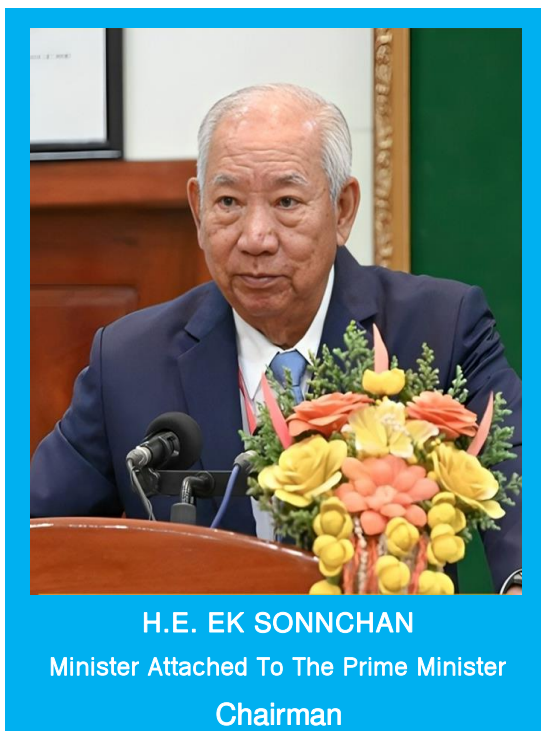
Member



Mr. Sreng Samork

Independent Director

Member



H.E. EK SONNCHAN

Minister Attached To The Prime Minister
Chairman

CHAIRMAN'S STATEMENT

For 2025

Dear Valued Shareholders,

On behalf of the Phnom Penh Water Supply Authority (PPWSA) and the Board of Directors, I am honored and delighted to present the Annual Report for the year 2025 for the period ended 31 December 2025.

1- Operational Performance

PPWSA has continued to play an important role in ensuring the supply of clean water to Phnom Penh capital, Takhmao city and surrounding service areas. In 2025, PPWSA expanded its distribution network by approximately 399 kilometers, produced 308,924,002 cubic meters of clean water (equivalent to about 846,000 cubic meters per day), and installed 24,633 new connections (including 1,420 low-income connections), bringing the total number of connections to 562,578.

These results demonstrate strong operational capacity and responsiveness to the increasing demand for clean water in the service areas, contributing significantly to improving public health and supporting socio-economic development.

2- Non-Revenue Water (NRW) Management

Reducing non-revenue water (NRW) remains a top priority for PPWSA, requiring collective effort across the organization to achieve high efficiency. In 2025, the NRW rate was reduced to 25.55%. Although this has not yet met the Board-approval target of 24%, it represents a decrease of 1.72% compared to 2024.

This achievement reflects a positive trend and the active efforts of all departments in improving operational efficiency and strengthening water distribution management. PPWSA also expresses its sincere appreciation to the public and all customers in Phnom Penh for reporting water leak locations. In 2025, more than 4,750 cases were reported, which played a vital role in reducing water losses.

Although the target has not yet been achieved, this result provides a strong foundation for further improvements in NRW reduction in the future.

3- Financial Performance

In 2025, PPWSA generated total revenue of KHR373,276,928,000, equivalent to 86.7% of the annual plan and 107.4% compared to 2024. At the same time, the Authority achieved a net profit of KHR94,980,122,000, representing 117% of the plan and 111.7% compared to 2024, equivalent to an average of KHR1,092.06 per share.

Despite exceeding the planned profit, these results still do not fully meet our overall expectations, and there remain many areas that require further improvement.

4- Expansion and Improvement of Service Quality

Currently, PPWSA has achieved approximately 91% service coverage, a significant milestone bringing us closer to achieving Sustainable Development Goal 6.A. Nevertheless, we will continue strengthening our efforts to ensure safe, high-quality, and reliable water services.

To better respond to public demand, we would like to inform all customers that we are continuously striving to provide the best possible service. At the same time, we acknowledge that certain shortcomings still exist that may affect customer satisfaction. Therefore, we kindly encourage customers to report any irregularities or concerns, as we are ready to respond and provide appropriate solutions. We affirm that customer participation is essential in helping us identify our weaknesses, and we are committed to addressing them decisively.

Furthermore, we will continue to enhance customer engagement through digital platforms and efficient complaint-handling mechanisms, reflecting our commitment to transparency and accountability.

5- Strengthening Corporate Governance and Management Efficiency

In 2025, the Board of Directors initiated the development and formulation of corporate governance documents, while reviewing and strengthening its roles and institutional capacity to enhance transparency, accountability, and management efficiency. Policies and procedures have been continuously improved to ensure compliance, integrity, risk reduction, and prevention of conflicts of interest, thereby strengthening investor and stakeholder confidence.

In addition, PPWSA has begun developing evaluation criteria for assessing leadership and management performance across departments and units, serving as benchmarks for performance measurement and supporting strategic decision-making and continuous improvement. Recognizing that employees are the backbone of the organization, we are also planning to update staff regulations, focusing on fairness, accountability, and motivation to ensure long-term sustainability.

6- Risks and Challenges

Overall, we have been able to meet the demand for clean water with quality, safety, sustainability, and affordability. However, managing non-revenue water remains a major

challenge, and we have not yet fully succeeded in this effort. I would like to emphasize that we do not overlook the value of water loss—even a single drop. All departments and structures within PPWSA are working collectively to overcome this challenge. We believe that past successes have provided valuable lessons, but continued professional implementation and the adoption of modern technologies remain essential.

Additionally, certain regulatory documents have not yet been fully updated, and corporate governance documentation remains incomplete. As a publicly listed enterprise, PPWSA must prioritize the completion and improvement of these essential documents.

7- Outlook

In 2026, despite global uncertainties and emerging challenges, PPWSA is well-prepared to address, mitigate, and respond to these issues, with the aim of strengthening operational efficiency and ensuring financial sustainability.

Key priorities for 2026 include:

- Strengthening good governance in line with the Royal Government’s approach of “organizing the house in order,” through the development and updating of legal and governance documents, implementation of management performance evaluation systems, and human capital development.
- Promoting institutional modernization through the adoption of new technologies to enhance capacity, efficiency, effectiveness, and transparency, in alignment with Cambodia’s Digital Government Policy (2022–2035).
- Continuing to strengthen NRW management by adjusting strategic plans to reduce NRW to 15% by 2030.
- Improving customer service quality and strengthening cooperation with development partners in investing in water supply systems and technologies.
- Make every effort to maintain an appropriate rate of profitability, while ensuring the maintenance and repair of water production and distribution systems at a rate that guarantee operational efficiency in accordance with international standards.
- Implementing management reforms in line with government strategies for public enterprise reform, including performance agreements between the Board and management, to gradually achieve international service standards and deliver high-quality services to residents of Phnom Penh and its legal service areas.

Acknowledgement

In conclusion, on behalf of the Board of Directors, I would like to express my deepest gratitude to the supervisory ministries, shareholders, development partners, customers, and all employees of PPWSA for their continued support and trust.

I firmly believe that through unity, dedication, and strong commitment, PPWSA will continue to grow and provide high-quality clean water services, contributing to Cambodia’s socio-economic development.

At the same time, we are committed to strengthening customer confidence through continuous improvements in staff capacity and service quality, ensuring efficient water supply and high customer satisfaction.

Phnom Penh, April 07, 2026

CHAIRMAN

EK SONNCHAN

MESSAGE FROM DIRECTOR GENERAL



Dear Shareholders, Customers, and Partners,

On behalf of Phnom Penh Water Supply Authority (PPWSA), it is a profound honor to address you as the Director General of PPWSA. As I step into this role, I do so with a deep sense of responsibility to uphold the legacy of excellence that has defined this institution for over three decades.

The year of 2025 was a landmark period for PPWSA – a year of unprecedented growth, operational resilience and strategic

REFLECTING ON A MILESTONE YEAR: 2025 RESULT

In 2025, PPWSA demonstrated remarkable progress across all key performance indicators:

- **Service Quality:** We are proud to maintain 24/7 continuous water supply across our entire network, ensuring that our customers have access to clean water at any hour of the day or night. Furthermore, we consistently uphold an average network pressure of 20 meters.
- **Production Capacity:** We successfully increased our production capacity to over 1,000,000 cubic meters per day, ensuring that the growing demands of our capital and its outskirts were met with consistency and quality.
- **Infrastructure Expansion:** Our technical teams worked tirelessly to install 399 kilometers of new water supply networks. This expansion has brought our total service coverage to 92% of our licensed communes, reaching 887 villages.
- **Financial Strength:** The fiscal year 2025 saw a significant increase in revenue and net profits which we recorded a total revenue of KHR 373,276,928,000 and basic earnings per share by KHR 1,092.06. The comprehensive income of 2025 has been reflected in Audited Financial Statement.

- **Key Project Success:** A moment of immense pride was the official inauguration of the Takhmao Water Treatment Plant on August 14, 2025, a critical asset that has already begun transforming the lives of residents in the southern corridor of Phnom Penh City.

LOOKING FORWARD: My Commitment to Water Supply Development

Looking ahead to 2026, we are committed to an ambitious expansion of our service footprints. Our strategic roadmap includes the installation of **618 kilometers** of new pipelines to support **30,000 new household connections**. To meet this growing demand, we pledge to produce **329 million cubic meters** of clean, safe water, ensuring a reliable supply for every resident in our service area. Furthermore, through rigorous operational efficiency, we project a total comprehensive income of approximately **KHR75.160 million** for the upcoming financial year.

Phnom Penh, April 07, 2026

DIRECTOR GENERAL OF PPWSA

IN SAKAN

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PART 1. GENERAL INFORMATION OF PPWSA

A. IDENTITY OF PHNOM PENH WATER SUPPLY AUTHORITY

- ◆ Name in Khmer : រដ្ឋាករទឹកស្វយ័តក្រុងភ្នំពេញ (រ.ទ.ស.ក)
- ◆ Name in Latin : PHNOM PENH WATER SUPPLY AUTHORITY (PPWSA)
- ◆ Standard Code : KH1000010004
- ◆ Address : #45, St. 106, Sangkat Srah Chark, Khan Daun Penh, Phnom Penh, Cambodia
- ◆ Phone number : (855) 31 322 6345
- ◆ Website : www.ppwsa.com.kh Email : ir@ppwsa.com.kh
- ◆ Company registration number: Co.០៨៣៩៩៤/២០១២ Date : 27 March 2012
- ◆ License number: Sub-decree No. 52 អនុក្រឹត្យ.បកី Issued by : Royal Government of Cambodia
Date : 19 December 1996
- ◆ Disclosure Document approved and registered by SECC's Resolution No.012/12គ.ម.ក/ស.ស.វ.
Date : 23 March 2012
- ◆ Representative of the listed entity: **H.E. IN SAKAN** Director General of PPWSA.

B. NATURE OF BUSINESS

- ◆ Invest in, build, expand, operate, repair and maintain water supply and sanitation facilities.
- ◆ Take all the means to improve its production and service, and assure clean water quality to satisfy the requirements for living, businesses, services and industries and engage in domestic or overseas business and services related to water and sanitation sectors due to the Board of Directors' resolutions and the existing laws.
- ◆ Enhance technical, commercial and financial corporations with local and international development partners to develop PPWSA in accordance with the Royal Government's policies.
- ◆ Maintain financial and operational sustainability pertaining to social interests.
- ◆ Expand water supply to Phnom Penh's suburban areas and surrounding regions at the same rate and standard as in Phnom Penh.
- ◆ Improve staff efficiency and continue to build the capacity of the enterprise.
- ◆ Analyze cost factors and reform processes and procedure to reduce water costs.
- ◆ Strategically compare with the most efficient water utilities in the world.
- ◆ Strong commitment to social and environmental responsibility.

C. GROUP STRUCTURE OF THE PPWSA

As of December 31, 2025, PPWSA had no subsidiaries and was not owned by any other group

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES

1. The side visit for the non-cut off project launch under the project of digital management system development for water supply in the metropolitan area (DX) and for the Koh Norea replacement intake.

On Friday, March 21, 2025- **His Excellency Hem Vandy, Minister of Ministry of Industry, Science, Technology and Innovation and His Excellency UENO Atsushi, Ambassador of Japan to the Kingdom of Cambodia**, presided over the site visit at Koh Norea Replacement Intake and Non-Cut Off Project launch under the project of Digital Management System Development for Water Supply in the Metropolitan Area.

Koh Norea Replacement Intake is a new raw water intake station to replace Kdey Takoy intake pumping station, which was impacted by the New Koh Norea Development Project of Oversea Cambodian Investment Cooperation (OCIC). After receiving full support from the Royal Government, especially the Ministry of Economy and Finance and the Ministry of Industry, Science, Technology and Innovation, with the cooperation of relevant ministries and institutions (Phnom Penh City Hall, Ministry of Environment, Tonle Sap Authority of the Ministry of Water Resources and Meteorology, Council for the Development of Cambodia and the Ministry of Land Management, Urbanization and Construction), and under the high sense of responsibility of the Koh Norea Project Development Company, Phnom Penh Water Supply Authority and OCIC Company signed a contract "On the rehabilitation of the impacts of the New Koh Norea Development Project on the water treatment facility of the Phnom Penh Water Supply Authority" with a total amount of approximately US\$26.6 million to carry out the following works:

- ◆ Consultant Service
- ◆ Construction of the Intake Pumping Station with a total pumping capacity of 460,000m³/day including current capacity of Kdey Takoy Raw Water Intake Station (260,000m³/day) and the future additional capacity for Nirodh Water Supply Project Phase 3 (200,000 m³/day)
- ◆ Electro-mechanical system
- ◆ Fittings, accessories and valves
- ◆ Two Raw Water Transmission Mains with a diameter of 1,400mm with a total length of 1,600 meters (800 meter per line)

According to previous studies, connecting the Koh Norea new raw water transmission to the existing 1,600mm diameter raw water transmission main along National Road 1 would require shut down treated water supply from the Nirodh Water Treatment Plant, which has a capacity of producing 260,000 cubic meters per day, for about a week, which would affect the supply of treated water of about 30% of the total water produced by Phnom Penh Water Supply Authority and affect nearly 1 million residents living in Phnom Penh and Ta Khmao. PPWSA Top management and expert team work paid close attention to the impacts and had close and in-depth discussions with Japanese experts through the Japanese Embassy to examine and explore methods to prevent the pipe connection from being shut down or the operation of the water production plant from being stopped.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES (Con't)

As a result, PPWSA received technical and material support through Non-Cut Off project, which is part of the Project for the Development of Digital Management System of Water Supply Facilities in the Metropolitan Area (DX) under the grant of the Government of Japan through the Embassy of Japan in the Kingdom of Cambodia. This Non-Cut Off project cost a total of approximately 291 million yen, and KUBOTA Corporation was the contractor for the project implementation.

His Excellency Long Naro, Delegate of the Royal Government of Cambodia in charge of the Director General of the Phnom Penh Water Supply Authority, expressed his satisfaction and said “the Site Visit for the Koh Norea Replacement Intake and Opening for the Installation of Raw Water Transmission Mains Connection without shutting down of the supply of treated water under the presiding of **His Excellency HEM VANNDY, Minister of Ministry of Industry, Science, Technology and Innovation** and **His Excellency UENO Atsushi, Ambassador of Embassy of Japan in Cambodia** as an important testimony to the deep friendship between the Royal Government of Cambodia and the Royal Government of Japan for supporting the necessary development requires of the Kingdom of Cambodia, as well as demonstrating the high responsibility of OCIC which is the development company of Koh Norea project. I also further emphasize that the project of Raw Water Transmission Mains Connection without shutting down the supply of clean water is a historical project in Cambodia and has never been implemented in our country for such large-diameter pipes like this. The results of the project are not only benefits to PPWSA in ensuring the supply of treated water to the residents in Phnom Penh City and Ta Khmao, but also provide positive effects on the economy, livelihoods, and unforeseen risk factors considering if PPWSA did not receive this project from the Government of Japan, it is sure that the connection of this pipeline will require shutting down the supply of treated water, which amounts to 260,000 cubic meters per day, which may cause serious impacts on living condition, livelihoods, industrial processes, craft, and unforeseen risks etc.. In addition, with the high responsibility of the OCIC, which is the development company of the Koh Norea project, it also contributed to the development of PPWSA because the company has built a replacement of Intake Pumping Station which provide additional capacity over the Kdey Takoy Raw Intake Pumping Station by considering the additional capacity of raw water pumping for the Nirodh Water Supply Project Phase 3, as a water treatment plant considering under the update of the third master plan 2021-2030 of PPWSA which planned to build in the near future. Meanwhile, contributing to the Cambodian national development strategy, PPWSA remains committed to expanding, improving, and increasing the production and distribution capacity, especially to follow the update of the third master plan 2021-2030 to ensure “the Water for All” slogan and to provide the sustainable water supply.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES (Con't)

2. Inauguration of Takhmau water treatment plant and Koh Norea replacement intake ceremony.

On Thursday, 14th August 2025 – **H.E. Vongsey Vissoth, Permanent Deputy Prime Minister and Minister in Charge of the Office of the Council of Ministers of Cambodia** and **H.E. UENO Atsushi Japanese Ambassador to Kingdom of Cambodia** presided over the official inauguration ceremony of Phnom Penh Water Supply Authority's Ta Khmau Water Treatment Plant and Koh Norea Replacement Intake. This water treatment plant has a production capacity of 30,000 cubic meters per day, which makes the total production capacity of the Phnom Penh Water Supply Authority increase to 1,018 thousand cubic meters per day, supplying to the residents living in Phnom Penh capital city and Takmau city of Kandal province with the quality, safety, sustainability and reasonable prices. Furthermore, Phnom Penh Water Supply Authority is committed to ensure a stable supply of clean water to each water treatment plant. This effort will contribute to the creation of employment opportunities and enhance the quality of life for residents. Prompted by a significant increase in the demand for clean water, which has been a direct result of economic growth since the early 2010s, the Phnom Penh Water Supply Authority expedited the implementation of its second master plan, covering the period from 2005 to 2020. The detailed plan included a key objective to double treated water production capacity during the period from 2012 to 2017. Furthermore, the updated third master plan (2021-2030) projects demand a daily clean water of up to 1.8 million cubic meters by 2030. To achieve this goal, a grant financing agreement for the Takhmau Water Treatment Plant Project was executed on May 29, 2022. This agreement, implemented as an SPC, was concluded between the Royal Government of Cambodia and the Japan International Cooperation Agency (JICA) to ensure a stable supply of clean water for the Phnom Penh Water Supply Authority (PPWSA) and support the achievement of the Sustainable Development Goals (SDGs) from 2030 onwards.

The construction project of Takhmau Water Treatment Plant started in March 2022 until July 2025, and this project was constructed by KKKCT Consortium and supervised by Nihon Suido Consulting, a Japanese company, under the leadership of the PPWSA. Takhmau Water Treatment Plant construction project received a Grant Aid of 3,421 million Japanese yen from the Government of Japan through the Japan International Cooperation Agency (JICA) for its implementation as Special Purpose Company. Additionally, the Royal Government of Cambodia exempted the project from all import duties and other state-imposed taxes.

The infrastructure of the project:

- ◆ The daily capacity of the raw pumping station is 31,500 cubic meter per day.
 - Water Source: Bassac River
 - Construction type: Floating Intake Pump Station
 - Pumps & Motors: 3 units (2 Operation and 1 Standby)
 - Normal flow = 690 cubic meters per hour
 - Electrical power = 110 kWh

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES (Con't)

- Installation Electrical System: MV, Transformer & LV Switchgear
- Automatic control system equipped with SCADA for monitor and control the flow
- 2 Main Raw Water Transmission Pipes (DN350 mm), Steel Pipe with Lining
- ◆ Water treatment plant with a production capacity of 30,000 cubic meter per day
 - Receiving Well: 1 basin of 92.73 cubic meters
 - Pre-settle Basin: 4 basins of 112.25 cubic meters
 - Mixing Tank: 1 tank of 133.99 cubic meters
 - Flocculation basin: 4 basins of 263.52 cubic meters
 - Sedimentation basin: 4 basins of 441.6 cubic meters
 - Filter tank: 6 tanks of 227.97 cubic meters
 - Treated Water Tank: 2 tanks of total capacity 5,000 cubic meters
 - Pumping Station: 3 units (2 Operation and 1 Standby)
 - Normal Flow = 720 m³/hour per pump
 - Electrical Power = 160 kW/h
 - PAC Solution Tank: 2 tanks each tank contains 15 cubic meters
- ◆ Hypo Generation System = 2 Hypo Solution tanks each tank contains 15 cubic meters

The construction of the new Koh Norea Raw Water Pumping Station is intended to replace the Kdei Takoy Raw Water Pumping Station, which has been impacted by the New Koh Norea Development Project of the Overseas Cambodian Investment Corporation (OCIC). With the full support of the Royal Government particularly the Ministry of Economy and Finance and the Ministry of Industry, Science, Technology and Innovation as well as cooperation from relevant ministries and institutions (Phnom Penh Capital Administration, Ministry of Environment, Tonle Sap Authority under the Ministry of Water Resources and Meteorology, Council for the Development of Cambodia, and the Ministry of Land Management, Urban Planning, and Construction), and with the high sense of responsibility from the Koh Norea Development Project developer, PPWSA and OCIC signed an agreement on the "Restoration of the Impacts of the New Koh Norea Development Project on the Nirodh Water Treatment Plant of PPWSA." The agreement has a total budget of approximately USD 28 million, covering the implementation of the following works:

- ◆ Technical consultancy services
- ◆ Construction of a raw water pumping station with a total pumping capacity of 460,000 m³/day, comprising the current capacity of the Kdei Takoy Raw Water Pumping Station (260,000 m³ /day) and additional future capacity for the Phase 3 expansion of the Nirodh Water Treatment Plant (200,000 m³/day)
- ◆ Electromechanical systems
- ◆ Pipes, connection joints, and valves
- ◆ Two (02) raw water transmission mains, each with a diameter of 1,400 mm and a total combined length of 1,600 meters (800 meters per pipeline)

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES (Con't)

According to previous studies, connecting the new raw water transmission main from the newly constructed Koh Norea Raw Water Pumping Station to the existing 1,600 mm raw water transmission main along National Road No. 1 would require the suspension of clean water production from the Nirodh Water Treatment Plant with a production capacity of 260,000 m³/day for more than one week. This would reduce PPWSA's total clean water production capacity by approximately 30% and affect nearly one million residents in Phnom Penh and Takhmao City. Recognizing the potential impact, PPWSA's leadership and technical team engaged in in-depth discussions with Japanese experts through the Embassy of Japan to explore solutions to connect the pipelines without shutting down the water treatment plant. As a result, PPWSA received technical and material support through the Non-Cut Off Raw Water Transmission Main Connection Project, which is part of the "Project for the Development of Digital Management System of Water Supply Facilities in the Metropolitan Area (DX)" funded by the Government of Japan through its Grant Aid Program via the Embassy of Japan in Cambodia.

H.E. Long Naro, Delegation of the Royal Government of Cambodia In Charge of the Director General of the Phnom Penh Water Supply Authority, expressed his satisfaction and stated: "This success marks the deep friendship between the Royal Government of Cambodia and the Royal Government of Japan for the contribution to the development of the Kingdom of Cambodia. Meanwhile, the achievement of this new water treatment plant was strongly supported by the two guardian ministries, the Ministry of Industry, Science, Technology and Innovation, and the Ministry of Economy and Finance, the Board of Directors of Phnom Penh Water Supply Authority, Phnom Penh Capital Hall, Khan Kamboul Administration, and authorities at all levels. Takhmao Water Treatment Plant will greatly improve the clean water supply, particularly ensuring adequate water pressure, to residents living in Takhmao City, Kandal Province. Furthermore, I would like to emphasize that the achievement of the new Koh Norea Raw Water Pumping Station demonstrates the high responsibility of OCIC, the Koh Norea project developer, which contributed to PPWSA's development by constructing a replacement pumping station with greater capacity than the Kdei Takoy Raw Water Pumping Station that was impacted. The design also accommodates future capacity for the Phase 3 expansion of the Nirodh Water Treatment Plant, which is planned for construction in the near future in line with PPWSA's 3rd Master Plan 2021–2030. In line with Cambodia's development strategy, PPWSA will continue its commitment to expanding, improving, and enhancing its production and distribution capacity, consistent with the 3rd Master Plan 2021–2030, to ensure the slogan 'Clean Water for All' and provide a quality, sustainable clean water supply."

H.E. UENO Atsushi, Ambassador Extraordinary and Plenipotentiary of Japan to the Kingdom of Cambodia, expressed his satisfaction and stated: "This is a very great honor for me, as the Ambassador of Japan, to attend today's completion ceremony for the "Ta Khmau Water Supply Expansion Project", implemented through Japan's Grant Aid, together with H.E. Mr. VONGSEY Vissoth, Permanent Deputy Prime Minister and Minister in charge of the Council of Ministers, and H.E. Mr. Hem Vandy, Minister of Industry, Science, Technology and Innovation.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES (Con't)

It shall be noted that the Government of Japan has placed great emphasis on supporting the water supply sector in the country since the end of the civil war in Cambodia. As a result of Japan's consistent ODA support for Phnom Penh's water treatment plants since the 1990s, water supply services have dramatically improved, a success widely known both inside and outside Cambodia as the "Miracle of Phnom Penh". Upon completion, the facility will be able to provide safe and sustainable water at low cost to Ta Khmau City and the rapidly expanding surrounding areas. Cooperation in the water sector is positioned as one of the priority projects under the pillar of "social infrastructure development" in the "Three New Approaches for Cooperation with Cambodia" announced by the Government of Japan in July last year. The "Miracle of Phnom Penh" will continue to be replicated in other locations in the years to come. In conclusion, I sincerely hope that the Takhmau Water Treatment Plant will continue to support the development of the local community and the healthy lives of the Cambodian people for decades to come. I also wish all those present today good health and happiness, and the continued development of Japan-Cambodia relations."

3. Signing Ceremony of the Design and Built Contract, Operation and Maintenance Contract, and Training Contract of the Project for Expansion of Phum Prek Water Supply System with production capacity of 45,000m³/day under Japan's grant aid between PPWSA and KUBOTA-CTII consortium.

On Tuesday, 30th September 2025, at PPWSA's Headquarter, **H.E. EK SONNCHAN, Minister Delegate Attached to the Prime Minister and Chairman of the Board of Directors of Phnom Penh Water Supply Authority**, presided over On Signing Ceremony of The Design and Built Contract, Operation and Maintenance Contract, and Training Contract of The Project for Expansion of Phum Prek Water Supply System Under Japan's Grant Aid Between Phnom Penh Water Supply Authority and KUBOTA-CTII Consortium.

This expansion project will increase the production capacity by 45,000m³/day, in addition to the original capacity of 150,000m³/day, to provide high-quality, safe, continuous, and affordable water to residents in Phnom Penh and its surrounding urban areas. Furthermore, PPWSA will provide stable, clean water services to industrial zones, create job opportunities, and enhance the living standards of residents. In addition, according to the updated of the Third Master Plan (2021-2030) the daily water demand will be increase up to 1.8 million m³/day by 2030. To achieve this goal, the Project for the Expansion of Phum Prek Water Supply System is a critical initiative to ensure a stable supply of clean water for the PPWSA and support the achievement of the Sustainable Development Goals (SDGs) from 2030 onwards.

This project is expected to be implemented for 39 months from 2025 to 2028, with the construction works carried out by KUBOTA-CTII Consortium and supervised by the consultant the Consortium of Nihon Suido Consultants Co., LTD, Crown Agents Japan Limited, and TEC International Co., LTD from Japan, under the leadership of the PPWSA's management.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES (Con't)

The project for the expansion of Phum Prek water supply system is funded through a grant aid and implemented under a Special Purpose Company (SPC) model by the Government of Japan through Japan International Cooperation Agency (JICA), with a total budget of 4.542 billion Japanese Yen for the Design and Build contract and 1.731 billion Japanese Yen for the Operation and Maintenance Contract. The Royal Government of Cambodia has exempted import duties and other taxes for the project.

The Project includes the following works:

- ◆ Raw Water Pumping Station with a capacity of 47,250m³/day
- ◆ Water Treatment Plant with a capacity of 45,000m³/day
- ◆ Main Water Pipeline of 1,000 mm diameter to connect with PPWSA's existing main supply network

H.E. LONG NARO, Delegation of the Royal Government of Cambodia in Charge of the Director General of the Phnom Penh Water Supply Authority, expressed his satisfaction and stated that: "The signing of the construction contract for the project for the expansion of Phum Prek water supply system demonstrates the deep friendship between the Royal Government of Cambodia and the Government of Japan in contributing to the development of Cambodia. This achievement is made possible because of the support of the Government of Japan, JICA, the Council for the Development of Cambodia, the Ministry of Foreign Affairs and International Cooperation, the Ministry of Industry, Science, Technology and Innovation, the Ministry of Economy and Finance, the Board of Directors of PPWSA, and PPWSA leadership. The fruitful results of the project for the expansion of Phum Prek water supply system will improve water supply, particularly by maintaining sufficient pressure of clean water throughout the entire network for residents of Phnom Penh and the suburb areas. In line with Cambodia's development strategy, PPWSA will continue its commitment to expanding, improving, and enhancing its production and distribution capacity, consistent with the 3rd Master Plan 2021–2030, to ensure the slogan '**Clean Water for All**' and provide a high- quality, sustainable clean water supply."

4. Signing Ceremony of the Concessional Loan Agreement for the Niroth Water Supply System Expansion Project.

On the afternoon of Monday, October 13, 2025, the **Royal Government of Cambodia** held a signing ceremony for a Concessional Loan Agreement regarding the Niroth Water Supply Expansion Project (Phase 3) with **Dr. Tanaka Akihiko**, President of the Japan International Cooperation Agency (JICA). Cambodia-Japan cooperation has attained the status of a Comprehensive Strategic Partnership, and there is a shared conviction that this bond will be further propelled and deeply reinforced.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES (Con't)

5. Signing Ceremony of the Concessional Loan Agreement for the Niroth Water Supply System Expansion Project.

On Friday, October 31, 2025, **His Excellency Ek Sonnchan, Minister Delegate Attached to the Prime Minister and Chairman of the Board of Directors of Phnom Penh Water Supply Authority**, and His Excellency Long Naro, Delegate of the Royal Government of Cambodia in charge of Director General of PPWSA, received an official visit from the Kitakyushu City delegation, led by Mr. TAKEUCHI Kazuhisa, Mayor of Kitakyushu City, Japan. The delegation visited the Phum Prek Water Treatment Plant and subsequently continued their visit to the Takhmao Water Treatment Plant.

It should also be noted that the cooperation between the Phnom Penh Water Supply Authority (PPWSA) and Kitakyushu City was officially established in 1999. At the request of JICA, experts from Kitakyushu were dispatched to Cambodia to provide extensive technical assistance through training and knowledge sharing. This support played a vital role in helping PPWSA reduce its Non-Revenue Water (NRW) rate from 72% in 1993 to just 7.28% in 2006—an achievement widely recognized as 'The Miracle of Phnom Penh.' The current visit of the Kitakyushu delegation aims to further strengthen the bonds of friendship, solidarity, and cooperation between PPWSA and Kitakyushu City, making them even more robust and enduring.

6. Receiving the official visit of H.E. Igor Driesmans, Ambassador of the European Union to Cambodia, and H.E. Olivier Richard, Ambassador of the French Republic to Cambodia, to the Bakheng Water Treatment Plant.

On Thursday, December 4, 2025, **H.E. Long Naro**, Delegate of the Royal Government of Cambodia in charge of Director General of the PPWSA, received a visit from **H.E. Olivier RICHARD**, Ambassador Extraordinary and Plenipotentiary of the French Republic to Cambodia; **H.E. Igor DRIESMANS**, Ambassador of the European Union to Cambodia; Ms. Sandrine BOUCHER, Country Director of the French Development Agency (AFD); and their accompanying officials. The delegation visited the Bakheng Raw Water Pumping Station and proceeded to inspect the construction progress of the Bakheng Water Treatment Plant Phase 3, as well as the operations of Bakheng Phases 1 and 2.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

E. MARKET SITUATION

Phnom Penh Water Supply Authority's clean water supply to the "14 Khan and Takhmao city service area" which provides residents of Phnom Penh and Takhmao City with clean water 24/7, with adequate water pressure, clean water quality that complies with WHO and national drinking water standard, and affordable water prices.

F. COMPETITIVE SITUATION

Phnom Penh Water Supply Authority is the sole public enterprise (monopoly) in the business of supplying clean water in Phnom Penh and Takhmao, which has technical and economic characteristics. Phnom Penh Water Supply Authority does not compete on water prices in the market and is not subject to political pressure at any stage.

G. FUTURE PLAN

- ◆ Encourage monitoring and execution of the third master plan for 2021-2030 in order to strengthen the potential and scope of clean water supply in Phnom Penh and Takhmao.
- ◆ In order to ensure sustainability in the efficient management of water production and distribution system, it is important to keep encouraging innovation in water sector techniques and technologies. This will align with the Pentagon Strategy Phase I on two of the five key priorities: water and technology, as well as the Cambodia digital government policy.
- ◆ Continue to reduce unnecessary expenses and increase the efficiency of water bill collection, as well as strive to generate revenue from services and other income according to plan.
- ◆ Encourage and further promote the benefits of using the organization's Mobile App to customers widely.
- ◆ Continue to improve efficiency in the repair and maintenance of treatment and supply systems in order to maintain their longevity and high efficiency to ensure a 24hour/ 7day supply of clean water to citizens.
- ◆ Study and prepare technical documents to standardize for better management of the water supply system.
- ◆ Continue to promote human resource management to implement stable and effective work, especially in the context of digital technology.
- ◆ Continue to collaborate with relevant authorities, especially Phnom Penh City Hall, in assisting with expedited interventions on requests for digging and laying pipes, including transmission and distribution pipes, at project sites in Phnom Penh.
- ◆ Promote and accelerate the installation of transmission mains and strategic in order to ensure better management of water supply pressure in the future.
- ◆ Reducing non-revenue water was as low as possible.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

H. RISK FACTORS “Analyst, Management Opinion and Risk Mitigation”

Phnom Penh Water Supply Authority is responsible for the production and distribution of water for general use for the public service in an administrative and technical manner, with the guarantee of both quantity and quality of clean, sterile water and drinking water directly from the network. However, there are still some risk factors that are facing and the following preventive measures:

Risk Factors/Challenges	Risk Countermeasure and Actions
1- Planning and Project	
<ul style="list-style-type: none"> ▪ Despite the significant progress in enhancing production capacity through additional the operation of one new additional water production facility in 2025, PPWSA continues to confront challenges in order to meet the require water demand in some region of the service area. These challenges are driven primarily by water pressure imbalances in distribution network which also highlights the urgent need to upgrade the distribution network to ensure equitable and efficient supply of clean water to customers. 	<ul style="list-style-type: none"> ▪ To align with the Cambodian government’s Digital Government Policy, it is essential to continue developing innovative techniques and technologies in the clean water sector to ensure sustainable management of water distribution systems and effectively reduce water loss rates. ▪ Conduct a comprehensive study to systematically organize all District Metering Areas (DMA), applying all available measures to ensure effective control and management of water volumes within each. PPWSA is currently implementing a Smart Water Management System, launched as a pilot project, under grant aid support from the Ministry of Environment of the Republic of Korea, and in addition to this, PPWSA has also secured a concessional loan from the Economic Development Cooperation Fund (EDCF) for the next stage of the project. This project is of significant importance for several reasons: <ul style="list-style-type: none"> ○ Integrate all control systems into a single system to monitor and control the entire water supply station in real time. ○ Improve operational efficiency to reduce water loss. ○ Facilitate swift response to emergencies, including water leak or burst pipe. ○ Support the efficient management of the expanding water supply system to ensure long-term sustainability. ▪ The study and design of DX System, a digital system for managing PPWSA’s data, are being conducted, this project is also being implemented under grant aid support from the Government of Japan.

Risk Factors/Challenges	Risk Countermeasure and Actions
<ul style="list-style-type: none"> The rapid growth of economic activities and urbanization in Phnom Penh, coupled with population growth and the expansion of administrative boundaries, has increased the demand for physical infrastructure and public services, thereby placing greater pressure on environmental sustainability and the need for clean water. 	<ul style="list-style-type: none"> Continue to drive and optimize implementation efficiency in alignment with PPWSA's Third Master Plan (2021–2030), ensuring the sustainable production and distribution of clean water while scaling up infrastructure to keep pace with accelerated urbanization and socio-economic development in Phnom Penh and the urban area. Received financial support from major international development partners, including the French Development Agency (AFD), the European Investment Bank (EIB), the European Union (EU), the Japan International Cooperation Agency (JICA), and the Economic Development Cooperation Fund (EDCF) of the Republic of Korea and this support has served as an important driving force for promoting investment in expanding production capacity and extending the clean water distribution network, in order to meet continuously increasing demand.
2- Water Production Management	
<ul style="list-style-type: none"> The Asset Management & Maintenance system has not yet been implemented across all PPWSA's water treatment plants. This system was just officially put into operation at the Bak Kheng Water Treatment Plant on January 16th, 2025. 	<ul style="list-style-type: none"> Continue organizing the Assets Management and Maintenance system to monitor repair and maintenance work of machinery, equipment, and facilities for all PPWSA's water treatment plants.
<ul style="list-style-type: none"> Climate change and human factors have affected the quality of raw water as well as the water levels in rivers. 	<ul style="list-style-type: none"> Enhance attention in raw materials usage to ensure treated water quality adhere to the national drinking water quality standards (CNDWQS) and World Health Organization (WHO). Enhance raw water pumping capacity to ensure adequate water production in accordance with demand.
<ul style="list-style-type: none"> The risk of fire hazards that could danger employee safety and property. 	<ul style="list-style-type: none"> Equip with various safety devices and systems, such as fire extinguishing systems, alarm signals, and first aid kits, as preventive measure and reduce the risks of fire hazards. Strengthen regular monitoring and training programs to enhance employees' awareness and response capabilities in the event of a fire incident.

Risk Factors/Challenges	Risk Countermeasure and Actions
<ul style="list-style-type: none"> ▪ The risk of chlorine gas poisoning affecting plant operator and maintenance staff in the event of a gas leak and damage to other equipment and facilities. 	<ul style="list-style-type: none"> ▪ Use appropriate safety equipment such as chemical cartridge filter masks, oxygen masks, and install leak detection device. ▪ Enhance employee awareness regarding the proper use of safety equipment. ▪ Training programs to enhance employees' response capabilities in the event of a gas leak. ▪ Future mitigation measure: transitioning to using liquid chlorine, which presents a lower level of risk.
3- Water Supply Network Management	
<ul style="list-style-type: none"> ▪ The development of infrastructure in various fields across Phnom Penh, includes: modifications to drainage system, road construction and expansion, and the installation of underground cables that are being carried out without timely notifications. This lack of communication has adversely impacted the clean water supply system. 	<ul style="list-style-type: none"> ▪ Form up working groups to collaborate with local authorities and conduct physical visits to infrastructure development sites. This will ensure timely information dissemination and mitigate impacts. Additionally, enforce strict penalties for those who damage the water supply system.
4- Commercial	
<ul style="list-style-type: none"> ▪ The average water tariff is expected to decrease due to the stagnation in real estate development and the gradual or even inactive activities in the industrial, handicraft, and business sectors during the period 2023–2025. 	<ul style="list-style-type: none"> ▪ Plans have been established to find potential customers with high demand for clean water. ▪ A strengthened mechanism has been established for the provision and implementation of contracts for customers using large business-type water meters to assess their actual water demand. ▪ Strengthen and promote mechanisms for the sale of bulk water to gated communities and operators within the service area of PPWSA.
5- Accounting and Finance Management	
<ul style="list-style-type: none"> ▪ Delays in updating accounting policies and Standard Operating Procedures (SOPs) for accounting and finance operations. ▪ Accounting policies and Standard Operating Procedures (SOPs) for accounting and finance functions are key reference documents for standardizing transactions according to applicable standards, as well as ensuring proper and timely revenue and expense management. However, the updating of accounting policies and the preparation of SOPs have not yet been fully implemented in line with actual operational conditions. This may affect the reliability of accounting records and the entity's management of revenue and expenses. 	<ul style="list-style-type: none"> ▪ Efforts will be made to update accounting policies and accounting and finance SOPs to align with actual operational conditions, in order to ensure accurate and effective work implementation, including proper planning of programs and work activities that are realistic and achievable.

Risk Factors/Challenges	Risk Countermeasure and Actions
<ul style="list-style-type: none"> ▪ Changes in interest rates and foreign currency exchange rates in the market. ▪ The entity has received financing from development partners and repaid it in foreign currencies such as SDR, USD, EUR, and YEN. Fluctuations in interest rates and exchange rates have resulted in both positive and negative impacts on the entity's profit and loss. 	<ul style="list-style-type: none"> ▪ Although the entity has received financing in foreign currencies, which must be repaid in the same currencies borrowed in accordance with the financing terms, the entity has taken into consideration the impacts of fluctuations in interest rates and exchange rates. Therefore, when obtaining new financing, the entity has carefully considered the type of interest rate to be borrowed, focusing on currencies with relatively low volatility. In addition, it seeks to reduce operating expense payments in U.S. dollars by promoting payments in Cambodian riel instead.
6- Pipes Installation	
<ul style="list-style-type: none"> ▪ Based on the experience gained in 2025, in particular, the location for the installation of water transmission and distribution mains confronted the critical complexity due to the presence of underground system like electrical power lines, optical cables, and sewer systems, among others. 	<ul style="list-style-type: none"> ▪ To address the complexities within the underground system during excavation work, the relevant professional officers must collaborate, exercise caution, and conduct thorough studies before implementation.
7- Legislation and Dispute Resolution	
<ul style="list-style-type: none"> ▪ After the PPWSA lawyer's term ended in 2022, PPWSA has not appointed a new lawyer, which has led to challenges in handling legal matters with clients and institutions whose actions do not align with PPWSA's principles. 	<ul style="list-style-type: none"> ▪ Reconsidering the appointment of a PPWSA lawyer to provide legal advisory services is an important requirement. ▪ Consider and prepare a training program on legal knowledge to be conducted by a PPWSA lawyer after their appointment.

PART 2. Information on Business Operation Performance

A. Business Operation Performance including business segments information

A.1. Water Treatment and Distribution System and Non Revenue Water Reduction

A.1.1. Water Treatment

The water treatment in 2025 as follows:

WATER TREATMENT PLANT	WATER SOURCE	PLAN (m ³)	ACTUAL (m ³)	RATE (%)
Phum Prek	Tonle Sap	53,837,500	50,274,192	93
Chroy Changvar	Upper Mekong River	36,500,000	42,084,844	115
Chamkar Mon	Tonle Bassac	18,250,000	17,308,712	95
Nirodh	Lower Mekong River	94,900,000	88,648,919	93
Bakheng	Upper Mekong River	101,580,500	102,751,262	101
Boeung Thom	Boeung Thom	2,190,000	1,353,879	62
Takhmao	Tonle Bassac	9,792,000	5,492,022	56
Mlech	Mlech Dam	522,500	416,192	80
Tbong Khmom	Boeung Tavan	646,608	593,980	92
TOTAL		318,219,108	308,924,002	97

Actual raw material and electricity usage for water production in 2025:

Description	Water Treatment Plant									Total
	Phum Prek	Chroy Changvar	Chamkar Mon	Nirodh	Bakheng	Boeung Thom	Takhmao	Mlech	Tbong Khmom	
PAC (Kg)	494,800	392,100	216,150	1,132,100	1,302,200	52,825	49,550	5,050	15,900	3,660,675
Salt (Kg)	0	234,600	327,300	0	1,036,750	0	69,350	0	0	1,668,000
Liquid chlorine (Kg)	754	36,102	65,846	0	290,148	0	18,234	0	0	411,084
Chlorine gas (Kg)	159,024	84,486	0	261,372	0	0	0	0	0	504,882
Chlorine powder (Kg)	0	0	9,040	560	0	14,120	0	3,108	5,218	32,046
Lime (Kg)	307,200	0	66,525	536,925	361,350	24,950	0	0	0	1,296,950
Electricity (kWh)	13,424,989	11,015,210	4,010,441	21,771,355	21,810,477	306,918	1,305,386	122,390	214,213	73,981,379

The quality of treated water at the water treatment plants and distribution networks:

Parameters	Unit	CNDWQS	WHO	Water Treatment Plant									Distribution Pipes
				Phum Prek	Chroy Changvar	Chamkar Mon	Nirodh	Bakheng	Boeung Thom	Takhmao	Mlech	Tbong Khmom	
Turbidity	NTU	≤ 5	≤ 5	0.28	0.19	0.17	0.26	0.09	0.56	0.02	0.22	0.22	0.34
pH Value	pH	6.5 - 8.5	6.5 - 8.5	7.58	7.68	7.70	7.44	7.69	7.30	7.42	7.23	7.67	7.58
Free Available Chlorine	mg/l	-	5	1.38	1.21	1.00	1.31	1.17	1.25	1.21	1.24	1.09	0.45
Total Available Chlorine	mg/l	-	-	1.61	1.32	1.15	1.46	1.30	1.43	1.35	1.40	1.27	0.55
Total coliforms	cfu/100ml	0	0	0	0	0	0	0	0	0	0	0	0
E. Coli	cfu/100ml	0	0	0	0	0	0	0	0	0	0	0	0

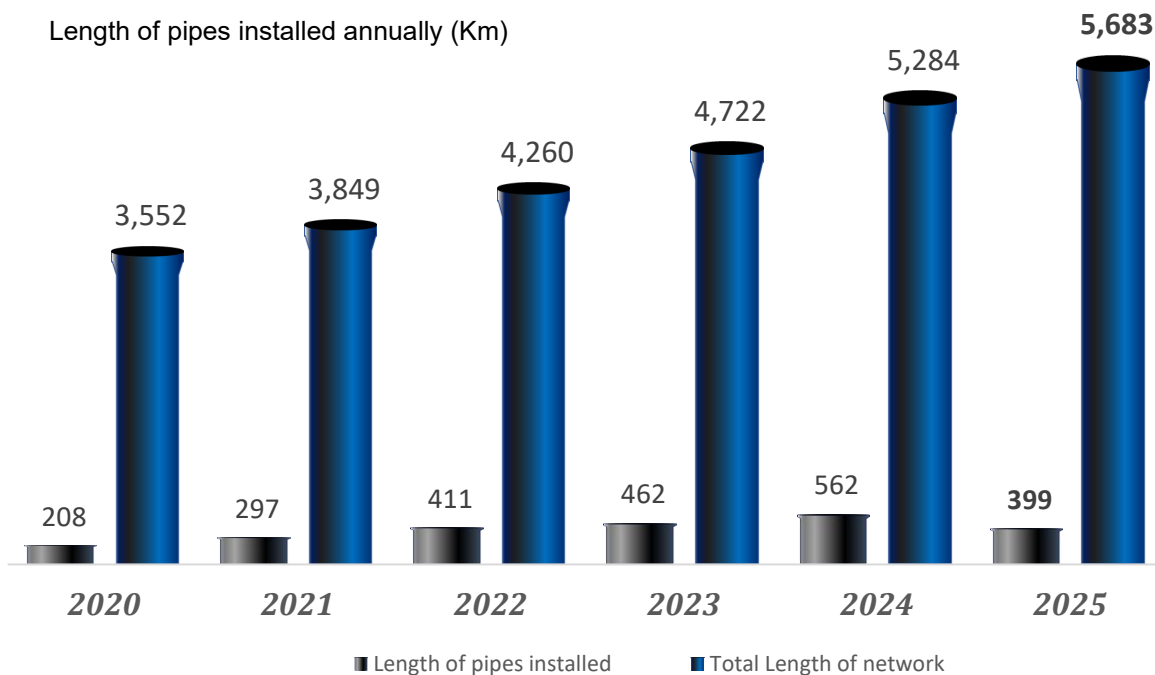
PART 2. Information on Business Operation Performance (Con't)

A. Business Operation Performance including business segments information (con't)

A.1. Water Treatment and Distribution System and Non Revenue Water Reduction (con't)

A.1.2. Pipes Laying

Length of pipes installed annually (Km)



A.1.3. Non Revenue Water Reduction

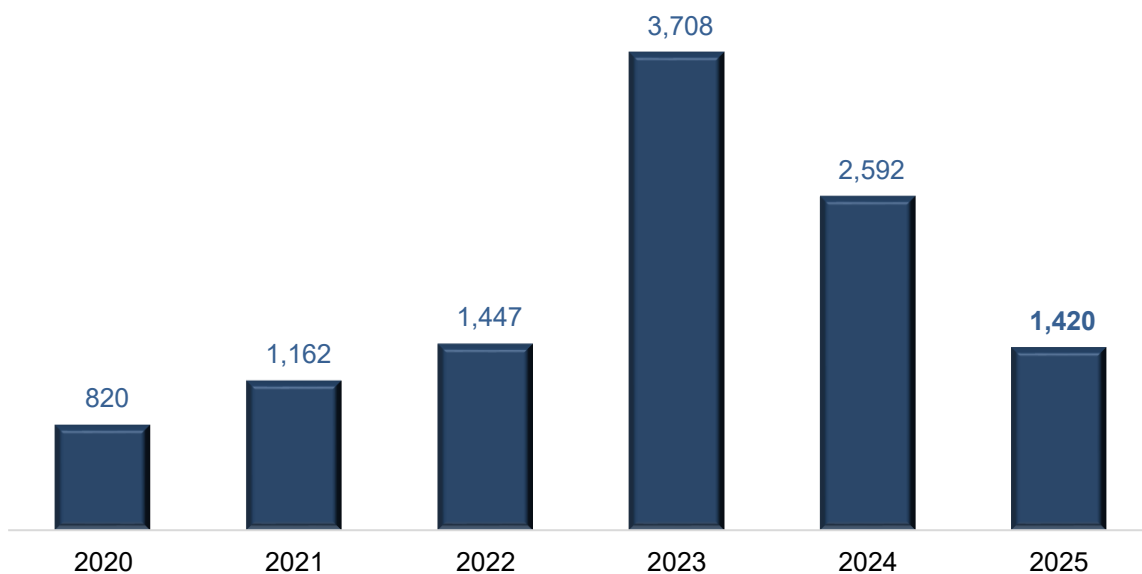
In 2025, PPWSA's non-revenue water rate was kept as following :

- 💧 Phnom Penh Capital and Takmao City : 25.55%
- 💧 Kompot Province, Mlech WTP : 1.12%
- 💧 Tbong Khmom Province, Tbong Khmom WTP : 17.56%

A.2. Business Activities and Results

A.2.1. Water for All Program

low-incom household connections



PART 2. Information on Business Operation Performance (Con't)

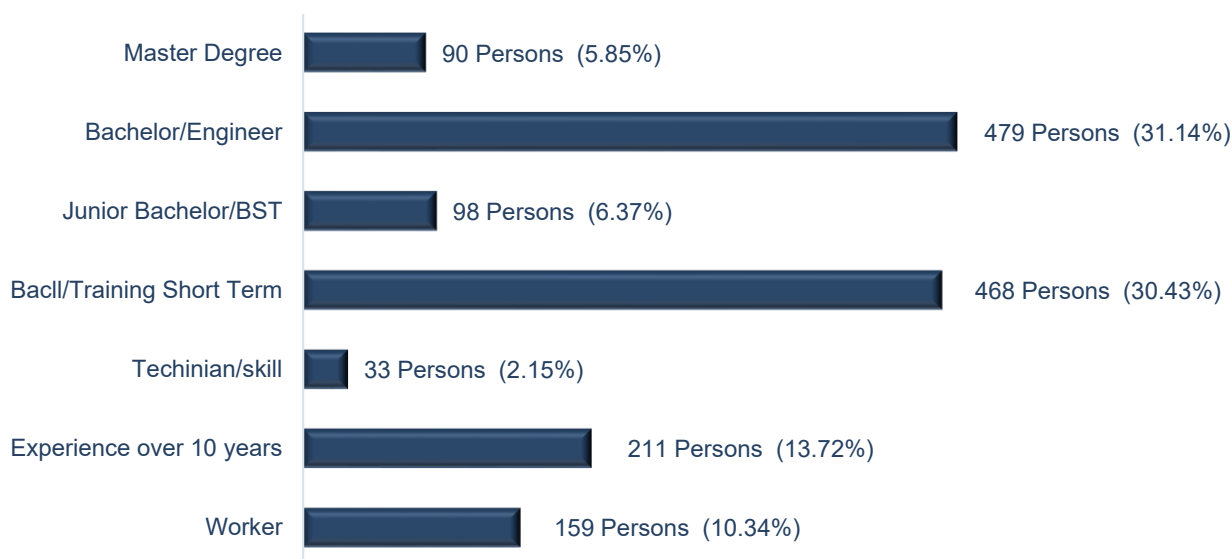
A. Business Operation Performance including business segments information (con't)

A.2. Business Activities and Results

A.2.2. House Connection and Customer Management

Type of Customers	2021	2022	2023	2024	2025	
	(connection)	(connection)	(connection)	(connection)	(connection)	(%)
Domestic	350,463	360,948	381,752	397,479	412,332	78.3794
Commercial	74,344	83,874	89,702	97,234	107,467	20.4282
Administrative	823	913	918	840	853	0.1621
Wholesalers	11	09	06	06	04	0.0008
RDE Representative	16	05	03	03	04	0.0008
Standpipe	16	16	14	13	08	0.0015
Room rental	5,728	5,789	5,746	5,714	5,404	1.0272
Total	431,401	451,554	478,141	501,289	526,072	

A.3- Human Resource Management



Total staff of PPWSA in 2025: 1,538 persons (252 females)

B. Revenue Structure

N°	Source of Revenue	2025		2024		2023 (Restated)	
		(KHR'000)	%	(KHR'000)	%	(KHR'000)	%
1	Sales	316,715,258	84.85	317,778,996	91.39	297,416,141	89.20
2	Construction service fees	16,161,397	4.33	11,392,112	3.28	14,854,539	4.46
3	Foreign exchange gain – net	1,874,528	0.50	-	-	-	-
4	Other income	38,525,745	10.32	18,526,670	5.33	21,138,150	6.34
	Total revenues	373,276,928		347,697,778		333,408,830	

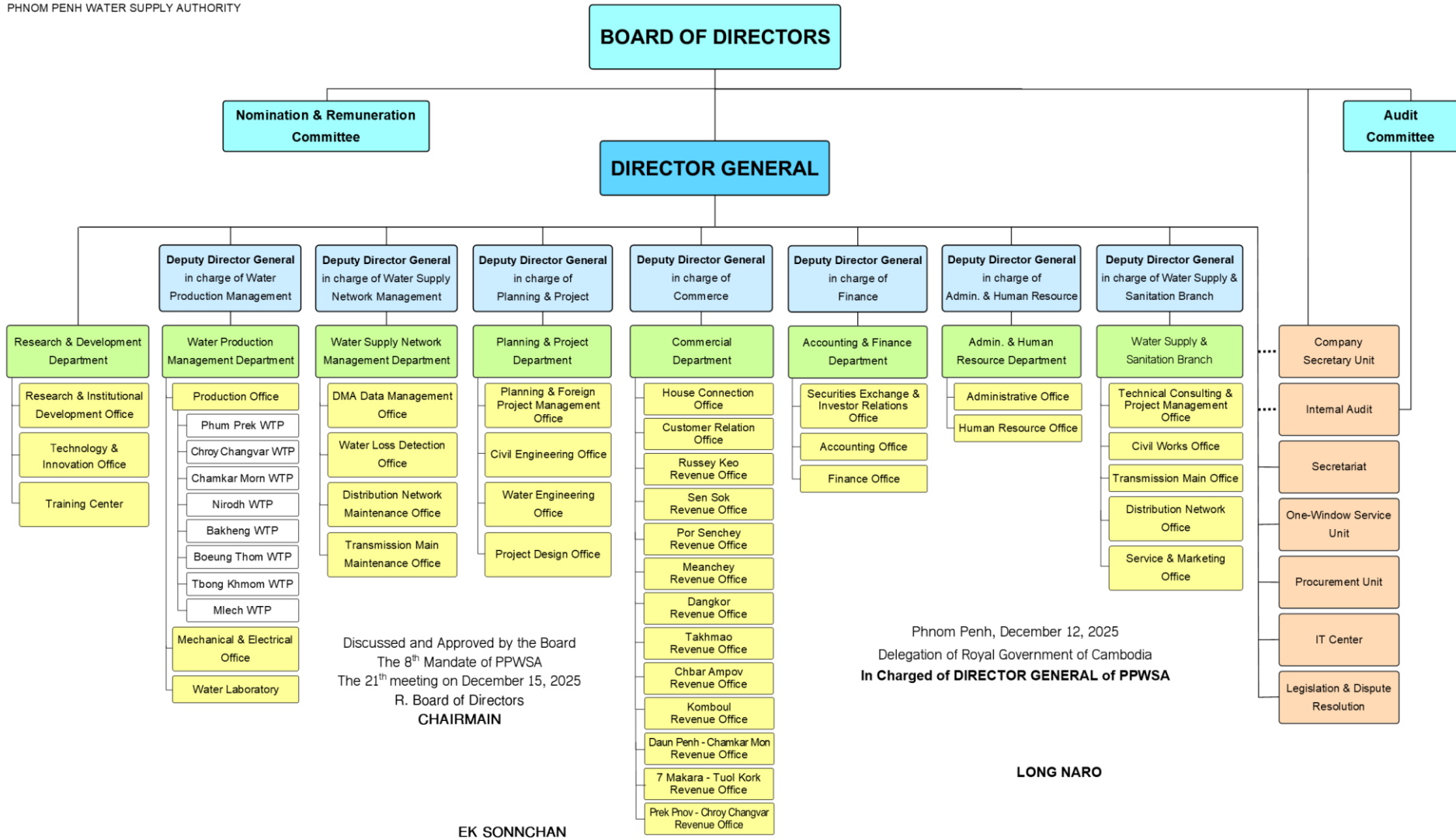


PHNOM PENH WATER SUPPLY AUTHORITY

KINGDOM OF CAMBODIA
NATION RELIGION KING

ORGANIZATIONAL CHART OF PHNOM PENH WATER SUPPLY AUTHORITY

PART 3. Information on Corporate Governance
A. Organization Structure



PART3. Information on Corporate Governance (con't)

B. Board of Directors

No.	Name	Position	Date of being a governor	Deadline of current mandate
1	H.E. EK Sonnchan	Chairman	May 21, 2024	January 06, 2026
2	H.E. MEY Vann	Member	January 06, 2023	January 06, 2026
3	H.E. LONG Naro * H.E. IN Sakan *	Member	January 06, 2023 March 10, 2026	January 06, 2026 March 10, 2029
4	H.E. CHHAY Vireak	Member	September 17, 2024	January 06, 2026
5	Mr. MA Noravin ** Mr. SOK Nareth **	Member	February 27, 2023 February 27, 2026	February 27, 2026 February 27, 2029
6	Mr. SRENG Samork	Independent Director	June 30, 2025	June 30, 2028
7	Mr. NAM Chantry	Non-Executive Director Representing Private Shareholders	June 30, 2025	June 30, 2028

💧 PPWSA Secretary
- Mr. HUOT SokHeng

Note: * H.E. In Sakan was appointed as Director General of PPWSA for the 9th mandate to replace H.E. Long Naro pursuant to Anukret No. 244 អនក្រឹត្យ គីតី ចេញថ្ងៃទី ១០ ខែ មីនា ឆ្នាំ ២០២៦.

** Mr. Sok Nareth was elected, by majority of PPWSA's employees, as employee representative director for the 9th mandate to replace Mr. Ma Noravin according to Minute of the election result No. 016 ល.ប.ក ចេញថ្ងៃទី ២៧ ខែ កុម្ភៈ ឆ្នាំ ២០២៦.

C. Senior Officers Senior Officer Composition

No.	Name	Sex	Position at PPWSA
1	H.E. Long Naro	Male	Director General *
2	H.E. In Sakan	Male	Director General *
3	H.E. Neth Mony	Male	State Controller attached to PPWSA
4	Mr. Ma Noravin	Male	Deputy Director General
5	Mrs. Roeun Nary	Female	Deputy Director General
6	Mr. Pheng Ty	Male	Deputy Director General
7	Mr. Deng Polyden	Male	Deputy Director General and Disclosure Officer
8	Mr. Chou Phalla	Male	Deputy Director General and Disclosure Officer
9	Mr. Ou Khunavath	Male	Deputy Director General
10	Mr. Huot Sokheng	Male	Company Secretary
11	Mr. Kaing Sophyna	Male	Assistant of Director General
12	Mr. Ros Borin	Male	Assistant of Director General
13	Mr. Pa Samvortanak	Male	Assistant of Director General
14	Mr. Yeab Buntha	Male	Assistant of Director General
15	Mr. Sok Nareth	Male	Director of Accounting and Finance Department
16	Mr. Reang Chanphirum	Male	Director of Water and Sanitation Service Subsidiary
17	Mr. Khem Vichhainin	Male	Director of Planning and Project Department
18	Mr. Samaun Serey Somanuh	Male	Director of Research and Development Department
19	Mr. Oeur Luxe	Male	Director of Admin and Human Resource Department
20	Mrs. Chhim Kakada	Female	Director of Internal Audit
21	Mr. Rous Chen	Male	Director of Commercial Department

PART3. Information on Corporate Governance (con't)

C. Senior Officers (con't)

Senior Officer Composition (con't)

No.	Name	Sex	Position at PPWSA
22	Mr. Savuth Vathana	Male	Director of Information Technology Center
23	Mr. Tuy Bunsereyrieth	Male	Director of Legislation and Depute Resolution Unit
24	Mrs. Yong Roitha	Female	Director of Water Supply Network Management Department
25	Mr. Kem Kanvichet	Male	Director of Production System Management Department
26	Mrs. Sim Voleka	Female	Director of Procurement Unit
27	Mrs. Seng Putheavy	Female	Head of Secretary of Company Secretary Unit
28	Mr. Som Sovann	Male	Director of One-Window Service Unit
29	Mrs. Prak Chanmakara	Female	Assistant of Deputy Director General in charge of Administration and Human Resources
30	Mrs. Seng Keatara	Female	Assistant of Internal Audit

Note: Details related to Corporate Governance are attached in appendix I.

Note: * H.E. In Sakan was appointed as Director General of PPWSA for the 9th mandate to replace H.E. Long Naro pursuant to Anukret No. 244 អនក្រឹត្យ ០២៧ ចេញថ្ងៃទី ១០ ខែ មីនា ឆ្នាំ ២០២៦.

PART4. Information on Securities' Trading and Shareholder

A. Information on Securities

1. Information on Equity Securities

- Name of equity securities : Ordinary Share
- Equity securities' symbol : PWSA
- Class of equity securities : Voting Share
- Par value per equity securities : KHR 1,000
- IPO Price : KHR 6,300
- The total number of outstanding Shares : 13,045,975 shares
- Market capitalization : KHR551,409,847,080 (as at December 31, 2025)
- Permitted Securities Market : Cambodia Securities Exchange (CSX)
- Listing Date : April 18, 2012

B. Securities' Price and Trading Volume

Share		January	February	March	April	May	June
Trading Price (KHR)	Maximum	6,340	6,300	6,420	6,360	6,320	6,500
	Average	6,312	6,270	6,356	6,304	6,308	6,401
	Minimum	6,260	6,240	6,300	6,260	6,260	6,320
Trading Volume (Share)	Maximum	11,766	29,342	25,732	9,969	9,614	15,175
	Average	4,657	4,452	4,103	3,983	4,250	5,183
	Minimum	619	551	213	807	969	1,045

PART4. Information on Securities' Trading and Shareholder (cont')

B. Securities' Price and Trading Volume (Con't)

Share		July	August	September	October	November	December
Trading Price (KHR)	Maximum	6,580	6,260	6,240	6,180	6,300	6,440
	Average	6,323	6,210	6,204	6,154	6,218	6,361
	Minimum	6,160	6,160	6,140	6,140	6,160	6,280
Trading Volume (Share)	Maximum	26,373	19,672	11,053	143,890	8,520	16,312
	Average	8,282	4,127	3,720	17,002	3,685	4,867
	Minimum	1,850	318	648	658	784	1,433

C. Controlling Shareholder

No.	Name	Nationality	Number of Shares	Percentage
1	The State represented by the Ministry of Economy and Finance	Khmer	73,927,187	85%
Total :			73,927,187	85%

D. Substantial Shareholder

As of December 31, 2025, there were no substantial shareholders who held PPWSA's shares.

E. Information on Dividend Distribution in the last 3 (three) years

Details of dividend distribution	2024	2023 Restated	2022
Net comprehensive income (KHR'000)	KHR85,042,913	KHR72,647,572	KHR108,185,865
Total cash dividend (KHR'000)	KHR30,440,606	KHR30,440,606	KHR28,701,143
Total share dividend	N/A	N/A	N/A
Other dividend	N/A	N/A	N/A
Dividend payout ratio	35.79%	41.90%	26.53%
Dividend yield	*5.50%	**4.81%	***4.37%
Dividend per share	KHR350	KHR350	KHR330

*Closing price as at 31 December 2024: KHR6,360

** Closing price as at 29 December 2023: KHR7,280

*** Closing price as at 30 December 2022: KHR7,560

PART 5:
INTERNAL CONTROL
AUDITOR REPORT BY
INTERNAL AUDITOR

Internal Audit Report
On Compliance and Operation Monitoring
In 2025

Attached as APPENDIX II

PART 6:
FINANCIAL STATEMENT
AUDITED BY THE
EXTERNAL AUDITOR

**Audited Financial Statements and
Independent Auditors' Report
31 December 2025**

Attached as APPENDIX III

PART 7. Information on Related Party Transactions and Conflict of Interest

A. Material Transactions with Shareholder(s) who hold at least 5% or more shares of
outstanding equity securities

There are no such transactions.

B. Material Transactions with Director(s) and Senior Officer(s)

There are no such transactions.

C. Transactions with Director(s) and Shareholder(s) related to buy/sell asset and service

There are no such transactions.

D. Material Transactions with Immediate Family Members of the Director(s), Senior Officer(s)
and Shareholder(s) who hold at least 5% or more shares

There are no such transactions.

E. Material Transactions with the Person, who associated with Director(s) of the Listed
Entity, its Subsidiary or Holding Company

There are no such transactions.

F. Material Transactions with Former Director(s) or a Person who involved with Former
Director(s)

There are no such transactions.

G. Material Transactions with Director(s) who is holding any position in a non-profit
organization or in any other company other than the listed entity

There are no such transactions.

H. Material Transactions with Director(s) who get benefit whether finance or non-financial
from the listed entity

There are no such transactions.

PART 8. Management's Discussion and Analysis

A. Overview of operations

1. Revenue analysis

PPWSA generates revenues from three main sources – water sales, construction service fees and other incomes.

- Water sales revenue is sourced from water consumption – domestic / households, commercial and industrial, administrative, rented rooms, and wholesalers. This revenue is reported net of discounts, allowances and credits and is recognized based on the volume of water supplied to the customers. Water bills are issued every two months.
- Construction service revenue is sourced from the fees of construction services related to the expansion of the distribution network that PPWSA constructs for a construction company.
- Other revenues/incomes are sourced from water meter maintenance charges, sales of water connection materials, penalty charges for unauthorized water use, and others.
 - Water meter maintenance revenue is generated from the monthly meter maintenance charge on a basis of KHR50 per 1 mm of water meter diameter. This revenue is used to cover the cost of future replacement of water meters for the customers.
 - Plumbing material sales revenue is generated from the sale of water meters, pipes and fittings.
 - Penalty fees is a revenue generated from penalties for customers' late payments penalties and illegal connections.
 - Other revenues are generated from contributions by commercial and industrial customers for installing special network connections into their properties and fees earned for collection of sewerage maintenance charges on behalf of Phnom Penh Municipality.

➤ Year ended 31 December 2025 compared to year ended 31 December 2024

Description	2025 KHR'000	2024 KHR'000	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total Revenues	373,276,928	347,697,778	25,579,150	7.36%

PPWSA has a total revenue KHR373,276,928,000 for the year ended 31 December 2025 and KHR347,697,778,000 for the year ended 31 December 2024. The revenue increased by KHR25,579,150,000 or 7.36%. The increase in total revenue FY2025 was due to construction service fee increased by KHR4,769,285,000 or 41.86% and other income increased by KHR19,999,075,000 or 107.95%.

2. Revenue analysis by segment

The analysis of PPWSA's revenues by segment are shown as below:

Description	2025 KHR'000	%	2024 KHR'000	%
Sale	316,715,258	84.85%	317,778,996	91.40%
Construction service fee	16,161,397	4.33%	11,392,112	3.28%
Foreign exchange gains - net	1,874,528	0.50%	-	-
Other income	38,525,745	10.53%	18,526,670	5.33%
Total Revenues	373,276,928		347,697,778	

PART 8. Management's Discussion and Analysis (Con't)

A. Overview of operations (Con't)

2. Revenue analysis by segment (Con't)

The following are the only analysis of significant revenue streams by segment:

➤ Year ended 31 December 2025 compared to year ended 31 December 2024

Description	2025		2024		Changes		
	Volume (m ³)	Amount (KHR'000)	Volume (m ³)	Amount (KHR'000)	Volume (m ³)	Amount (KHR'000)	%
	a	b	c	d	a - c	b - d	(b-d)/d*100
Domestic	110,263,677	107,443,679	110,615,615	110,620,320	(351,938)	(3,176,641)	(2.87%)
Commercial	98,335,004	163,590,613	94,804,908	160,128,367	3,530,096	3,462,246	2.16%
Public administrative and autonomy	8,937,515	22,498,506	9,291,015	23,054,270	(353,500)	(555,764)	(2.41%)
Representative and room rental	12,594,491	9,580,048	13,101,810	9,910,587	(507,319)	(330,539)	(3.34%)

💧 Revenue from household water sales (Domestic)

Revenue from domestic water sales amounted to KHR107,443,679,000 for the year ended 31 December 2025 and KHR110,620,320,000 for the year ended 31 December 2024, This represents a decrease of KHR3,176,641,000 or 2.87%. However, the monthly water consumption per connection decreased by 1.15m³ (from 25.13m³ to 23.98m³), and the average tariff also decreased by KHR25.62/m³ (from KHR1,000.04/m³ to KHR974.42/m³).

💧 Revenue from commercial and industrial water sales (Commerce)

Revenue from commercial water sales amounted to KHR163,590,613,000 for the year ended of 31 December 2025 and KHR160,128,367,000 for the year ended of 31 December 2024, This represents an increase of KHR3,462,246,000 or 2.16%. However, the monthly water consumption per connection decreased by 5.47m³ (from 83.73m³ to 78.26m³), and the average tariff also decreased by KHR25.43/m³ (from KHR1,689.03/m³ to KHR1,663.61/m³).

💧 Revenue from public administrative water sales

Revenue from public administrative water sales amounted to KHR22,498,506,000 for the year ended of 31 December 2025 and KHR23,054,270,000 for the year ended of 31 December 2024, This represents an decrease of KHR555,764,000 or 2.41%. However, the monthly water consumption per connection decreased by 48.36m³ (from 891.75m³ to 843.39m³), and the average tariff remained fixed KHR2,500/m³.

💧 Revenue from representative and rental rooms water sales

Revenue from representative and rent rooms water sales amounted of KHR9,580,048,000 for the year ended of 31 December 2025 and KHR9,910,587,000 for the year ended of 31 December 2024, This represents an decrease of KHR330,539,000 or 7.49%. The reason of increased is that the monthly water consumption per connection increased by 3.40m³ (from 188.37m³ to 191.77m³), and the average tariff also increased by KHR89.40m³ (from KHR756.43/m³ to KHR845.83/m³).

PART 8. Management's Discussion and Analysis (Con't)

A. Overview of operations (Con't)

3. Gross profit margin analysis

PPWSA prepared and presented its income statements by nature, without showing gross profit. However, this presentation enables discussions and analyzes on the operating profit which is calculated by subtracting operating expenses from total income.

The details of the operating expenses will be discussed in Item "a-4" below.

4. Profit before tax

Profit before tax is derived from the subtraction of operating expenses from the gross revenues and net finance income (expenses). In discussing and analyzing the operating expenses, we considered the total expenses as follows.

➤ Year ended 31 December 2025 compared to year ended 31 December 2024

Description	2025 KHR'000	2024 KHR'000	Changes	
			KHR'000	Percentage
	a	b	a - b	(a-b)/b*100
Total revenues	373,276,928	347,697,778	25,579,150	7.36%
Depreciation and amortisation charges	(62,980,287)	(59,515,914)	(3,464,373)	5.82%
Electricity costs	(39,098,813)	(48,653,063)	9,554,250	(19.64%)
Salaries, wages and related expense	(83,785,187)	(85,552,510)	1,767,323	(2.07%)
Raw materials for water treatment	(17,510,654)	(18,976,590)	1,465,936	(7.72%)
Construction service expenses	(8,779,409)	(8,961,596)	182,187	(2.03%)
Finance income	15,231,902	57,169,387	(41,937,485)	(73.36%)
Finance costs	(27,079,119)	(39,001,476)	11,922,357	(30.57%)
Profit before tax	118,864,631	107,174,361	11,690,270	10.91%

PPWSA earned profit before tax of KHR118,864,631,000 for the year ended of 31 December 2025 and KHR107,174,361,000 for the year ended of 31 December 2024, representing an increase of KHR11,690,270,000 or 10.91%. The increase in profit before tax was primarily due to total revenue increased by KHR25,579,150,000 or 7.36%.

5. Profit for the financial year

Under the Law on Commercial Enterprises, in the context of duties and taxes, PPWSA had to pay annual taxes at the rate of 20%. This 20% tax is calculated by applying the 20% tax rate on the taxable profit.

PART 8. Management's Discussion and Analysis (Con't)

A. Overview of operations (Con't)

5. Profit for the financial year (con't)

➤ Year ended 31 December 2025 compared to year ended 31 December 2024

Description	2025 KHR'000	2024 KHR'000	Changes	
			KHR'000	Percentage
	c	d	c - d	(c-d)/d*100
Profit before tax (a)	118,864,631	107,174,361	11,690,270	10.91%
Tax expense (b)	(23,884,509)	(22,131,448)	(1,753,061)	7.92%
Profit for the financial year	94,980,122	85,042,913	9,937,209	11.68%
Total comprehensive income for the financial year	94,980,122	85,042,913	9,937,209	11.68%
Effective tax rate (b)/(a)	20.09%	20.65%		

PPWSA earned profit for the financial year of KHR94,980,122,000 for the year ended of 31 December 2025 and KHR85,042,913,000 for the year ended of 31 December 2024, representing an increases of KHR9,937,209,000 or 11.68%. The increase in profit for the financial year was due to construction service fee increased by KHR4,769,285,000 or 41.86% and other income increased by KHR19,999,075,000 or 107.95%, which resulted in an increase in total revenue increased by KHR25,579,150,000 or 7.36%.

6. Analysis of factors and trends analysis affecting financial conditions and results

The prolonged conflict between Russia and Ukraine and in the Middle East, as well as trade disputes between economic superpowers (U.S. tariff impositions), global political crises, and climate change, have continued to impact the growth of global and regional trade and economy. Nevertheless, PPWSA has continued its daily operations and remained profitable in 2025. This sustained profitability is due to continued sales growth, driven by the following supporting factors:

- **Increase in customer base:** To generate revenues from water sales, PPWSA increased its customer base, expanding its service coverage to unserved areas by filling up its coverage with distribution networks in Phnom Penh and its surrounding areas, in particular, the economically potential zones.
- **Increase in average water tariff:** Finding new commercial and industrial customers increased PPWSA's average water tariff because the tariff for this customer category is higher than other categories.
- **Operating expenses management:** PPWSA managed these expenses, especially the electricity consumption cost which is huge and significant in the water treatment process, through the introduction of new technologies such as variable speed distribution pumps. PPWSA managed the efficient and economical use of raw materials in water treatment.

For operating expenses, PPWSA try to reduce unimportant expenditures such as general administration, maintenance by controlling and maintaining general tools and usage material regularly to ensure the quality and reduce others expenses.

PART 8. Management's Discussion and Analysis (Con't)

A. Overview of operations (Con't)

6. Analysis of factors and trends analysis affecting financial conditions and results (con't)

- **Strict practices in procurement process:** PPWSA has strictly adhered to applicable laws, regulation and other guidelines in relation to the procurement process for purchases of material and raw materials. This process is transparent and encourages market price competition, which allows PPWSA to make low cost purchases, without neglecting quality.
- **Cash management:** With the above high collection ratio 99.90%, PPWSA was capable enough to manage its cash efficiently. With this, PPWSA reserved cash as working capital for two-three months, and invested available cash in short-term fixed deposits at commercial banks with high interest rates. PPWSA also scrutinizes risks and benefits associated with the high interest rates.
- **Selection of low-rate financiers:** Due to the increasing water demand, PPWSA is in need of finance for its investment projects, such as construction of WTPs, and laying of transmission and distribution pipes. PPWSA has sought international development partners such as AFD to get the low interest rate financing.
- **Economic situation:** Although the war between Russia and Ukraine, as well as the war between Israel and Palestine, has continued to affect the global economy as well as Cambodia, PPWSA's average water prices have not been significantly affected.

B. Significant Factors Affecting Profit

1. Demand and supply conditions analysis

Based on studies of water demand relative to population growth in Phnom Penh, driven by the expansion and development of the capital's surrounding areas, PPWSA has continued the construction of additional water treatment plants. These include the Bakheng Water Treatment Plant Phase 3, with a production capacity of 195,000 m³/day scheduled for completion in the fourth quarter of 2027, along with the Phum Prek Water Treatment Plant expansion project, which will increase production capacity by 45,000 m³/day in addition to its original capacity of 150,000 m³/day

2. Variations in prices of raw materials analysis

Variation in prices of raw materials for water treatment might slightly affect the production cost because the portion of this cost is not higher than 10% of the operating expenses. However, PPWSA adhered very strictly to the procurement procedures to ensure the conformity of raw material prices to market prices, and this procedure allows PPWSA to obtain low competitive prices.

3. Tax analysis

Under the Law on Commercial Enterprises, in the context of duties and taxes, PPWSA is obliged to pay duties and taxes as stipulated in the existing laws and regulations. PPWSA is required to pay taxes under the real regime tax system and is a large taxpayer determined by the General Department of Taxation.

4. Exceptional and extraordinary items analysis

At the end of December 31, 2025, the management believes that PPWSA does not have any unusual and extraordinary elements.

PART 8. Management's Discussion and Analysis (Con't)

C. Material changes in sales and revenues

PPWSA's main revenues are the sales of safe water and house connection which is a basic need of Phnom Penh residents. The water sales represented about 84.85% of gross revenue on 31 December 2025. PPWSA is also the monopoly water supplier in Phnom Penh and its outskirts. Revenues may grow, subject to the demography including the enlargement of Phnom Penh capital and the Takhmao city.

D. Impact of foreign exchange, interest rates and commodity prices

D.1. Impact of exchange rate

The PPWSA maintains its accounting records using the Khmer Riel as its functional currency. Transactions in foreign currencies are converted into the functional currency at the exchange rate prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transactions, as well as the translation of foreign currency assets and liabilities, are recorded in the statement of profit and loss. Since the PPWSA has financing in foreign currencies, fluctuations in exchange rates also impact its profit and loss results. However, regarding the payment for goods, most of the PPWSA's transactions are conducted in Riel; therefore, there is no significant impact from exchange rate fluctuations in this regard.

D.2. Impact of interest rates

D.2.1. Impact of interest rate on interest income

Due to the absence of a currency market in Cambodia, PPWSA could afford only short-term investments in 9-12 month fixed deposits at local commercial banks.

D.2.2. Impact of interest rate on interest expense

The PPWSA utilizes four sources of financing, which consist of both fixed and variable interest rates. Fixed Interest Rate Financing with fixed interest rates includes: Asian Development Bank (ADB) Obtained through the Ministry of Economy and Finance, with an interest rate of 1.65% per annum. Japan International Cooperation Agency (JICA) with an interest rate of 0.66% per annum. French Development Agency (AFD): With interest rates ranging between 0.90% and 2.30% per annum.

Financing with a variable (floating) interest rate includes: European Investment Bank (EIB) with interest rates ranging between 4.22% and 6.50% per annum.

D.3. Impact of raw materials prices

Through PPWSA's procurement process in accordance with applicable laws and regulations, as well as other guidelines that require PPWSA to contract with suppliers of materials and raw materials. Competitive price or negotiable price. The protracted war between Russia and Ukraine and the war between Israel and Palestine, and trade disputes between global economic superpowers, have pushed up the prices of materials and raw materials in domestic and foreign markets. Rising prices of materials and raw materials have also affected PPWSA's investment and operating costs. However, despite the increase in the cost of materials and raw materials, the management has carefully considered the plan and the need for raw materials to ensure the timely and affordable use of public procurement laws effective.

E. Impact of inflation

PPWSA's water tariff remained unchanged from 2001 to 2019. To adjust to the variations in inflation, PPWSA has been implementing the revised tariff since 1 January 2020, and maintained better financial stability.

PART 8. Management’s Discussion and Analysis (Con’t)

F. Economic / Fiscal / Monetary Policies of the Royal Government

PPWSA’s business was influenced by a number of the government policies such as:

- **Service coverage expansion:** Further expansion of the water service coverage is restricted due to PPWSA’s mission that allows water production and distribution to the public in Phnom Penh only. This restriction is stipulated in Sub-decree No. 52 ANKR.BK, dated 19 December 1996, on the Establishment of PPWSA.
- **Enlargement of Phnom Penh area:** The Royal Government had a policy to enlarge the Phnom Penh area by integrating 20 additional communes into Phnom Penh, which expanded PPWSA service coverage.
- **Immovable property tax policy:** Ministry of Economy and Finance (MEF) has put into force PRAKAS No. 493 សហវិ.ប្រកាស, dated 19 July 2010, on Immovable Property Tax Collection. PPWSA’s immovable properties are used to process the water treatment facilities, and tax-exempt according to MEF’s Notification No. 006 សហវិ.អំពាវនាវ, dated 18 May 2011.

PART 9: Other Necessary Information for Investor Protection

Phnom Penh Water Supply Authority (PPWSA) has been striving to produce quality and safe water to supply to its customers. To gain more trust from customers, PPWSA has sent the sample of water taken from Boeung Thom Water Treatment Plant of PPWSA, to TUV SUD PSB Pte Ltd., Singapore’s independent laboratory for the water’s quality analysis by testing 126 parameters as below:

1. Microbiological Parameter	1 test
2. Physical Parameter	6 tests
3. Radiological Parameter	2 tests
4. Chemical Parameter	117 tests

As a result, clean water which produced by Boeung Thom Water Treatment Plant of PPWSA is complied with Nation Drinking Water Quality Standard (NDWQS) and WHO Drinking Water Quality 2022 as detailed in the appendix TEST REPORT No.: 7191357715-CHM25-TGB.

SIGNATURE OF DIRECTORES OF PHNOM PENH WATER SUPPLY AUTHORITY

Phnom Penh, April 07, 2026
Read and Approved

Signature

Ek Sonnchan
CHAIRMAN

Phnom Penh, April 07, 2026
Read and Approved

Phnom Penh, April 07, 2026
Read and Approved

Phnom Penh, April 07, 2026
Read and Approved

Signature

In Sakan
Director

Signature

Mey Vann
Director

Signature

Chhay Vireak
Director

Phnom Penh, April 07, 2026
Read and Approved

Phnom Penh, April 07, 2026
Read and Approved

Phnom Penh, April 07, 2026
Read and Approved

Signature

Sok Nareth
Director

Signature

Nam Chantry
Director

Signature

Sreng Samork
Director

APPENDIX I
ANNUAL CORPORATE
GOVERNANCE REPORT 2025

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ANNUAL REPORT APPENDIX

FOR 2025

ANNUAL CORPORATE GOVERNANCE REPORT

Part 1. Shareholders

A. Shareholders Structure (by 31 December 2025)

1. Shareholder Information

Description	Nationality	Types of Shareholder	Number of Shareholders	Number of Shares	Percentage
Less Than 5%	Cambodian	Individual	5,161	5,460,332	6.278 %
		Legal Person	6	1,812,823	2.085 %
	Non-Cambodian	Individual	648	5,326,477	6.124 %
		Legal Person	5	446,343	0.513 %
From 5% to 30%	Cambodian	Individual	N/A	N/A	N/A
		Legal Person	N/A	N/A	N/A
	Non-Cambodian	Individual	N/A	N/A	N/A
		Legal Person	N/A	N/A	N/A
From 30%	Cambodian	Individual	N/A	N/A	N/A
		Legal Person	1	73,927,187	85%
	Non-Cambodian	Individual	N/A	N/A	N/A
		Legal Person	N/A	N/A	N/A

2. Shareholders who are directors, senior officers, and employees of the PPWSA

Shareholders	Number of Shareholders	Number of Shares	Percentage
Directors	4	46,567	0.054 %
Senior officers	21	116,401	0.132 %
Employees	215	417,665	0.480 %
Total:	240	580,633	0.666 %

Part 1. Shareholders (Con't)

B. Shareholders' and Protection of Shareholders' Rights

1. Shareholders' rights

PPWSA's ordinary shareholders have been had equal rights as follow:

- The rights in receiving information disclosed by the PPWSA in compliance with the applicable Laws and Regulations.
- The rights for participating in the PPWSA's general shareholder meeting according to the instruction of participating in the general shareholder meeting.
- The voting rights in the general shareholder meeting according to the instruction of participating in the general shareholder meeting.
- The rights in receiving the dividend declared by the PPWSA according to the shareholding proportion of shareholders.
- The rights in receiving the remaining assets from the PPWSA's dissolution according to the shareholders' shareholding proportion.
- Other rights are determined by the applicable Laws and Regulations.

2. The rights prevention of shareholders and minority shareholders

The rights of Shareholders of PPWSA are protected by the Article of Incorporation of Phnom Penh Water Supply Authority dated June 27, 2012 and through establishing the Code of Conduct for Directors and Senior officers.

In 2025 Phnom Penh Water Supply Authority had prepared the 13th General Meeting of Shareholders at June 30, 2025. PPWSA had passed the announcement to all PPWSA's shareholder and eligible to join the meeting through the process of meeting procedure prepared by PPWSA. Moreover, all shareholders were able to vote on the subjects raised by PPWSA at the 13th GMS. In addition to this, PPWSA had distributed the dividend for the year 2024 to its shareholders by payment made in July 23, 2025.

3. The Protection of Minority Shareholders' Rights and the Practice in 2025

PPWSA has no restrict to the rights of minority shareholders by protected equally and had practiced in 2025 the same way to other shareholders as mentioned above.

C. General Shareholder Meeting

1. Procedures of General Shareholder Meeting and Voting

General Shareholder Meetings and Voting may be made in compliance with the applicable Laws and Regulations.

Part 1. Shareholders (Con't)

C. General Shareholder Meeting (Con't)

2. Information of the 13th General Shareholder Meeting and voting

No.	Date	Type of Meeting	Quorums	Agendas	Resolutions
1	30 June 2025	Ordinary	87.81%	<ol style="list-style-type: none">1. Report of the Annual Business Performance for 2024 and The Annual Business Plan for 20252. Q & A3. The voting program:<ul style="list-style-type: none">➢ Approval of the dividend distribution to shareholders for 2023.➢ Approval of the remuneration of the Board of Directors for 2024.➢ Approval of Renewal of Independent Director's term.➢ Approval of Renewal of Non-Executive Director representing Private Shareholders' term➢ Approval on increase in capital	<p>The voting results:</p> <ul style="list-style-type: none">➢ Approved the distribution of the aggregate cash dividend of KHR 30,440,606,700 for the fiscal year 2024:<ul style="list-style-type: none">▪ Dividend per share: KHR350▪ Record date: July 14, 2025▪ Payment date: July 23-29, 2025➢ Approved the remuneration of KHR1,107,979,152 for 7 members of the BOD members and one State Controller in 2025.➢ Approved to renewed the term for Mr. Sreng Samork as Independent Director.➢ Approved to renewed the term for Mr. Nam Chantry as Non-executive Director representing Private Shareholders.➢ Approved the determination of the initial cost of two land plots, totaling \$3,953,800, as the basis for recording the capital increase of PPWSA.

D. Dividend Distribution

1. Dividend Policy

After approving the accounting, if there is a profit, the Board of Directors of the PPWSA may decide to transfer money for the following purposes:

1.1 Settlement of loss of the previous year;

1.2 After settlement the loss of the previous year, if the profit still remains, the board of Directors may use the profit for:

(a) Allocation to management and employees as follows:

- In case the profit is from 5% to 10% of the total annual operating expenses of PPWSA, the allocation shall be equal to one (1) month of net salary to management and each employee.
- In case the profit is from 10% to 20% of the total annual operating expenses of the PPWSA, the allocation shall be equal to two (2) months of net salary to management and each employee.
- In case the profit is more than 20% of the total annual operating expenses of the PPWSA, the allocation shall be equal to three (3) months of net salary to management and each employee.

(b) 2% for retirement and disability benefit.

(c) 5% for mandatory reserve

(d) 5% for voluntary reserve

(e) 5% for social fund shall be recorded as expenses in the year of the transaction.

1.3 After the above allocations, the remaining profits shall be:

(a) Kept as an investment reserve approved by the Board of Directors.

(b) The remainder of the investment reserve shall be distributed 85% to the Ministry of Economy and Finance and 15% to shareholders who are public investors.

Part 1. Shareholders (Con't)

D. Dividend Distribution (Con't)

2. Historical information of dividend distribution for the last three years

No.	Detail of Dividend Distribution	2024	2023	2022
1	Announcement date of dividend distribution	June 30, 2025	May 24, 2024	May 26, 2023
2	Record date	July 14, 2025	June 07, 2024	June 09, 2023
3	Dividend payment date	July 23, 2025	June 19, 2024	June 20, 2023

Part 2. Board of Director

A. Board of Director

1. Board Composition

No.	Name	Position	Date of being a governor	Deadline of current mandate
1	H.E. EK Sonnchan	Chairman	May 21, 2024	January 06, 2026
2	H.E. MEY Vann	Member	January 06, 2023	January 06, 2026
3	H.E. LONG Naro * H.E. IN Sakan *	Member	January 06, 2023 March 10, 2026	January 06, 2026 March 10, 2029
4	H.E. CHHAY Vireak	Member	September 17, 2024	January 06, 2026
5	Mr. MA Noravin ** Mr. SOK Nareth **	Member	February 27, 2023 February 27, 2026	February 27, 2026 February 27, 2029
6	Mr. SRENG Samork	Independent Director	June 30, 2025	June 30, 2028
7	Mr. NAM Chantry	Non-Executive Director Representing Private Shareholders	June 30, 2025	June 30, 2028

- ♦ PPWSA's Secretary
- Mr. HUOT SokHeng

Note: * H.E. In Sakan was appointed as Director General of PPWSA for the 9th mandate to replace H.E. Long Naro pursuant to Anukret No. 244 អនក្រឹត្យ ៧៧៧ ចេញថ្ងៃទី ១០ ខែ មីនា ឆ្នាំ ២០២៦.

** Mr. Sok Nareth was elected, by majority of PPWSA's employees, as employee representative director for the 9th mandate to replace Mr. Ma Noravin according to Minute of the election result No. 016 វិ.ប.ក ចេញថ្ងៃទី ២៧ ខែ កុម្ភៈ ឆ្នាំ ២០២៦.

2. Short biography of directors

H.E. EK SONNCHAN

Khmer, Khmer nationality, His Excellency was born on 10 March 1950, and earned a degree in professional engineering from Institute Technology Superior of Cambodia-Soviet Friendship in 1975 (Electrical Engineering). He was the director of Phnom Penh Water Supply from 1993 to 1996, and then director general of PPWSA from 1997 to 2012. In 2012, he became an Undersecretary of State of Ministry of Industry, Mines and Energy, and a Secretary of State of Ministry of Industry and Handicraft in 2013. Since 2018, he has been appointed as Minister Delegate attached to the Prime Minister, Vice-Chairman of council for Agricultural and Rural Development, Vice-Chairman of National Council for Social Protection. In May 2024, he was appointed as Chairman of PPWSA's Board of Directors until present.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

2. Short biography of directors (Con't)

H.E. MEY VANN

Khmer, Khmer nationality, His Excellency was born on October 6, 1969 and graduated with a Master of Economic Policy from the University of D'AUVERGNE, France in 1999. He graduated with a PhD in Business Economics from PRESTON University, USA in 2009. His Excellency is the Director General of the General Department of Financial Industry at the Ministry of Economy and Finance since 2013, and in 2017, he was appointed as delegate of the Royal Government in charge of Director General of General Department of Financial Industry of Ministry of Economy and Finance (with the rank of under secretary of state). From 2019 to 2020, he was the advisor at Supreme National Economic Council (with the rank of Secretary of State). From 2020 till present he is a Secretary of State of Ministry of Economy and Finance. From 2021 till Present he is a Board Member of Secretary General of General Secretary of Non-Bank Financial Service Authority. His Excellency Mey Van is a member of the Board of Directors of the 5th Mandate of Phnom Penh Water Supply Authority from February 24, 2013 to the present.

H.E. LONG NARO

Khmer, Khmer nationality, His Excellency was born on February 24, 1966. From 1984 to 1988 He was studied at Engineering School for Plan and Construction " Georgi Dimitroff " Glauchau (East Germany) and received Mechanical Engineer certificate. In 2004 he was graduated with Master degree of Business administration from the Charles Sturt University (Australia University). H.E LONG NARO, started working at PPWSA in 1989 and was promoted as the Director of Technical Production and Distribution Department in 1997. From 2002 to 2006 was promoted as Deputy Director in charge of Controlling and Managing the Chroy Changva and Nirodh water treatment plant construction. From 2012 to August 12, 2021 was a Deputy director general in charge of Sanitation and Branch, and from August 12, 2021 to the present is Director General of PPWSA. He was also appointed as a delegate of the Royal Government of Cambodia in charge of the Director General of the Phnom Penh Water Supply Authority from **His Majesty King Norodom Sihamoni** on July 13, 2023 to February 2026.

H.E. IN SAKAN

Khmer, Khmer Nationality, His Excellency was born on June 26, 1981. In 2007, he completed a Bachelor's degree in Engineering, and in 2012 he earned a Master's degree in Economics from California State University, Sacramento, United States of America. Later, in 2022, he obtained a Certified PPP Professional Certificate from ANPG International in the United States. Since 2015, His Excellency had worked at the Ministry of Economy and Finance, and in 2022, became the Chief of the Project Development Office at the General Department of Public-Private Partnerships. In 2023, he became a member of the Cabinet of the Ministry of Industry, Science, Technology and Innovation, and was subsequently appointed as an Advisor to the Ministry in 2024. In the same year, He began an advisor of Phnom Penh Water Supply Authority and was appointed as Deputy Director General in charge of Water Production Management in 2025. On March 10, 2026, he was appointed as Director General and Member of the Board of Directors of the Phnom Penh Water Supply Authority for the 9th mandate.

Part 2. Board of Directors (Con't)

B. Board of Directors (Con't)

2. Short biography of directors (Con't)

H.E. CHHAY VIREAK

Khmer, Khmer nationality, His Excellency was born on February 20, 1983. He earned a Bachelor's Degree of Law from Royal University of Law and Economics and a Bachelor of Economics from Norton University in 2004, and a Master's Degree in Finance from Pannasastra University in 2008. He started working at Phnom Penh Municipality as an officer of Local Administration Unit in 2007, and was promoted to Vice Chief Officer of Planning Office in 2010, to Office Manager of Law and Resolve Local issues in 2015, and then to Vice-Director of Law and Human Rights in 2018. From 2023 to 2024, he became a Vice-Administrator of Phnom Penh Municipality. Since July 2024, he has been appointed as Vice-Governor of Phnom Penh Municipality. In September 2024, he was appointed as member of Phnom Penh Water Supply Authority's Board of Directors until present.

Mr. MA NORAVIN

Khmer, Khmer nationality, born on June 15, 1973. In 1996, he graduated with a bachelor's degree in hydrology from the Institute of Technology of Cambodia. Then in 2008 he received a master's degree in Socio-Environmental Engineering in Japan. He joined the PPWSA. In 1997, he was appointed Director of the Office of Project Studies in 2003. In 2008, he was appointed deputy director of the department of Production and Water Supply, and from 2012 to 2018 became the Director of the department. From 2018 to 2021 He promoted to Deputy Director General of the department of Production and Water Supply and from 2021 to 2024, he became the Deputy Director General of Water Production Management Department. From 2024 till present he is a Deputy Director General of Commercial Department and also became a member of the Board of Directors of the 7th mandate of PPWSA from February 24, 2020 to 2026.

Mr. SOK NARETH

Khmer, Khmer Nationality, born on May 25, 1980. In 2000, he graduated with a Bachelor's degree in Information Technology from Norton University and then in 2009, he earned a Master of Auditing at Vanda Institute. In 2002, he joined PPWSA, and in 2004, he was appointed as Chief of Group and as Chief of Office of Accounting and Finance in 2013. Later on, he was appointed as Deputy Director of Department of Accounting and Finance in 2019 and from 2022 until now, he became a Director of the department. Later on, he was elected as Employee Representatives of PPWSA of the 9th Mandate by employee voting and he also became a member of Board of Directors of PPWSA in the 9th Mandate from February 27, 2026 to the present.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

2. Short biography of directors (Con't)

Mr. SRENG SAMORK

Khmer, Khmer Nationality, born on March 13, 1962 earned a Bachelor of Science and Electrical Engineering (BSEE) from California State of University in Long Beach (USA) in 1988 and a Master of International Business Administration (MIBA) from West Coast University (USA) in 1994. After earning his master degree, he started his first career as a Country Sale Manager at Cambodia Beverage Company, Coca-Cola from 1995 to 2002. After that, in 2002, he became an Investment Officer in MPDF project at International Finance Corporation. In 2003, he was a Senior Manager at ANZ Royal Bank. From 2010 to 2011, he was Commercial Director of Cambodia Airports (Phnom Penh, Seim Reap, Sihanouk ville). From 2012 to 2016, he was a Head of Retail Banking at Foreign Trade Bank of Camodia. From 2015 to 2021, he became Independent Director of Amret Plc and became a chair of Audit Committee of Amret from 2016 to 2020. Presently, he is a Business Advisor at Axis Investment Consulting since 2016, Independent Director of Credit Guarantee Corporation of Cambodia since 2023, Independent Director of HATTHA Bank since 2025, and from May 13, 2022 onwards, he has been elected as Independent Director for PPWSA's Board of Directors.

Mr. NAM CHANTRY

Khmer, Khmer Nationality, born on July 17, 1986, earned a Bachelor of Business Administration in Accounting and Finance from Build Bright University in 2009 and a Master of Business Administration specialized in Financial Management from Royal University of Law and Economics in 2013. From 2008 to 2013, He worked as Head of Administration and Finance at Cambodian Red Cross and Swiss Red Cross for Water and Sanitation Project. From 2013 to 2015, he was a financial advisor at National AIDs Authority (Global Fund) and MAGNA children at risk. At 2015, he worked as Financial Advisor at project for Agricultural Development and Economic Empowerment at the Ministry of Agriculture Forestry, and Fisheries. From 2016 to 2019, he was Head of Administration Accounting Finance and Taxes at KC JSM service Co Ltd in the project of Real estate development and investment. From 2019 to 2025, he was a chief of Finance Officer at AXS Ventures Co Ltd and private fund management representative at OBOR Management Co Ltd,. Presently, he is a founder and CEO at N. CT Strategic Partner from 2022, Co-founder at ADMIT Investment and International Trade Co Ltd,. from 2022, Co-founder of Xperts Business Center from 2024, Co-founder ADMIT Foods Manufacturing Co Ltd,. and from May 13, 2022 onwards, he has been elected as Non-Executive Director Representing Private Shareholders for PPWSA's Board of Directors. On the other hand, in 2026, he become a Secretary at AMCHAM Women Steering Committee.

Part 2. Board of Directors (Con't)

A. Board of Directors (Con't)

3. If Any Director is Director, Shareholders or Co-owner of Other Company

N.	Name	Related Company Name	Director, Shareholders, or Co-owner
1	Mr. Sreng Samork	1. Credit Guarantee Corporation of Cambodia	Independent Director
		2. Hattha Bank	Independent Director
2	Mr. Nam Chantry	1. ADMIT GROUP	Director and Co-founder
		2. N. CT Strategic Partner	Director and Founder
		3. Xperts Business Center	Director and Founder

4. Board Roles, Duties, and Responsibilities and Performance

- ✓ Define enterprise development projects in accordance with the guidelines set by the Royal Government according to the request of the Director General
- ✓ Define annual budgets and investment programs, as well as reserve financing for investment programs.
- ✓ Approve accounting statements (financial statements and detailed results report)
- ✓ Define the organizational structure, number of frameworks, division of general functions and salaries of employees at the request of the Director General
- ✓ Allow to open or decide to close the activities of the agency or representative office
- ✓ Allow the purchase of all types of real estate in accordance with Prakas No. 997 MEFORT dated 25 December 1997 on procurement management in public enterprises
- ✓ Select the account commissioner and determine the bonus to the account commissioner
- ✓ Decide on other contracts or treaties
- ✓ Regularly review the objectives set for the enterprise and take corrective measures on requests for amendments to the statute.

5. Board Meetings

No.	Date	Type of Meetings	Name of Director
1	March 15, 2025	Extraordinary	<ul style="list-style-type: none"> ▪ H.E. EK Sonnchan ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. CHHAY Vireak ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork ▪ H.E. NET Mony (State Controller attached to PPWSA)

Part 2. Board of Directors (Con't)

A. Board of Directors (Con't)

5. Board Meetings (Con't)

No.	Date	Type of Meetings	Name of Director
2	March 27, 2025	Ordinary	<ul style="list-style-type: none"> ▪ H.E. EK Sonnchan ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. CHHAY Vireak ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork ▪ H.E. NET Mony (State Controller attached to PPWSA)
3	May 29, 2025	Extraordinary	<ul style="list-style-type: none"> ▪ H.E. EK Sonnchan ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. CHHAY Vireak ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork ▪ H.E. NET Mony (State Controller attached to PPWSA)
4	June 19, 2025	Ordinary	<ul style="list-style-type: none"> ▪ H.E. EK Sonnchan ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. CHHAY Vireak ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork
5	August 21, 2025	Extraordinary	<ul style="list-style-type: none"> ▪ H.E. EK Sonnchan ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. CHHAY Vireak ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork ▪ H.E. NET Mony (State Controller attached to PPWSA)
6	September 17, 2025	Ordinary	<ul style="list-style-type: none"> ▪ H.E. EK Sonnchan ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. CHHAY Vireak ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork ▪ H.E. NET Mony (State Controller attached to PPWSA)

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

5. Board Meetings (Con't)

No.	Date	Type of Meetings	Name of Director
7	October 08, 2025	Extraordinary	<ul style="list-style-type: none">▪ H.E. EK Sonnchan▪ H.E. MEY Vann▪ H.E. LONG Naro▪ H.E. CHHAY Vireak▪ Mr. MA Noravin▪ Mr. NAM Chantry▪ Mr. SRENG Samork▪ H.E. NET Mony (State Controller attached to PPWSA)
8	December 15, 2025	Ordinary	<ul style="list-style-type: none">▪ H.E. EK Sonnchan▪ H.E. MEY Vann▪ H.E. LONG Naro▪ H.E. CHHAY Vireak▪ Mr. MA Noravin▪ Mr. NAM Chantry▪ Mr. SRENG Samork▪ H.E. NET Mony (State Controller attached to PPWSA)

Performances of the 8th Mandate of the Board of Directors

In 2025, the 8th Mandate of the Board of Directors convened 8 meetings and resolved on the following matters:

- **Board of Directors' 1st Extraordinary Meeting of 2025 (14th Meeting) on 13 March 2025**
 - The Board approved the Action Plan for Reducing Non-Revenue Water for 2025–2027, with the objective of reducing the non-revenue water rate to 15% by 2027.
 - The Board approved the amendment to the organizational structure of PPWSA by removing the position of Deputy Director General in charge of Research and Development.
 - The Board approved the following:
 - a. Approval of the revised composition of the Nomination and Remuneration Committee as follows:
 1. H.E. EK Sonnchan Chairman of the Board of Directors, and Chairman Minister Delegate Attached to the Prime Minister
 2. H.E. MEY Vann Member of the Board of Directors, and Member Representative of the Ministry of Economy and Finance
 3. H.E. CHHAY Vireak Member of the Board of Directors, and Member Representative of Phnom Penh Municipality
 4. Director General of PPWSA Member
 - b. Agreed to establish the secretary team of the Nomination and Remuneration Committee, comprising two members, as follows:
 1. Mr. HUOT Sokheng Company Secretary and Head of Company Secretary Unit
 2. Mrs. SENG Putheavy Chief Secretary of Company Secretary Unit
 - c. Agreed to revise the roles and responsibilities of the Nomination and Remuneration Committee and Audit Committee according to the proposed content in the meeting documents.

Part 2. Board of Directors (Con't)

A. Board of Directors (Con't)

5. Board Meetings (Con't)

Performances of the 8th Mandate of the Board of Directors (Con't)

- d. Agreed to let the Company Secretary to temporarily assist in preparing the minute meetings of the Audit Committee, until the human resources of the Internal Audit are organized.
- e. Director General shall be responsible for arranging and providing any information required by the Committee as necessary.
- The Board:
 - b. Approved the re-assignment of duties and appointment of two senior staff members:
 1. Ms. CHHIM Kakada was reassigned and appointed as Head of Internal Audit, with a rank equivalent to Director of Department, replacing Ms. SENG Keadara, who was assigned new duties.
 2. Mr. ROUS Chen was appointed as Director of the Business Department, replacing Ms. CHHIM Kakada, who assumed new duties.
 - c. Instructed PPWSA to issue a decision appointing Ms. SENG Keadara as Internal Audit Advisor, with a rank equivalent to Director of Department.
 - d. Authorized PPWSA to issue a decision on the re-assignment of Ms. CHHIM Kakada as Head of Internal Audit, in reference to the resolution of the 1st Extraordinary Board Meeting of 2025 (14th Meeting).
- The Board approved in principle:
 - a. Fully agreed with the four proposals of the Chairman of the Board of Directors regarding the establishment of vehicle usage policies, and not to allow any further requests for the purchase of additional luxury vehicles under this allocation.
 - b. Agreed on the provision of fuel allowances:
 - Provide 200 liters of gasoline per month or 600 liters per quarter for each member of the Board of Directors.
 - Grant discretionary authority to use this allowance to the Director General.
 - Provide only the actual necessary amount required for official duties for positions from Deputy Directors General and equivalent levels downward.
 - c. Agreed on the provision of monthly phone card allowances:
 - Provide USD 10 per month for members of the Board of Directors, except that the Chairman of the Board of Directors will not receive this allowance.
 - Grant discretionary authority to the Director General to use this allowance.
 - Provide USD 10 per month for Deputy Directors General and equivalent positions, and Department Directors and equivalent positions.
 - Provide USD 5 per month for Deputy Department Directors and equivalent positions downward, while maintaining eligibility for those who are currently receiving this allowance.
- The Board acknowledged the report of the integration of seven villages of Roka Khpos commune, Takhmao city, Kandal province under the management of PPWSA.
- The Board acknowledged the Procurement Report for the 4th quarter of 2024.
- The Board acknowledged the Internal Audit Report for the 4th quarter of 2024.
- The Board of Directors, through H.E. CHHAY Vireak, requested the Phnom Penh Municipality Administration to convene a meeting to review the budget packages of the six educational institutions, with the participation of the Phnom Penh Municipal Department of Education and representatives from the Ministry of Economy and Finance. In the event that the above meeting cannot resolve the issue, a formal written report specifying accurate and detailed figures shall be submitted as a basis for the Board of Directors to further consider and address the matter appropriately.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

5. Board Meetings (Con't)

Performances of the 8th Mandate of the Board of Directors (Con't)

- Board of Directors' 15th Meeting on 27 March 2025
 - The Board of Directors instructed PPWSA to transform the Action Plan into a 2025–2030 Action Plan and a separate 2025 Annual Action Plan, and to review and revise them appropriately based on the recommendations and guidance provided.
 - The Board of Directors approved the following:
 1. Agreed to defer the agenda item concerning the request for approval of the land valuation for the Mlech Water Treatment Plant and the Boeung Thom Water Treatment Plant for the purpose of recording the capital increase of PPWSA, to be discussed again at the Extraordinary Board Meeting in May 2025. The Board also instructed PPWSA to prepare three land valuation options in accordance with the Board's recommendations.
 2. Instructed the Corporate Secretary to seek clear confirmation from the Securities and Exchange Regulator of Cambodia (SERC) regarding the companies authorized to conduct land valuation for capital increase purposes for publicly listed companies, and to report back to the Board of Directors.
 - The Board of Directors instructed PPWSA to first include the amount of USD 989,040, which is proposed as additional expenditure for the construction project of the Boeung Thom Water Treatment Plant, in its 2026 Annual Plan in order to secure budget allocation.
 - The Board of Directors approved additional expenditures totaling KHR 553,967,986 for construction works under three projects (construction of the ground floor of the new commercial building, renovation and modification of the cafeteria building, and renovation of the sports building into office space). The Board also instructed that the unused budget of KHR 280,053,840 allocated for the renovation and modification of the administrative curved building (ground floor), which was not implemented, be reallocated back to the unit.
 - The Board approved:
 - a. Approved the organization of the 13th General Meeting of Shareholders (GMS) as follows:
 1. June 30 shall be the date of the 13th GMS, and May 30, 2025 shall be the record date for determining shareholders eligible to attend the 13th GMS.
 2. The 13th GMS shall be held at PPWSA Headquarters and via an online platform. Voting shall also be conducted online.
 3. The AGM shall commence at 8:00 AM, with the following proposed agenda:
 - Registration of attendance
 - Opening remarks
 - Presentation on the Annual Business Report 2024 and the Business Plan 2025, including Q&A
 - Voting on the approval of dividend distribution to shareholders, Remuneration of the Board of Directors, Re-appointment of the Independent Director, Re-appointment of the Non-Executive Director representing private shareholders, and Increase in the capital of PPWSA
 - Closing remarks and vote of thanks by the Chairperson of the Meeting
 4. Assigned the responsibility for presenting the Annual Business Report 2024 and Business Plan 2025 to the Deputy Director General in charge of Finance.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

5. Board Meetings (Con't)

Performances of the 8th Mandate of the Board of Directors (Con't)

5. Delegated authority to the Delegate of the Royal Government of Cambodia in charge of the Director General of PPWSA to organize and conduct the 13th GMS, and authorized PPWSA to issue a formal delegation decision according to the 15th Board Meeting of the 8th Mandate.
 - b. Agreed to convene an Extraordinary Board Meeting in May 2025 to review, discuss, and approve the following key agenda items:
 1. Proposal for review and approval of the 2024 Annual Report and the profit appropriation and dividend distribution policy for 2024.
 2. Proposal for approval in principle of the land valuation for the Mlech Water Treatment Plant and the Boeung Thom Water Treatment Plant for recording the capital increase of PPWSA.
 3. Proposal for approval in principle to submit the capital increase of PPWSA for voting at the 13th GMS.
 4. Proposal to review and reconsider the performance evaluation form of the Board of Directors.
 - c. Instructed the Corporate Secretary to prepare a comprehensive list of all capital increases of PPWSA and submit it to the Board for review and approval at the Extraordinary Meeting, in order to be included as agenda items for voting at the 13th GMS.
- The Board approved:
 1. Fully agreed on the Social Fund Report for the end of 2024 and for the 1st quarter of 2025.
 2. Approved five expenditure proposals totaling USD 141,169 and KHR 252,000,000 out of a total of six proposed projects.
 3. Authorized the reallocation of USD 50,000 from one expenditure proposal to support the school construction project of Samdech Kralahom Sar Kheng in Battambang Province.
 - The Board acknowledged the Business Report for the 1st quarter of 2025 and the Business Plan for the 2nd quarter of 2025.
 - The Board acknowledged the Procurement Report for the end of 2024 and the 1st quarter of 2025.
 - The Board acknowledged the Internal Audit Report for the 1st quarter of 2025.
- **Board of Directors' 2nd Extraordinary Meeting of 2025 (16th meeting) on 29 May 2025**
 - The Board approved:
 1. Unanimously adopted the proposed distribution of the 2024 net income as follows:

▪ Reward to staff (3 months)	: KHR 11,663,368,000
▪ Social Fund	: KHR 4,504,848,000
▪ Mandatory reserved fund (5%)	: KHR 4,252,145,650
▪ Voluntary reserved fund (5%)	: KHR 4,252,145,650
 2. Unanimously approved the retained earnings : KHR 71,972,530,450
 3. Approved the total dividends to be distributed : KHR 30,440,606,700

Of which, the amount of KHR 4,566,091,250 is the dividend to be distributed to private shareholders; and the amount of KHR 25,874,515,450 is the dividend of the State represented by the Ministry of Economy and Finance, which has been waived pursuant to Letter No. 6581 សហវ-អវស្ស, dated August 9, 2021.

▪ Dividend yield	: 5.56%
▪ Dividend per share	: KHR 350/share
▪ Dividend payout ratio	: 5.37%
▪ Record date for shareholders entitled to receive dividends	: July 14, 2025
▪ Dividend payment period	: July 23-29, 2025

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

5. Board Meetings (Con't)

Performances of the 8th Mandate of the Board of Directors (Con't)

4. Approved PPWSA to make adjustments in its financial statements for the fiscal year 2024 by restating certain comparative figures for the period ended December 31, 2023, as follows:
 - Actual net profit after adjustment : KHR 72,647,572,000
 - Statutory reserve (5%) after adjustment : KHR 3,632,378,600
 - General reserve (5%) after adjustment : KHR 3,632,378,600
 - Retained earnings after adjustment : KHR 60,816,723,550
- The Board approved:
 1. Approved in principle the adoption of the initial costs of the two land locations totaling USD 3,953,800 as the basis for recording the capital increase of PPWSA, as follows:
 - Land value of the Mlech Water Treatment Plant: USD 389,974 (as appraised by KEY REAL ESTATE CO., LTD)
 - Land value of the Boeung Thom Water Treatment Plant: USD 3,563,826 (as appraised by CAMTOP PROPERTY GROUP CO., LTD)
 2. Authorized proceeding with the necessary procedures to request approval in principle from the Ministry of Economy and Finance to record the capital increase of PPWSA, and to submit this capital increase for voting approval at the upcoming 13th GMS. This voting item had already been approved by the Board of the 8th Mandate during its 15th Meeting held on March 27, 2025.
- The Board approved:
 1. Agreed on the project to recruit a technical consultant to develop the Internal Audit Manual, requiring that the selection be conducted through a public bidding process, and instructed that the bidding documents be prepared in advance.
 2. Authorized budgeting approximately USD 134,000 in the second semester revised plan for 2025 to implement the above project.
- The Board approved:
 1. Instructed the Delegation of the Royal Government of Cambodia in charge of the Director General of PPWSA to report to the Minister of Industry, Science, Technology and Innovation, and to request intervention through an official letter to the Ministry of Economy and Finance seeking support for the urgent implementation of the rehabilitation project of the raw water pumping station at the Phum Prek Water Treatment Plant; and the renovation and modification project of the document storage room.
 2. Requested H.E. Mey Vann and H.E. Net Monny to prepare a formal report letter, together with the support letter from the Ministry of Industry, Science, Technology and Innovation, to seek approval in principle from the Deputy Prime Minister and Minister of Economy and Finance, allowing PPWSA to urgently implement the above two projects.
 3. Authorized PPWSA to proceed with the actual implementation of the two projects upon receiving approval from the two supervising ministries.

 - **Board of Directors 17th Meeting on 19 June 2025**
 - The Board approved the settlement of outstanding sewer maintenance fees payable to the Phnom Penh Capital Administration in three phases as follows:
 - Year 2025: Pay 40% of the outstanding debt, plus the 2025 annual sewer contribution
 - Year 2026: Pay 30% of the outstanding debt, plus the 2026 annual sewer contribution
 - Year 2027: Pay 30% of the outstanding debt, plus the 2027 annual sewer contribution

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

5. Board Meetings (Con't)

Performances of the 8th Mandate of the Board of Directors (Con't)

- The Board approved the implementation of the three projects (the Phnom Penh Water Supply Expansion Project – Phase 3 with a production capacity of 200,000 m³/day under JICA concessional financing; the Smart Water Management System (SWMS) – Phase 2 under EDCF concessional financing; and the Water Supply Expansion Development Project under financing from the Ministry of Economy and Finance) in accordance with the applicable procurement procedures, ensuring the effectiveness of operation on the following two main tasks:
 1. Effectively manage the Non-Revenue Water (NRW) rate by strengthening the operations of the Commercial Department. The department must clearly define performance indicators to measure the quality of internal leadership and management, and must fully achieve these indicators within the next six months.
 2. Establish a committee to study and revise the staff statute, ensuring it is aligned with actual needs and current market conditions.
 - The Board instructed PPWSA to arrange for the transfer of ownership of a 67,195-square-meter concession land from the Kandal Provincial Administration to PPWSA, and to request the property ownership certificate. PPWSA shall also prepare a budget plan for land filling and fence construction in order to implement the construction of a 30,000 m³/day water treatment plant to supply the southern part of Phnom Penh. The Board further requested PPWSA to negotiate with the Economic Development Cooperation Fund (EDCF) of the Republic of Korea to ensure that the project cost remains comparable to previously implemented projects.
 - The Board acknowledged the Business Report (8 months actual 4 months estimated) and Business Plan for the 3rd quarter of 2025, and instructed the relevant department to correct numerical figures in the presentation slides without requiring further Board approval.
 - The Board acknowledged the Procurement Report for the 2nd quarter of 2025 and approved the revision of the Procurement Plan for the 2nd semester of 2025. The Board recommended that, starting from next year, any proposed procurement revisions can only be approved if there are clear and unforeseeable justifications.
 - The Board acknowledged the report on PPWSA's cash deposits placed with partner banks and instructed PPWSA to negotiate with the five Hub Banks with which it cooperates or plans to cooperate to obtain appropriate interest rates for all deposit accounts.
 - The Board approved in principle on three expenditure plans of Social Fund with a total estimated amount of KHR 596,537,700.
 - The Board acknowledged the Internal Audit Report for the 2nd quarter of 2025 and instructed Internal Audit to implement the Board's recommendations accordingly.
- **Board of Directors' 3rd Extraordinary Meeting of 2025 (18th Meeting) on 21 August 2025**
 - The Board approved:
 - a. Approved the re-assignment and appointment of two senior officials as follows:
 1. Mr. TUY Bunseryrith is re-assigned as Head of Legislation and Dispute Resolution, with a rank equivalent to Department Director, replacing Mr. Chhim Serivuth, who has retired.
 2. Ms. YUNG Roitha is re-assigned and appointed as Head of the Water Supply System Management Department, replacing Mr. Tuy Bunseryrith, who has assumed new duties.
 - b. Instructed PPWSA to issue a formal decision on the appointment of Mr. Tuy Bunseryrith as Head of Legislation and Dispute Resolution, with a rank equivalent to Department Director.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

5. Board Meetings (Con't)

Performances of the 8th Mandate of the Board of Directors (Con't)

- The Board approved:
 1. Acknowledged the report on the results of the review of accrued accounts and related accounts for the fiscal periods from 2013 to 2023 conducted by AXIS Investment Consulting, and also requested the company to provide detailed figures relating to accrued revenue from water sales amounting to more than KHR 21 billion, which had been written off through audit adjustments in 2019, including the portion of the amount subject to tax payment.
 2. Approved in principle for PPWSA to engage with a specialized firm to assist on the annual tax declaration work.
 3. Instructed PPWSA to quickly seek appropriate measures and solutions to promptly resolve the outstanding tax liabilities amounting to more than KHR 1 billion.
 - The Board acknowledged the summary report of Management Letter for the fiscal year 2024 and instructed PPWSA to report again on the unresolved remaining issues at the Board meeting in 4th quarter of 2025.
 - The Board agreed to make further update the new performance evaluation form of the Board, and authorized the updated form, together with the role, duties and mission of each director to be discussed at the next Board meeting.
 - The Board:
 1. Supported the establishment of performance indicators to measure the quality of leadership and management across all departments and units under PPWSA.
 2. Advised PPWSA to issue a formal decision appointing a committee responsible for developing, monitoring, and evaluating the above-mentioned quality indicators. The committee shall be chaired by the Chairman of the Board of Directors and composed of the Independent Director, the Non-Executive Director representing private shareholders, several Deputy Directors General, and the Heads of Departments and Units under PPWSA.
 - The Board agreed in principle to demolish the security building located at Phum Prek WTP of PPWSA headquarters, without approving any related expenditure. Regarding the temporary gate opening project for site access, PPWSA is required to review and re-assess the proposal in accordance with the recommendations of H.E. Chhay Vireak. If necessary, PPWSA shall submit a formal request for intervention to the two supervising ministries.
 - The Board agreed to continue using the existing water distribution pipelines within the Small and Medium Enterprise (SME) Cluster Development Project and to replace only those water meters with high levels of inaccuracy. In addition, PPWSA must monitor and solve problems according to the actual situation.
- **Board of Directors' 19th Meeting on 17 September 2025**
 - The Board fully approved the 2025 Business Report (8 months actual and 4 months estimate). Moreover, the Board advised PPWSA to provide a detailed written report clearly explaining the causes of the delay in pipe supply.
 - The Board requested PPWSA to revise the profit figure of approximately KHR 75 billion and to review and adjust the investment capital to ensure consistency with this profit level. The main indicators of the 2026 Business and Investment Plan, to be submitted to the two parent ministries for support and approval, are as follows:
 1. Total projected revenue KHR 399,946,633,000
 2. Total projected expenditure KHR 305,995,825,000
 - 2.1 Operating expenses KHR 194,345,360,000
 - 2.2 Loss on exchange rate KHR 3,528,979,000

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

5. Board Meetings (Con't)

Performances of the 8th Mandate of the Board of Directors (Con't)

2.3	Depreciation expenses	KHR	86,209,206,000
2.4	Interest expenses	KHR	18,804,240,000
2.5	Water meter replacement	KHR	5,887,969,000
2.6	Non-operating expenses	KHR	3,108,040,000
3.	Projected net profit	KHR	75,160,646,000
4.	Total projected investment	KHR	492,337,679,559
4.1	PPWSA counterpart budget	KHR	117,173,593,807
4.2	Concessional financing from AFD	KHR	322,545,555,762
4.3	Grant financing from EU	KHR	11,049,500,000
4.4	Concessional financing from JICA	KHR	15,806,577,990
4.5	Grant financing from the Republic of Korea	KHR	25,762,452,000

- The Board agreed in principle to select Option 2 based on the new figures introduced as the basis for preparing the Operation and Maintenance (O&M) contract to be implemented in early 2026, as well as enabling the company to guarantee the production and sale of clean water to PPWSA until the SPC contract can be implemented.
 - The Board acknowledged the report on the progress of the implementation of the NRW action plan.
 - The Board:
 1. Approved PPWSA to use Social Fund to cover the cost of water transportation to the residents of Borey VIP in the amount of KHR 40 million.
 2. Requested H.E. CHHAY Vireak to assist in intervening and coordinating a meeting between PPWSA and the residents of Borey VIP to disseminate the principles regarding the request for connection to the clean water supply within the Borey.
- **Board of Directors' 4th Extraordinary Meeting of 2025 (20th Meeting) on 8 October 2025**
 - The Board approved the annual performance evaluation form of the Board. At the same time, the Board welcomed the proposal to further update the evaluation form. Each Director is required to prepare their proposals and submit them to the Board for consideration at future meetings.
 - All Board members acknowledged the roles and responsibilities of the Board of Directors, and also agreed to recognize and clearly understand their respective roles, duties and missions.
 - The Board approved additional expenditures totaling KHR 159,186,800 to complete the mezzanine construction project (Block 1) for storing materials in Warehouse A located at the Phum Prek Water Treatment Plant.
 - The Board approved in principle the selection of Option 1 to address the issues related to water supply in Ponsang Commune, Prek Pnov District, Phnom Penh, and further instructed PPWSA to carefully negotiate the bulk water tariff with the private operator in the area and to report the outcomes to the Board.
 - The Board:
 1. Fully agreed with the Procurement Report for the 3rd quarter of 2025 and advised to revise the Procurement Plan of 2026 according to the Board's recommendations, including reforming and integrating insurance purchase plans for plants and buildings as well as digital licenses.
 2. Delegated authority to the Board Chairman to review and approve the 2026 procurement plan of PPWSA after revision.

Advised, in principle, that PPWSA revise the technical specifications of plastic pipes and water meters to ensure appropriateness, and submit them to the Board for review and approval. This is to enable qualified local companies to participate in bidding and to contribute to supporting and promoting the domestic economy.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

5. Board Meetings (Con't)

Performances of the 8th Mandate of the Board of Directors (Con't)

3. Instructed the Head of Procurement Unit to prepare a clear written clarification regarding the guidance provided by the auditors of the General Department of Public Procurement under the Ministry of Economy and Finance concerning the determination of bidding sources. This clarification will serve as a basis for consultation with competent institutions as well as the General Department of Public Procurement to ensure compliance with the prevailing laws and regulations.
- The Board:
 1. Acknowledged the Social Fund Report for the 2nd quarter and for the 3rd quarter of 2025, and approved the proposal submitted by Intervention Brigade No. 8 in the amount of approximately KHR 109,375,700 (Proposal 1). Separately, regarding Proposal 2 (submitted by Speu "A" Commune Administration, Ba Phnom District, Prey Veng Province, requesting for the construction of a 400 meters long rural road, with an estimated budget of approximately KHR 107,000,000), and Proposal 3 (requesting support for one large-scale water purifier for use by the Samneang Music Association for the Disabled), the Social Fund Committee was requested to include these expenditure projects in its 2026 plan.
 2. Instructed the Social Fund Committee to revise and properly update the policies, target beneficiaries, and procedures governing the use of PPWSA's Social Fund in accordance with the Board's recommendations. The revised documents, together with the proposed 2026 Social Fund plan, must be submitted to the Board for review and approval at the next meeting.
 - The Board acknowledged the Internal Audit Report for the 3rd quarter of 2025.
 - The Board acknowledged for information and approved in principle that PPWSA begin preparing the process and documentation to request the appointment of a new mandate of the Board of Directors in November 2025. A formal request for approval in principle must first be submitted to the Ministry of Industry, Science, Technology and Innovation, as the technical supervising ministry.
- **Board of Directors' 21st Meeting on 18 December 2025**
 - The Board:
 1. Acknowledged the newly updated mission, functions, duties, and structure of the departments and units under PPWSA and advised to make additional adjustment in accordance with the recommendations raised.
 2. Approved the proposal to update the organizational structure (organizational chart) of the Commercial Department and, in principle, allowed PPWSA to adjust its overall organizational structure based on the updated structure of the Commercial Department.
 - The Board acknowledged the report on the 2025 annual performance evaluation of the Board of Directors.
 - The Board acknowledged the 4th quarter 2025 report on Non-Revenue Water (NRW) reduction performance and recognized that the report is not yet a comprehensive NRW report, as it only focused on aspects related to District Metered Area (DMA) arrangements. Furthermore, the Board instructed PPWSA to prepare a more complete NRW report in future submissions, in line with the recommendations provided.
 - The Board acknowledged the Business Report for 2025 (10 months actual 2 months estimate) and Business and Investment Plan for the 1st quarter of 2026. Furthermore, the Board advised the Director General, together with the relevant technical teams, to review and prepare reports addressing certain issues in accordance with the recommendations raised, and to report back to the Board at the next meeting.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

5. Board Meetings (Con't)

Performances of the 8th Mandate of the Board of Directors (Con't)

- The Board acknowledged the Procurement Report for the 4th quarter of 2025.
 - The Board acknowledged the Internal Audit Report for the 4th quarter of 2025 and agreed with the request of the Chairman of the Board to convene a management meeting to discuss and resolve all the outstanding issues at their root causes.
 - The Board acknowledged the report on the progress of the implementation of the auditor's recommendations as stated in the 2024 Management Letter.
 - The Board approved Option 2 (with an annual budget of USD 153,990 for the design based on the Tender layout studied by the technical consultant, with the clean water reservoir located at the site of the steel building constructed in 1895). The Board also authorized the dismantling of the steel building constructed in 1895 from its current location and its reinstallation at the Chroy Changvar plant site to preserve it as a historical symbol and to use it as a storage facility.
 - The Board acknowledged the report on the development of the PPWSA mobile app.
 - The Board acknowledged the information regarding the procedures for the Smart Water Management System in Phnom Penh – Phase 2, and requested the following actions:
 1. To request PPWSA to collaborate with the development partner EDCF to conduct a detailed study on the project cost and the contribution mechanism for repair works and NRW reduction activities to ensure effectiveness, with the Delegation of the Royal Government of Cambodia in charge of the Director General to lead the technical work.
 2. With regard to the underlying reasons and the project cost, a thorough and appropriate study is requested to provide a solid basis for the Board to review and approve before submitting to the leadership of the two supervising ministries for their final review and decision.
- In addition, in 2025, the Board issued the following resolutions:
 - Approved in principle for PPWSA to use an additional USD 50,000 from the Social Fund to support the construction of two school buildings at Net Yang High School, located in Prek Preah Sdach Village, Prek Preah Sdach Commune, Battambang City, Battambang Province.
 - Approved in principle for PPWSA to revise its 2026 Investment Plan under Section “D” (Civil Works) by increasing the number of projects from 4 projects to 5 projects and adjusting the allocated budget for this section from KHR 2,437,377,455 to KHR 2,737,536,810, as well as revising the total 2026 Investment Plan budget from KHR 492,337,679,559 to KHR 492,637,838,914.

Part 2. Board of Director (Con't)

B. Board Committees

1. Board Committee Structure

1.1. Audit Committee

No	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	Mr. Sreng Samork	Chairman of Committees - Independent Director	March 27, 2025	4	4
2	H.E. Mey Vann	Member of Committees - Director representing the MEF	March 27, 2025	2	
3	Mr. Nam Chantry	Member of Committees - Non-Executive Director Representing Private Shareholder	March 27, 2025	4	
4	H.E. Net Mony	Member of Committees - State Controller attached to PPWSA	March 27, 2025	3	
5	Mr. Ma Noravin	Member of Committees - Staff Representative	March 27, 2025	4	

Roles and Responsibilities of Audit Committee

- Review financial reports
- Review the effectiveness of the internal control system
- Review of internal audit function
- Review the external audit
- Review the risk management framework
- Report and provide recommendations to the Board of Directors
- Perform other duties as assigned by the Board of Directors.

Results of Audit Committee Performance

In 2025, the Audit Committee reviewed the Internal Audit Reports for the first, second, third, and fourth quarters. The Audit Committee provided recommendations as follows:

- The audited departments should specify the implementation timeframe for the audit recommendations so that internal auditors can review and monitor their progress.
- The Accounting and Finance Department should re-examine the document settlement procedures and related policies, and establish a clear timeline to resolve any outstanding issues in the process.
- During the fourth quarter of 2025, the Internal Audit continued to review the reduction of Non-Revenue Water (NRW) by assessing the technical methods and technological systems used to calculate the NRW rate accurately. This matter is considered a key issue that the Board of Directors closely monitors.

Part 2. Board of Director (Con't)

B. Board Committees (Con't)

1. Board Committee Structure (Cont')

1.2. Nomination and Remuneration Committee

No	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	H.E. Ek Sonnchan	Chairman of Committees - Chairman of BoD	March 27, 2025	3	3
2	H.E. Mey Vann	Member of Committees - Board member	March 27, 2025	2	
3	H.E. Chhay Vireak	Member of Committees - Board member	March 27, 2025	3	
4	Director General of PPWSA	Member of Committees - Board member	March 28, 2023	3	

Roles and Responsibilities of Nomination and Remuneration Committee

A. Responsibilities Related to Nomination

- Establish criteria to determine the required qualifications for candidates for the position of Director and Senior Management.
- Identify, evaluate, review, and recommend suitable candidates to the Board of Directors for appointment as Directors and Senior Management.
- Conduct an annual review of the structure and composition of the Board Committees and propose to the Board of Directors the appointment of Directors as members and chairpersons of each committee.
- Report and provide recommendations to the Board of Directors regarding the succession plan for the Chief Executive Officer.

B. Responsibilities Related to Remuneration or Compensation

- Annually review and approve corporate goals and objectives, evaluate the performance of the Chief Executive Officer based on the approved goals and objectives, and determine the CEO's salary and annual bonus.
- Annually review and approve salaries and bonuses for Directors and Senior Management.
- Manage and administer the organization's incentive or bonus plans, including monitoring and awarding employee incentives in accordance with established policies.
- Provide recommendations to the Board of Directors regarding incentive or bonus plans.
- Recommend remuneration for Directors or compensation packages for key management personnel and other officers to the Board of Directors.

C. Performance Evaluation Responsibilities

- Develop processes for evaluating the performance of the Board of Directors, individual Directors, and Board Committees.

- Establish criteria for evaluating Independent Directors and the Board of Directors, and conduct performance evaluations of individual Directors.
- Consult with the Chief Executive Officer to review the quarterly performance of Senior Management based on the responsibilities assigned to each senior executive at the beginning of the year.
- Maintain regular communication with the management team to review employee surveys and the annual management performance evaluation process.
- Identify candidates for appointment to Senior Management positions based on established criteria and recommend to the Board of Directors regarding the appointment or removal of Senior Management personnel.

D. Other Responsibilities

- Report and provide recommendations to the Board of Directors regarding corporate governance policies applicable to the organization.
- Monitor the implementation of corporate governance practices, including the annual review of the organization's corporate governance policies and recommending amendments to the Board of Directors when necessary.
- Monitor compliance with the organization's corporate governance policies.
- Review and reassess the adequacy of the Charter of the Nomination and Remuneration Committee.

E. Meetings and Reporting

- Hold meetings at least four times per year at such times and locations as necessary to perform its duties.
- Regularly report activities to the Board of Directors and provide recommendations when necessary.
- Prepare reports as required by applicable laws and the organization's regulations.
- Invite members of the management team to attend committee meetings when necessary.

Results of Nomination and Remuneration Committee Performance

- On 13 March 2025, the committee convened a meeting to review and discuss:
 1. Request for review and discussion on the request for approval on nomination of a senior officer.
 2. Request for review and discussion on the policy for car usage and other allowances for the PPWSA's staff.
- On 20 August 2025, the committee convened a meeting to review and discuss:
 1. Request for review and discussion on the request for approval on nomination of senior officers.
 2. Request for review and discussion on the evaluation form of the Board of Directors' performance.
- On 15 December 2025, the Committee convened to discuss the 2025 Board Performance Evaluation Report.

Part 2. Board of Director (Con't)

B. Board Committees (Con't)

2. Changes of Committee Member

Committees	Name	Reasons
Nomination and Remuneration Committee	Company Secretary	The Company Secretary is no longer a member of the Nomination and Remuneration Committee, pursuant to Decision No. 004ក្រឹត្យលេខ/សសវ, dated March 27, 2025, regarding the Appointment of the Nomination and Remuneration Committee of the PPWSA Board of Directors, 8 th Mandate.

C. Remuneration or Compensation

Remuneration and Compensation Receivers

N.	Remuneration and Compensation Receivers	Remuneration and Compensation Amount	Other
1	Directors	KHR127,829,353	
2	Executive Directors	KHR57,625,341	
3	Senior Officers	KHR362,737,258	
4	Top 5 Employees receiving Remuneration and Compensation Receivers	KHR100,416,880	

D. Annual Performance Evaluation of Board of Directors, Directors

In 2025, PPWSA does not performance evaluation of board of directors, directors

No.	Description	Evaluation Process	Criteria
1	Board of Directors	The Board evaluated the performance in 2025	<ul style="list-style-type: none"> ▪ Strategic Plan Oversight ▪ Financial Oversight ▪ Strengthening Corporate Governance ▪ Meeting Attendance and Preparation ▪ Participation and Contribution in Meeting ▪ Monitoring the Implementation by the Management ▪ Public Accountability and Responsiveness ▪ Self-assessment

Part 2. Board of Director (Con't)

E. Training for Directors and Senior Officers

No.	Name	Subjects	Date	Location
In-Country Training				
1	Mr. Kaing Sophyna Mr. Tuy Bunsereyrith Mr. Kem Kanvichet Mr. Som Sovann Mr. Yeab Buntha Mrs. Chhim Kakada Mr. Samaun Serey Somanuh Mr. Rous Chen	ENGLISH	March 03, to June 14, 2025 (50hours)	ELT
2	Mrs. Yong Roitha Mr. Samaun Serey Somanuh	Senior Official Refresher Training	March 25, to November 01, 2025 (600hours)	Royal School of Administration
3	Mr. Hout Sokheng	Data Analytics through SPSS program	August 2 to 24, 2025 (21hours)	Cambodia Kobo Toolbox Academy
4	Mr. Hout Sokheng	Statistics for Data Science And Machine Learning	September 14, 2025 to January 30, 2026 (50hours)	Institute of Finance and Economic
Overseas Training				
1	Mr. Sok Nareth Mr. Oeur Luxe	Smart Water Management System Training	September 21 to 27, 2025 (21hours)	South Korea

Part3. Code of Business Conducts Practices

A. Code of Business Conducts Practices for Director and Senior Officers Policies

Implementation of the Laws and Regulations

Directors and Senior Officers shall implement and ensure that the PPWSA complies with the applicable Laws and Regulations while performing their roles and responsibilities. Supposing that the directors or senior officer has known the reliable information relating to the breach of the applicable Laws and Regulations by the PPWSA, directors, senior officers, or employees; in that case, they shall inform the Director General, Chairman of the board of directors, head of the Audit Committee, or the Internal Auditor.

Part3. Code of Business Conducts Practices (Con't)

A. Code of Business Conducts Practices for Director and Senior Officers Policies (Con't)

Conflict of interest

Adding to articles 134, 135, 136, and 138 of the Law on Commercial Enterprises, directors and senior officers shall avoid any conflict-of-interest acts with the PPWSA.

A conflict of interest, in general, arises when the interest of directors or senior officers or their family members are directly related to or may severely affect to:

- (a) the PPWSA's interest or business.
- (b) the abilities of other directors or senior officers in performing their roles and responsibilities.

Directors and senior officers shall disclose to PPWSA Board of Directors and publicly disclose transactions or relations that are led to the conflict of interest with PPWSA, as determined by the Securities and Exchange Regulator of Cambodia (SERC) or the Cambodia Securities Exchange (CSX).

Directors and senior officers shall inform PPWSA or request to disclose their interests in writing in the minute of meeting of the board of directors, in case of:

- (a) A director or senior officer is a contractual party or those who request to enter into a contract with the PPWSA; or
- (b) A director or senior officer has significant interest with individual or legal persons who are the contractual party or party who requests entering into a contract with PPWSA.

According to the applicable Laws and Regulations, the Independent Director shall not have any interest in PPWSA affected to the independence and shall not hold more than 1% of PPWSA's total share.

Business opportunity

During the performance and responsibility, directors and senior officers shall concentrate on the PPWSA interest. Directors and senior officers shall avoid:

- (a) working for the personal interest while performing in the role and responsibilities as the director or senior officer of PPWSA.
- (b) using PPWSA's assets and information or the position and role as the director or senior officer of PPWSA for the personal interest.
- (c) competing with PPWSA.

The board of directors will determine the non-compliant acts, considering the facts and the circumstances related to those acts.

Equal relations

While performing their roles and responsibilities, directors and senior officers shall have equality between customers, suppliers, competitors, contractors, and employees of PPWSA.

Directors and senior officers shall not take advantage of anybody dishonestly by playing a trick, concealing or misrepresenting important information, misrepresenting events, or acting dishonestly in the business.

The use of information about the rights, the confidential information of PPWSA, or persuading both former and current directors, senior officers, and employees of PPWSA to leak such information are prohibited.

Directors and senior officers shall perform their roles and responsibilities in good faith and for the PPWSA and shareholders' interests. Directors and senior officers shall not take advantage of their positions as directors or senior officers and shall not receive any gifts from third parties for the director and senior officer position.

Part3. Code of Business Conducts Practices (Con't)

A. Code of Business Conducts Practices for Director and Senior Officers Policies (Con't)

The protection and the use of PPWSA's assets

While performing their roles and responsibilities, directors and senior officers shall promote the control and proper use of PPWSA's assets, tangible and intangible assets.

PPWSA's assets are information, material, equipment, intellectual property, tool, resource, IT system, and other assets which PPWSA owned or the leased assets or assets hold by PPWSA are used for PPWSA's legal business.

The accounting complaint

The PPWSA Audit Committee or the Internal Auditor shall be responsible for establishing the appropriate procedures for receiving and maintaining the complaints and reviewing the complaints related to the accounting, internal accounting control, or other issues in connection with the audit.

Directors or senior officers can file the complaint on the above issues to PPWSA Audit Committee or the Internal Auditor. The request for the confidential review may be made in compliance with the applicable Laws and Regulations.

The encouragement to report immoral or illegal acts

Directors and senior officers shall promote PPWSA to adhere to the Code of Conduct and encourage employees to report the evidence of immoral or illegal acts to the department or competent officials of PPWSA.

Insider trading

Directors and senior officers shall perform and adhere to the applicable Laws and Regulations and the bylaw and policy of trading PPWSA's shares.

Confidentiality

Directors and senior officers shall keep the PPWSA's confidential information that they know unless PPWSA allows disclosing or is required by the applicable Laws and Regulations, the competent authority, or the competent court in the Kingdom of Cambodia.

The term "confidential information" consists of the non-public information that may be used by competitors or non-public information that affect the PPWSA or its customers if that information is disclosed.

Directors or senior officers shall discuss with the Director General or Chairman of the board of directors before disclosing that confidential information as per the Laws and Regulations.

Disclosure

Director and senior officers must clearly understand the procedures and review the PPWSA disclosure to do the press release, report, and disclosure document for filing to the regulators included the SERC, in compliance with the applicable Laws and Regulations, the guideline of the SERC, and the CSX.

On the other hand, the scope of roles and responsibilities of directors and senior officers, who have the power of directing or managing to file documents to SERC and/or the CSX or other public disclosure associated with the general business, the results, terms, and financial performance, shall discuss with directors, senior officers, and the relevant employees; and take the appropriate action for the procedure and the review of disclosure to ensure that the disclosures have been entirely, clearly, appropriately, timely and understandable.

Part3. Code of Business Conducts Practices (Con't)

A. Code of Business Conducts Practices for Director and Senior Officers Policies (Con't)

Disclosure (Con't)

In the scope of the procedure and the review of disclosing, the director and the senior officer:

- shall clearly understand the PPWSA disclosure requirements, the business and financial operation of the PPWSA.
- shall not do the false statement or misrepresentation, regarding the PPWSA information, to others whether they are inside or outside PPWSA, including the Independent Auditor, government's regulator, or other institutions.

Amendment and exemption

This Code of Conduct may be amended or exempted for not performing by the PPWSA board of directors regarding disclosure requirements and the applicable Laws and Regulations. In the general rule, the board of directors will not provide any exemption for not performing this Code of Conduct if there is no appropriate and necessary reason.

Directors and senior officers shall adhere to the content of this Code of Conduct. Directors and senior officers must understand this Code of Conduct and seek explanation and additional advice regarding the interpretation of this Code of Conduct when there is an event that may be conflicted with this Code of Conduct.

The board of directors shall take the appropriate action in the case of violating this Code of Conduct.

Directors and senior officers can directly ask the Director General in relating to the performance or interpretation of this Code of Conduct.

Effect

The PPWSA board of directors approved this Code of Conduct on February 15th, 2012, and it is effective since the PPWSA has received approval from the SERC on public offering and listed on the CSX.

B. Publishing of Code of Business Conducts Practices to director and senior staff and employees

The PPWSA board of directors approved this Code of Conduct and published attach with PPWSA Annual Report in order to share to directors, senior staffs and employee's shareholder as well as public to find in detail.

C.Mechanisms and Procedures to Assess Code of Business Conducts Practices

None

Part3. Code of Business Conducts Practices (Con't)

D. Related Parties Transactions

1. Listed securities policy for transaction management with stakeholders

No	Related Parties	Policies
1	Holding Company	None
2	Joint Venture	None
3	Subsidiaries	None
4	Majority shareholders and Controlling Shareholders	None
5	Directors and Their Family	None
6	Employees and Their Family	None
7	Others	None

2. Important transactions with related party

None

Part 4. Risk Management, Internal Control and Auditing

A. Brief Risk Management System or Risk Management Policies

Phnom Penh Water Supply Authority (PPWSA) manages risks through Standard Operating Procedures (SOPs), departmental management supervision, and specific approval-in-principle from the Director General and/or the Board of Directors.

Departmental management is responsible for identifying, assessing, and managing risks associated with their respective departments' operational activities. Significant operational and financial risks are reported to the Director General and/or the Board of Directors for review and approval, as well as for guidance on appropriate risk mitigation measures.

The Board of Directors regularly reviews significant risks that may affect PPWSA's operations and provides recommendations for implementing preventive and risk-mitigation measures.

Although PPWSA does not yet have a fully established Risk Management Framework, risk management practices are integrated into the internal control system, operational procedures, and the management decision-making process.

Part 4. Risk Management, Internal Control and Auditing (Con't)

B. Brief Internal Control System

The implementation of the internal control system complies with Prakas No. 295, dated 19 March 2013, on the Internal Control Policy, issued by the Ministry of Economy and Finance (MEF). This policy aims to ensure that management and operational activities are conducted efficiently, transparently, and in an accountable manner.

The internal control system has been established to achieve the following key objectives:

- To ensure the efficiency and effectiveness of operations
- To ensure the accuracy and reliability of financial reports and management information
- To ensure compliance with applicable laws, regulations, and relevant policies
- To protect and safeguard the assets and resources of the enterprise

In accordance with this Prakas, the internal control system is implemented based on several key principles, including:

- Clearly defining roles and responsibilities between management and staff
- Segregation of duties to reduce the risk of errors and fraud
- Authorization and approval of significant transactions
- Regular monitoring and supervision of operational activities and resource management
- Reporting and periodic review to ensure management information is accurate and timely

In this regard, the enterprise has also established and implemented various procedures and control measures, including risk identification, internal control reviews, the collection and evaluation of evidence, and follow-up on the implementation of recommendations, to ensure that the internal control system operates effectively

The enterprise will continue to strengthen its internal control system through risk assessments, management oversight, and internal audit activities, with the objective of enhancing transparency, operational efficiency, and good governance in fulfilling the enterprise's responsibilities.

C. Auditing

1- Internal Audit

1.1- Roles and Responsibilities of Internal Auditors

The Internal Audit function performs activities aimed at adding value and improving the PPWSA's operations. Its mission is to provide assurance and advisory services to assist the PPWSA in achieving its objectives.

The key responsibilities of Internal Audit include the following:

- Assuring that the PPWSA's activities are conducted in accordance with established policies, regulations, and applicable laws.
- Evaluating and assuring the effectiveness and adequacy of the internal control system, including the management of risks.
- Providing recommendations and advice to support continuous improvement within the PPWSA.
- Assisting in the prevention and detection of irregularities, such as fraud, misappropriation, or misuse of PPWSA resources.
- Supporting the PPWSA in achieving its objectives by enhancing the efficiency and effectiveness of resource utilization.

Part 4. Risk Management, Internal Control and Auditing (Con't)

C. Auditing (Con't)

1- Internal Audit (con't)

1.2- New Appointment and Removal/Resignation of head and/or Deputy of Internal Auditors

N.	Name	Appointing Date	Removal / Resignation Date	Reason
1	Mrs. Seng Keadara	July 27, 2015	April 01,2025	Assigned to a new position

1.3- Appointment of head and/or Deputy of Internal Auditors

N.	Name	Appointing Date	Reason
1	Ms. Chhim Kakada	March 13, 2025	To strengthen the corporate governance of PPWSA and enhance the capacity to lead and manage internal audit effectively

2- External Auditors

N.	Name of Audit Firms	Agreement Date	Auditing Fees (KHR)	Non-audit Fees
1	BDO (Cambodia) Limited	March 21, 2024	602,700,000 (VAT included)	None

The reasons for the change or suspension and termination of the audit service provider in the securities sector are non-existent.

Part 5. Stakeholders

A. Identify Policies and Activities Related to the Following:

No	Contents	Policies	Actions
1	Customer Welfare	<ul style="list-style-type: none"> - Provide services and clean water to customers, guaranteed by both national and International standards - Produce and supply water to customers by ensuring the quality of treated water is clean and sterile which can be consumed directly from the network. Treated water quality is compliance with National Drinking Water Standard and World Health Organization guideline to participate in reducing waterborne disease. 	<ul style="list-style-type: none"> In 2025, PPWSA provided services to customers in Phnom Penh, Takhmao City and Tbong Khmum Province, earning a total of 24,633 new connections. - Provide water supply services to 1,420 subsidized customers, including: <ul style="list-style-type: none"> ▪ 30% of subsidy : 71 connections ▪ 50% of subsidy : 758 connections ▪ 70% of subsidy : 426 connections ▪ 100% of subsidy : 165 connections - As of December 31, 2025, the total growth of customers is 526,072 customers (Active) - Ensure the quality of clean water for daily use and internationally recognized. - Solutions to customers are divided into two: <ol style="list-style-type: none"> 1. Receive informations directly and via PPWSA's hotline. 2. Receive informations via PPWSA's social media - In 2025, the total volume of water produced by the 9 water treatment plants reached 308,924,002 m³. - The quality of treated water complied with the National Drinking Water Standards and the guidelines of World Health Organization (WHO). - The Water Quality Laboratory conducted water quality testing three times per day and implemented real-time monitoring through the SCADA system. - Treated water quality monitoring was carried out across 80 distribution network per week. - Treated water quality monitoring was conducted at nine terminal points of the distribution network per week. - The Water Quality Laboratory submitted treated water samples annually to an independent laboratory in Singapore. The test results consistently verified that PPWSA's treated water was safe for direct consumption from the distribution network. - Respond procedure were organized to resolve customer concerns related to water quality including on-site water quality inspections and direct explanations to customers. - On a quarterly basis, raw water samples are collected from seven raw water sources in Phnom Penh for assessment.

Part 5. Stakeholders (Con't)

A. Identify Policies and Activities Related to the Following (Con't)

No	Contents	Policies	Actions
2	Suppliers and Subcontractors Selection	<ul style="list-style-type: none"> - Public competitive Biddings invite sealed bids from eligible bidders registered in the Kingdom of Cambodia - International Procurement 	<p>For bidding to select a supplier, all firms must follow qualifications below:</p> <ul style="list-style-type: none"> - Identification Card or Passport (Original Copy) - Year of the bid Patent Tax (Original Copy) - Certificate of tax registration (Value Added Tax_VAT) (Original Copy) - Certificate of Incorporation (Original Copy) - Business Licensing law issued by relevant ministries (Original Copy) - Sample or catalogue (If have) - Manufacturer's Authorization (Original) if the bid required - Evidences for "Financial, Technical, Experiences" (Original Copy) <p>All the above attachments that are copied in the original must be certified by Phnom Penh City Hall or relevant institutions.</p> <p>Adhere to procedures for overseeing, preparing, and supervising the execution of financing projects with development partners, as well as coordinating with their bidding guidelines (including AFD, JICA, EIB, EDCF, EU).</p>
3	Management and Protection of Employees	<ul style="list-style-type: none"> - Staff and Enterprise Statute - Employment contract - Internal regulations 	<p>Strictly implement the points stated in PPWSA's Staff and Enterprise Statute, such as :</p> <ol style="list-style-type: none"> 1- Provide salary according to roles and responsibilities and payment regularly twice a month. 2- Provide other benefits such as severance pay, health benefit, overtime payment, seniority benefit and annual bonus. 3- Provide work uniform and safety equipment. 4- Ensure job security for employees by making payment to National Social Security Fund for occupational accidents, health care and pensions. 5- Provide additional benefit to employees who injured during working hours. <p>Signed an employment contract with:</p> <ul style="list-style-type: none"> • Contract employees • Probation employees • Fulltime employees <p>All employees must comply with the internal rules and regulation of the organization, such as:</p> <ul style="list-style-type: none"> • Working hours from 8:00 am to 4:30 pm • There are 4 types of uniforms according to requirement • Respect hierarchy in workplace

Part 5. Stakeholders (Con't)

A. Identify Policies and Activities Related to the Following (Con't)

No	Contents	Policies	Actions																										
4	Environment Protection	- In accordance with Royal Government policy, especially the Ministry of Environment on environmental considerations and protection.	<ul style="list-style-type: none"> - The implementation of PPWSA's project to expand production and water supply systems commenced after an initial Environmental and Social Impact Assessment report was prepared and submitted to the Ministry of Environment for approval. Following approval, PPWSA conducts environmental impact inspections every semester during project implementation and submits monitoring reports to both the financiers and the Ministry of Environment. - Renewable energy is utilized to reduce carbon dioxide (CO₂) emissions into the atmosphere. - Energy consumption is minimized through the application of inverter technology and the SCADA system for real-time data collection and analysis. - Raw material consumption is optimized to reduce the generation of solid and biological waste in the environment. 																										
5	Community Interaction	- Expand the service area to the community according to the actual possibilities	<p>PPWSA has expanded its service area to people living outside community in 12 districts equal to 2,592 connections :</p> <table border="0"> <tr><td>1. Daun Penh district</td><td>0 connection</td></tr> <tr><td>2. 7 Makara district</td><td>0 connection</td></tr> <tr><td>3. Chamkar mon district</td><td>1 connection</td></tr> <tr><td>4. Toul Kork district</td><td>3 connections</td></tr> <tr><td>5. Russey Keo district</td><td>86 connections</td></tr> <tr><td>6. Chrouy Changvar district</td><td>79 connections</td></tr> <tr><td>7. Preaek Phnov district</td><td>39 connections</td></tr> <tr><td>8. Sen Sok district</td><td>6 connections</td></tr> <tr><td>9. Mean Chhey district</td><td>4 connections</td></tr> <tr><td>10. Chbar Ampov district</td><td>73 connections</td></tr> <tr><td>11. Dang Kor district</td><td>683 connections</td></tr> <tr><td>12. Pou Senchey district</td><td>406 connections</td></tr> <tr><td>13. Ta Kmao</td><td>40 connections</td></tr> </table>	1. Daun Penh district	0 connection	2. 7 Makara district	0 connection	3. Chamkar mon district	1 connection	4. Toul Kork district	3 connections	5. Russey Keo district	86 connections	6. Chrouy Changvar district	79 connections	7. Preaek Phnov district	39 connections	8. Sen Sok district	6 connections	9. Mean Chhey district	4 connections	10. Chbar Ampov district	73 connections	11. Dang Kor district	683 connections	12. Pou Senchey district	406 connections	13. Ta Kmao	40 connections
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13. Ta Kmao	40 connections																												
6	Creditors' Rights Protection	- Guaranteed by the Royal Government	- Letter of legal guaranteed number 0718 MOJ.ILC/24 published by Ministry of Justice dated March 20, 2024 on Bakheng water treatment plants project phase 3.																										
7	Anti-Corruption Program	<p>1- Carry out business with customers in a transparent manner.</p> <p>2-Implementation in accordance with the Government's Policy</p>	<p>1- Providing the service to customers equally with Non-caste, No Discrimination or Partisanship.</p> <p>2- Every senior officer has to Declare of assets in every 2 years.</p>																										

Part 5. Stakeholders (Con't)

B. Describe the Corporate Social Responsibilities of PPWSA

No	Beneficiaries	Amount	Purposes of CSR
1	Social Infrastructure	KHR1,343,290,493	<ul style="list-style-type: none"> - Payment for 15mm water meter networks for room rent of worker and student (Pilot Zone) located in Porsenchey District, Phnom Penh. - Sponsor the money and 300 liters of fuel for preparation water network to supply of boat racing competitor of Water Festival in Tbong Khmum Province. - Sponsor to Ministry of Ministry of Handicraft Science, Technology and Innovation for construction new 2 buildings of school have 3 floors by equals 36 rooms at High school of Net Yorng and located at Prah Stach Village, Sang kat Prah Stach, Krong Battam Bong, Battam Bong Province. - Sponsor the tables and Chairs for student and Teacher, install blackboards and construction new hand washing and toilet for Kampong Prieng Primary School, Battambang Province. - Sponsor the tables and Chairs for student and Teacher, install blackboards and LCD Projectors for Pursat Primary School, Pursat Province. - Sponsor water network in Wat Por 5000 from Pork to Safety Center for refugees stay after armed clashed along Cambodia-Thailand border. - Sponsor for installation of safe water drinking system in Preah Ang Duong Hospital for 3sets. - Sponsor the pipe fitting to Virak Sena Toch No.383 , subordinate of The Intervention Brigade No.8 for re-installation of water network had damaged after armed clashed along Cambodia-Thailand border. - Sponsor and 150 liters of fuel for preparation water network to supply of boat racing competitor of Water Festival in Ta Khmoa Province. - Payment for water supply to customer living in Borey VIP at Sang Kat Spean Stor, Khan Dong Kor, Phnom Penh. - Payment of a 40mm water meter for Special School at Krong Ta Khmao. - Sponsor and 200 liters of fuel for preparation water network to supply of Khmer New Year 2025 at Wat Phnom. - Additional Sponsor water network 1400m in Wat Por 5000 from Pork to Safety Center for refugees stay after armed clashed along Cambodia-Thailand border.

No	Beneficiaries	Amount	Purposes of CSR
			<ul style="list-style-type: none"> - Sponsor 30 motos, pipe and pipe fittings and Battery 50 Ah for The Intervention Brigade No.8 after armed clashed along Cambodia-Thailand border 5days. - Sponsor Water Tank 3000 Liter (13 sets) Pipe 63mm (2000 meter) Pipe 32mm (1300 meter) and include pipe fittings, water pump and solar panels total 13sets for installation at new location along Cambodia-Thailand border.
2	Emergencies	KHR20,133,400	<ul style="list-style-type: none"> - Payment of balancing for the water distribution representatives for 11-12/2024. - Payment of balancing for the water distribution representatives for 1-2/2025. - Payment of balancing for the water distribution representatives for 3-4/2025. - Payment of balancing for the water distribution representatives for 5-6/2025. - Payment of balancing for the water distribution representatives for 7-8/2025. - Payment of balancing for the water distribution representatives for 9-10/2025..
3	Employee relief	KHR125,600,000	<p>In 2025 Social Fund Committee had provided fund supported to 63 employees who had:</p> <ul style="list-style-type: none"> - Mild illness 22 persons - Moderate illness 31 persons - Severe illness 1 persons - Maternity 5 persons - Severe illness can lead to death 0 persons - Death 4 persons
4	Communities and Low-income resident support	KHR299,759,500	<p>In 2025, PPWSA has donated fund for Water Supply Services to 1,354 Subsidized customers, including:</p> <ul style="list-style-type: none"> - 30% of subsidy : 69 connections - 50% of subsidy : 726 connections - 70% of subsidy : 408 connections - 100% of subsidy : 151 connections
5	Other Support	KHR845,834,238	<ul style="list-style-type: none"> - Sponsor to the organization of training courses on non-profit water management (3rd time) for Province Water Supply and Private Sector. - Sponsor to the organization of training course on control and management of non-profit of water for trainer and TOT. - Sponsor to The Intervention Brigade No.8 for construction the new building (Electrical and water system) (7th time).

No	Beneficiaries	Amount	Purposes of CSR
			<ul style="list-style-type: none"> - Sponsor for visit the army of Khmer New Year event at The Intervention Brigade No.8. - Sponsor the rice and condiments to Voice of the blind Association Radio and Online TV (VOD) in Khmer New Year Event. - Sponsor Fund to participate in humanitarian assistance to the Red Cross Activities in the 162st Anniversary of the World Red Cross Red Crescent Day on May 8,2025. - Sponsor to Minster of Ministry of Handicraft Science, Technology and Innovation visit the army border. - Sponsor the solar panels and materials for build army's protect like cements, sand, stones and steel after armed clashed along Cambodia-Thailand border (1st time). - Sponsor Fund to participate in humanitarian assistance to the Red Cross Activities Tbong Khmum Branch in the 162st Anniversary of the World Red Cross Red Crescent Day on May 8,2025. - Sponsor to the Tbong Khmum province for preparation the Water Festival, year 2025.

Part 6. Disclosure and Transparency

A. Identify the Following Information in the Annual Report:

No	Information	Yes/No
1	Visions/ Missions/ Objectives	Yes
2	Financial Indicator	Yes
3	Non-financial Indicator	Yes
4	Main Risk Factors	Yes
5	Dividend Policy	Yes
6	Biography of Directors	Yes
7	Training for Directors	Yes
8	Number of Board Meeting	Yes
9	Attendance of Directors in Board Meetings	Yes
10	Remuneration or Compensation for Directors and Senior Officers	Yes

B. The mechanism of disclosure including means, procedures, and responsible person in charge of disclosure

Mr. Deng Polyden, Deputy Director General in charge of Finance, and **Mr. Chou Phalla**, Deputy Director General in charge of project and planning, were the Disclosure Officer, having the assistance of the Securities Exchange and Investor Relations Office of Accounting and Finance Department to disclose the PPWSA information to the public.

The quarterly and annual reports are drafted by of the Securities Exchange and Investor Relations Office to request for approval of the board of directors and followed by submitting these reports to the Securities and Exchange Regulator of Cambodia (SERC) in order to disclose to the public, after reviewing by the Director of Accounting and Finance Department and approving by the Disclosure Officer. After approved by the SERC, the Securities Exchange and Investor Relations Office shall send these reports the One Window Service Unit to publicly disclose the PPWSA website.

The Securities Exchange and Investor Relations Office shall submit the special disclosure and requested disclosure, reviewed by the Director of Accounting and Finance Department, the Disclosure Officer, and approved by **the Delegation of the Royal Government of Cambodia in charge of the Director General of PPWSA**, to the SERC. After approved by the SERC on the submitted disclosure, the Securities Exchange and Investor Relations Office shall send these reports to the One Window Service Unit to publicly disclose on the PPWSA's website.

Regarding timely disclosure and voluntary disclosure, the Securities Exchange and Investor Relations Office shall submit these disclosures to the CSX through the CSX electronic disclosure system, after reviewing by the Director of Accounting and Finance Department and approving by the Disclosure Office. After the approval of CSX on the submitted disclosure, the Securities Exchange and Investor Relations Office shall send these reports to the One Window Service Unit to publicly disclose on the PPWSA's website.

Part 6. Disclosure and Transparency (Con't)

C. Investor Relations

1. Mechanism and procedures for the Investor Relations

The PPWSA communicated with investors through the Transfer and Paying Agent of the PPWSA to inform the annual dividend distribution and the general shareholder meeting. The Investor who wishes to understand the PPWSA shall directly request the PPWSA or through their securities firms to conduct the meeting as per investors' request.

Besides the above mechanisms, investors could directly contact the Disclosure Officer and the Securities Exchange and Investor Relations Office as follows:

- The Disclosure Officer: Dpolyden@ppwsa.com.kh or
cphalla@ppwsa.com.kh; or
- The Securities Exchange and investor Relations Office: Ksokuntheary@ppwsa.com.kh or
ir@ppwsa.com.kh

2. Investor relations in 2025

In 2025, the PPWSA contacted its investors through ACLEDA Bank, Plc. to inform the dividend distribution for 2024 and the 13th general shareholder meeting.

APPENDIX II

Internal Audit Report

On Compliance and Operation Monitoring

In 2025

ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ



Internal Audit Report
On Compliance and Operational Review
For the Year 2025

1. Introduction

Internal auditing conducted during FY2025 was performed as part of the 2025 Annual Internal Audit Plan, which the Audit Committee approved on October 25, 2024.

The objective of the Internal Audit is to evaluate and improve the effectiveness of risk management, internal control, and governance processes within the audited areas covered under the audit scope.

The audit work focuses on determining whether the internal control system provides reasonable assurance that the following objectives are achieved:

- Operational objectives: achievement of the PPWSA's mission efficiently and effectively.
- Financial reporting objectives: reliability and completeness of financial information used by management.
- Compliance objectives: compliance with applicable laws, regulations, and internal policies.

2. Audit Scope

This internal audit engagement covered the review of compliance with applicable laws and regulations, internal control systems, and operational activities performed within the following departments and operational areas:

- 1) Commercial Department
- 2) Production System Management Department
- 3) Planning and Project Department
- 4) Administration and Human Resources Department
- 5) Water Supply and Sanitation Service Branch
- 6) Accounting and Finance Department
- 7) Non-Revenue Water (NRW) Reduction Process – Physical Loss, implemented by the Water Supply System Management Department for Quarter 3 and Quarter 4 of 2025
- 8) Non-Revenue Water (NRW) Reduction Process – Commercial Loss, implemented by the Commercial Department for Quarter 3 and Quarter 4 of 2025

3. Audit Approach

This audit covered compliance with applicable laws and regulations, internal control systems, and operational activities within the audited departments described above.

A risk-based audit approach was applied in conducting this audit engagement. The audit approach included the following procedures:

- Document review and interviews: understanding and documenting the internal control system through the review of relevant documents and interviews with management and staff of the audited department, as well as other relevant personnel when necessary.
- Identification of key controls: identifying key control activities and assessing their compliance with applicable laws, regulations, and internal policies and procedures of PPWSA.
- Audit testing: performing audit tests to evaluate the operating effectiveness of the identified controls.

4. Summary of Internal Audit Activities and Results

The Internal Audit performed its responsibilities in accordance with the 2025 Annual Internal Audit Plan and the guidance and direction provided by the Board of Directors (BOD) and the Audit Committee.

During FY2025, the Internal Audit function conducted compliance and operational audits across seven (7) departments of PPWSA, totaling seventy (70) audit areas. Through these audit engagements, internal auditors identified fifteen (15) compliance-related weaknesses and fourteen (14) operational deficiencies.

In response to these findings, the Internal Audit issued audit recommendations to improve internal controls and operational practices, and to implement corrective or preventive measures to prevent the recurrence of similar issues.

In addition, Internal Audit monitored the implementation progress of prior-year audit recommendations reported in the 2024 Internal Audit Report. The follow-up review found that thirty-four (34) recommendations have been fully implemented, while eight (8) recommendations remain partially implemented. The Internal Audit Unit will continue to monitor and review the progress of these corrective actions to ensure full implementation.

5. Conclusion

During the audit, the internal auditors observed that the internal control system within its scope was generally well-designed and consistently implemented. Officers and employees of the audited department demonstrated cooperation and commitment in implementing their duties and responsibilities in accordance with applicable laws, regulations, and PPWSA's policies. Overall, the operations achieved satisfactory results. However, several areas were identified that require further improvement.

To ensure the effectiveness of implementing the audit recommendations submitted to management, the audited department has agreed with the Internal Audit on an improvement action plan that includes a clearly defined timeline for implementing the recommendations.

APPENDIX III

AUDITED FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

31 DECEMBER 2025

Registration No:
Co.0839 Et/2012

**PHNOM PENH WATER SUPPLY AUTHORITY
(INCORPORATED IN CAMBODIA)**

**AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
31 DECEMBER 2025**

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CORPORATE INFORMATION

DIRECTORS:

H.E. Ek SonnChan
H.E. Mey Vann
H.E. In Sakan
H.E. Chhay Virak
Mr. Sok Nareth
Mr. Nam Chantry
Mr. Sreng Samork

REGISTERED OFFICE:

No. 45, St.106
Sangkat Srah Chork, Khan Daun Penh
Phnom Penh, Cambodia

PRINCIPAL BANKERS:

ACLEDA Bank Plc.
Advance Bank of Asia Limited
AMK Microfinance Institution Plc.
Amret Plc.
BRED Bank (Cambodia) Plc.
Cambodia Post Bank Plc.
Cambodian Public Bank Plc.
Canadia Bank Plc.
Chip Mong Commercial Bank Plc.
Foreign Trade Bank of Cambodia
Hattha Bank Plc.
KB Prasac Bank Plc.
Maybank (Cambodia) Plc.
Phillip Bank Plc.
Phnom Penh Commercial Bank Plc.
Sathapana Bank Plc.
Shinhan Bank (Cambodia) Plc.
Vattanac Bank
National Treasury
Municipal Treasury
Takmao Treasury
Tboung Khmum Treasury

AUDITORS:

BDO (Cambodia) Limited

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

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**PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)**

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Phnom Penh Water Supply Authority ("PPWSA") for the financial year ended 31 December 2025.

Principal activities

The principal activities of the PPWSA are to process and distribute water for general use by the public in the city of Phnom Penh and surrounding areas, including Takmao, Tbong Khmom and Mlech and the provision of other related services. The objectives of the PPWSA are to:

- Invest in, build, enlarge, operate, repair and maintain the means of water sanitation and distribution;
- Manage devices to increase water productions, and improve services and water quality to meet demand;
- Operate the business, services and related duties for water supply in accordance with the Board of Director's resolutions and the laws of Cambodia;
- Cooperate with local and external development partners on technology, trade and finance in order to improve and develop the PPWSA in accordance with government policy; and
- Ensure sustainable production processes, business and finance for the public interest.

There have been no significant changes in the nature of these activities during the financial year.

Results of operations

KHR'000

Profit for the financial year

94,980,122

Dividend

Dividend paid and declared during the financial year was as follows:

KHR'000

In respect of financial year ended 31 December 2024:

Final dividend of KHR350 per ordinary share, paid on 29 May 2025

4,566,091

Reserves and provisions

There was a transfer of KHR26,511,258,865 from retained earnings to legal, general and development reserves, as approved during the Board of Directors meeting on 29 May 2025.

Bad and doubtful debts

Before the statement of profit or loss and other comprehensive income and statement of financial position of the PPWSA were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off bad debts or the amount of the allowance for doubtful debts in the financial statements of the PPWSA inadequate to any material extent.

**PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)**

DIRECTORS' REPORT (continued)

Current assets

Before the statement of profit or loss and other comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ensure that for any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the PPWSA have been written down to an amount expected if realised.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the PPWSA misleading.

Valuation methods

At the date of this report, the Directors are not aware of any circumstances, which have arisen and which may render adherence to the existing method of valuation of assets or liabilities of the PPWSA misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist:

- (i) any charge on the assets of the PPWSA which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability of the PPWSA which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the PPWSA to meet its obligations when they fall due.

Change of circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the PPWSA, which would render any amount stated in the financial statements as misleading.

Items of an unusual nature

The results of the operations of the PPWSA during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the PPWSA for the financial year for which this report is made.

Share capital

During the financial year, the issued and paid-up share capital of the PPWSA was increased through a capital contribution by the Ministry of Economy and Finance ("MoEF") amounting to KHR15,842,877,000. The contribution comprised the transfer of two plots of land intended for the construction of (i) the Mlech Water Treatment Plant in Kampot Province and (ii) the Boeng Thom Water Treatment Plant in Phnom Penh.

**PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)**

DIRECTORS' REPORT (continued)

Share capital (continued)

No new ordinary shares were issued in respect of this capital contribution and the registered number of shares of the PPWSA remained unchanged. The capital contribution was recognised as additional paid-up capital of PPWSA. There were no other issues of shares during the financial year.

No option to take up unissued shares in the PPWSA was granted during the financial year and there were no shares under options at the end of the financial year in respect of shares in the PPWSA.

Directors

The Directors who have held for office since the date of the last report are:

H.E. Ek SonnChan	
H.E. Mey Vann	
H.E. Long Naro	(end of mandate on 10 March 2026)
H.E. In Sakan	(appointed on 10 March 2026)
H.E. Chhay Virak	
Mr. Ma Noravin	(end of mandate on 27 February 2026)
Mr. Sok Nareth	(appointed on 27 February 2026)
Mr. Nam Chantry	
Mr. Sreng Samork	

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which the PPWSA is a party, with the object or objects of enabling the Directors of the PPWSA to acquire benefits by means of the acquisition of shares in or debentures of the PPWSA or other body corporate.

Since the end of the previous financial year, the Directors have not received or become entitled to receive any benefit by reason of a contract made by the PPWSA or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 30 to the financial statements.

Directors' responsibility in respect of the financial statements

The Directors are responsible to ascertain that the financial statements give a true and fair view of the financial position of the PPWSA as at 31 December 2025, and of its financial performance and cash flows for the financial year then ended. In preparing these financial statements, the Directors are required to:

- (a) adopt appropriate accounting policies which are supported by reasonable judgements and estimates and then apply them consistently;
- (b) comply with the disclosure requirements of the Cambodian International Financial Reporting Standards ("CIFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (c) maintain adequate accounting records and an effective system of internal controls;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the PPWSA will continue its operations in the foreseeable future; and

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

DIRECTORS' REPORT (continued)

Directors' responsibility in respect of the financial statements (continued)

The Directors are responsible to ascertain that the financial statements give a true and fair view of the financial position of the PPWSA as at 31 December 2025, and of its financial performance and cash flows for the financial year then ended. In preparing these financial statements, the Directors are required to:
(continued)

- (e) control and direct effectively the PPWSA in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Significant events during the financial year

The significant events during the financial year are disclosed in Note 35 to the financial statements.

Statement by the Directors

In the opinion of the Directors, the financial statements set out on pages 12 to 54 have been drawn up in accordance with Cambodian International Financial Reporting Standards so as to give a true and fair view of the financial position of the PPWSA as at 31 December 2025, and of its financial performance and cash flows for the financial year then ended.

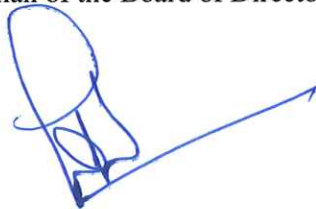
Signed on behalf of the Board of Directors, 



Ek Sonnchan
Chairman of the Board of Directors



In Sakan
General Director



Deng Polyden
Deputy General Director
in charge of Finance

Phnom Penh, Cambodia
Date: 7 APR 2026

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Phnom Penh Water Supply Authority (“PPWSA”), which comprise statement of financial position as at 31 December 2025, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended and note to financial statements, including material accounting policy information, as set out on pages 12 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the PPWSA as at 31 December 2025, and of its financial performance and cash flows for the financial year then ended in accordance with Cambodian International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the PPWSA in accordance with the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“IESBA Code”) as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 PPWSA for the current year. These matters were addressed in the context of our audit of the financial statements of the PPWSA as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Key Audit Matters (continued)

(a) Accrued water revenue

Accrued water revenue of KHR31.7 billion as disclosed in Note 9 to the financial statements represents the value of water supplied to customers between the date of the last meter reading and the reporting date where no bill has been issued by the PPWSA to the customer at the end of the reporting period. We determined this to be key audit matter as it involves significant management judgement and assumptions to estimate water loss, unbilled consumption and applying the appropriate average tariff rate.

Audit response

Our audit procedures included the following:

- Obtaining an understanding of management's estimation methodology and evaluating whether it was applied consistently and appropriately;
- Testing the mathematical accuracy of the accrued revenue calculation;
- Assessing the reasonableness of key inputs, including;
 - (i) Water volume produced during the period, by agreeing to production reports;
 - (ii) Water revenue billed, by reconciling to billing records;
 - (iii) Water loss estimates, by reviewing historical data and NRW reports;
 - (iv) Average tariff rate, by reviewing approved tariff schedules and customer usage profiles;
- Comparing the current year's estimates to actual subsequent billings to assess the reliability of management's estimation process; and

(b) Impairment of trade receivables and contract assets - accrued revenue

Gross trade receivables and contract assets - accrued revenue of the PPWSA as at 31 December 2025 were KHR9.67 billion and KHR31.68 billion as disclosed in Note 8 and Note 9 to the financial statements, respectively.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and contract assets - accrued revenue, appropriate forward looking information.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Key Audit Matters (continued)

(b) Impairment of trade receivables and contract assets - accrued revenue (continued)

Audit response

Our audit procedures included the following:

- Inquired of management to understand the credit terms and payment conditions applicable to trade receivables;
- Obtained an understanding of management's expected credit loss ("ECL") methodology applied to trade receivables, including the model used to estimate the probability of default ("PD"), loss given default ("LGD"), and the incorporation of forward-looking macroeconomic information;
- Tested the completeness and accuracy of the data used in the ECL model by reconciling the trade receivable balances and related historical loss data used in the model to the underlying accounting records and general ledger;
- Recomputed the probability of default using historical data and forward-looking information adjustment applied by the PPWSA;
- Recomputed the correlation coefficient between the macroeconomic indicators used by the PPWSA and historical losses to determine the appropriateness of the forward-looking information used by the PPWSA;
- Evaluated the appropriateness of the macroeconomic variables and forward-looking assumptions used by management by comparing them with available external economic data and historical trends;
- Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses;
- Assessed the reasonableness of collateral and other credit enhancements considered in the LGD calculation by verifying the underlying data and evaluating whether such balances are sufficient to mitigate potential credit losses;
- Reperformed the calculation of the ECL for selected receivable categories based on management's assumptions and verified the mathematical accuracy of the model; and
- Evaluated the adequacy of disclosures related to credit risk and expected credit losses in the financial statements in accordance with the requirements of IFRS 9.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Key Audit Matters (continued)

(c) Revenue recognition using input method

PPWSA recognises revenue from construction service fees over time as control of the asset is transferred progressively to the customer, consistent with its accounting policy. For the year ended 31 December 2025, revenue from construction contracts amounted to KHR16.16 billion (2024: KHR11.39 billion). The performance obligations are measured using the input method (cost method), whereby revenue is recognised based on actual costs incurred relative to total estimated contract costs.

This approach requires management to make significant judgements, including:

- Identifying distinct and material performance obligations within each contract;
- Estimating total contract costs, particularly the forecasted costs to complete each project;
- Allocating the fixed transaction price to performance obligations; and
- Assessing whether any contracts are onerous and recognising provisions where required.

These judgements directly affect the determination of the stage of completion and the amount of revenue recognised. Because these estimates involve inherent uncertainty and are susceptible to management bias, especially where project timelines and remaining costs are subject to variation. This area was considered to be of most significance to our audit.

Audit response

Our audit procedures included the following:

- Examined significant contract revenue and reviewed them to obtain an understanding of the key terms of the contracts and the contract sums;
- Reviewed management's conclusion that such contracts fulfil over-time recognition criteria in accordance with CIFRS 15 and the choice of method in measuring the progress;
- Assessed the completeness of the total contract costs estimated by management, taking into account the actual costs incurred, estimation of costs to complete, historical accuracy of past estimates in respect of those contracts;
- Discussed with management on potential significant costs overruns which may result in provision for onerous contracts; and
- Recalculated management's computation of the progress.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the PPWSA are responsible for the other information. The other information comprises the annual report but does not include the financial statements of the PPWSA and our auditors' report thereon.

Our opinion on the financial statements of the PPWSA 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 of the PPWSA, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the PPWSA 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the PPWSA are responsible for the preparation and fair presentation of these financial statements in accordance with Cambodian International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the PPWSA that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the PPWSA, the Directors are responsible for assessing the PPWSA'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 Directors either intend to liquidate the PPWSA, or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the PPWSA as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISA's 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 the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with CISAs, 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 of the PPWSA, 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 PPWSA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management'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 PPWSA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the PPWSA 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 auditors' report. However, future events or conditions may cause the PPWSA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the PPWSA, including the disclosures, and whether the financial statements of the PPWSA represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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 Directors 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 AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the PPWSA for the current year and are therefore the key audit matters. We describe these matters in our auditors' 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.

Other Matters

This report is made solely to the shareholders of the PPWSA, as a body. We do not assume responsibility to any other person for the content of this report.

For and on behalf of
BDO (Cambodia) Limited

Song Sreyratha
Certified Public Accountant

Phnom Penh, Cambodia
Date: 7 April 2026

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 KHR'000	2024 KHR'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,162,986,393	2,939,664,426
Intangible assets	6	8,287,336	9,080,507
		<u>3,171,273,729</u>	<u>2,948,744,933</u>
Current assets			
Inventories	7	127,019,755	144,235,770
Trade and other receivables	8	17,941,570	27,537,927
Contract assets	9	35,665,659	37,586,190
Loan to employees	10	3,425,716	3,894,589
Short-term investments	11	66,661,827	94,961,360
Current tax assets		-	3,797,846
Cash and bank balances	12	24,175,047	18,406,666
		<u>274,889,574</u>	<u>330,420,348</u>
TOTAL ASSETS		<u><u>3,446,163,303</u></u>	<u><u>3,279,165,281</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	636,601,984	620,759,107
Reserves	14	739,747,415	713,236,157
Retained earnings		94,980,122	31,077,349
TOTAL EQUITY		<u>1,471,329,521</u>	<u>1,365,072,613</u>
LIABILITIES			
Non-current liabilities			
Borrowings	15	422,754,225	443,727,099
Deferred government and other grants	16	72,738,240	72,625,961
Deferred tax liabilities	17	114,548,371	105,146,861
Other payables	18	96,588,949	88,950,566
		<u>706,629,785</u>	<u>710,450,487</u>
Current liabilities			
Trade and other payables	18	107,268,151	213,224,225
Borrowings	15	1,158,455,758	986,892,283
Contract liabilities	9	34,691	3,525,673
Current tax liabilities		2,445,397	-
		<u>1,268,203,997</u>	<u>1,203,642,181</u>
TOTAL LIABILITIES		<u>1,974,833,782</u>	<u>1,914,092,668</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,446,163,303</u></u>	<u><u>3,279,165,281</u></u>

The accompanying notes form an integral part of the financial statements.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 KHR'000	2024 KHR'000
Revenue:			
Sales	19	316,715,258	317,778,996
Construction service fees	20	16,161,397	11,392,112
Foreign exchange gains - net	25	1,874,528	-
Other income	21	38,525,745	18,526,670
		<u>373,276,928</u>	<u>347,697,778</u>
Expenses:			
Depreciation and amortisation charges		(62,980,287)	(59,515,914)
Electricity costs		(39,098,813)	(48,653,063)
Salaries, wages and related expenses	22	(83,785,187)	(85,552,510)
Raw materials for water treatment	23	(17,510,654)	(18,976,590)
Raw materials for household water connections	24	(9,240,813)	(6,293,277)
Repairs and maintenance		(11,719,387)	(14,666,732)
Construction service expenses		(8,779,409)	(8,961,596)
Reversal of impairment on loan to employees	10	-	260,874
Other operating expenses		(9,450,530)	(14,136,399)
Foreign exchange loss - net	25	-	(2,196,121)
		<u>(242,565,080)</u>	<u>(258,691,328)</u>
Operating profit		130,711,848	89,006,450
Finance income	26	15,231,902	57,169,387
Finance costs	26	(27,079,119)	(39,001,476)
Profit before tax		118,864,631	107,174,361
Tax expense	27	(23,884,509)	(22,131,448)
Profit for the financial year		94,980,122	85,042,913
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		<u>94,980,122</u>	<u>85,042,913</u>
Earnings per share (expressed in KHR) attributable to shareholders of the PPWSA during the financial year are as follows:			
Basic earnings per share	28	1,092.06	977.81
Diluted earnings per share	28	<u>1,092.06</u>	<u>977.81</u>

The accompanying notes form an integral part of the financial statements.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital KHR'000	Reserves KHR'000	Retained earnings KHR'000	Total KHR'000
Balance as at 1 January 2024		620,759,107	591,192,666	72,644,018	1,284,595,791
Profit for the financial year, representing total comprehensive income		-	-	85,042,913	85,042,913
Transactions with owners					
Transfer to reserves	14	-	122,043,491	(122,043,491)	-
Dividends	29	-	-	(4,566,091)	(4,566,091)
Total transactions with owners		-	122,043,491	(126,609,582)	(4,566,091)
Balance as at 31 December 2024/1 January 2025		620,759,107	713,236,157	31,077,349	1,365,072,613
Profit for the financial year, representing total comprehensive income		-	-	94,980,122	94,980,122
Transactions with owners					
Capital contribution	13	15,842,877	-	-	15,842,877
Transfer to reserves	14	-	26,511,258	(26,511,258)	-
Dividends	29	-	-	(4,566,091)	(4,566,091)
Total transactions with owners		15,842,877	26,511,258	(31,077,349)	11,276,786
Balance as at 31 December 2025		636,601,984	739,747,415	94,980,122	1,471,329,521

The accompanying notes form an integral part of the financial statements.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 KHR'000	2024 KHR'000
Cash flows from operating activities			
Profit before tax		118,864,631	107,174,361
Adjustments for:			
Amortisation of intangible assets	6	1,205,382	1,157,155
Amortisation of deferred government and other grants	16	(2,009,680)	(2,009,908)
Depreciation of property, plant and equipment	5	61,774,905	58,107,873
Finance income	26	(15,231,902)	(57,169,387)
Finance costs	26	27,079,119	39,001,476
Property, plant and equipment written-off	5	952,597	365,907
Intangible assets written-off	6	-	250,886
Reversal of impairment on loan to employees	10	-	(260,874)
Operating profit before working capital changes		192,635,052	146,617,489
Changes in working capital:			
Inventories		17,216,015	130,023,452
Trade and other receivables		9,433,967	(15,084,160)
Trade and other payables		5,553,038	(14,746,833)
Contract assets		1,920,531	1,042,287
Contract liabilities		(3,490,982)	(728,465)
Cash generated from operations		223,267,621	247,123,770
Income tax paid		(8,239,756)	(19,087,632)
Net cash from operating activities		<u>215,027,865</u>	<u>228,036,138</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(371,744,406)	(389,896,854)
Purchase of intangible assets	6	(412,211)	(25,474)
Interest received		4,473,379	8,025,977
Withdrawal of short-term investments		28,299,533	32,354,643
Net cash used in investing activities		<u>(339,383,705)</u>	<u>(349,541,708)</u>

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Note	2025 KHR'000	2024 KHR'000
Cash flows from financing activities			
Dividend paid		(4,566,091)	(4,566,091)
Drawdown of borrowings		189,090,731	155,911,598
Interest paid		(20,851,641)	(19,232,563)
Repayments of borrowings		(36,139,610)	(20,085,337)
Proceed from government grant	16	2,121,959	473,123
Proceed from settlement of loan to employee		468,873	4,322,936
		<u>130,124,221</u>	<u>116,823,666</u>
Net cash from financing activities		130,124,221	116,823,666
Net increase/(decrease) in cash and cash equivalents		5,768,381	(4,681,904)
Cash and cash equivalents at beginning of financial year		18,406,666	23,088,570
Cash and cash equivalents at end of financial year	12	24,175,047	18,406,666

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings (Note 15) KHR'000
At 1 January 2024	1,320,602,085
Cash flows	135,826,261
Non-cash flows:	
- Effect of foreign exchange	(25,975,442)
- Accrued interest	166,478
	<u>1,430,619,382</u>
At 31 December 2024	1,430,619,382
Cash flows	152,951,121
Non-cash flows:	
- Effect of foreign exchange	(2,364,017)
- Accrued interest	3,497
	<u>1,581,209,983</u>
At 31 December 2025	1,581,209,983

The accompanying notes form an integral part of the financial statements.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

1. CORPORATE INFORMATION

The Phnom Penh Water Supply Authority (“PPWSA”) is under the technical supervision of the Ministry of Industry, Science, Technology and Innovation (“MISTI”) and the financial supervision of the Ministry of the Economy and Finance (“MoEF”), and has its headquarter in Phnom Penh. The PPWSA is acknowledged as having the economic characteristics of a public enterprise by the Ministry of Commerce under the registration number Co.0839 Et/2012, dated 27 March 2012.

The registered office of the PPWSA is No. 45, Street 106, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, the Kingdom of Cambodia.

The financial statements are presented in Khmer Riel (“KHR”), which is also the financial currency of the PPWSA.

The financial statements were authorised for issue by the Board of Directors on 7 April 2026.

2. PRINCIPAL ACTIVITIES

The principal activities of the PPWSA are to process and distribute water for general use by the public in the city of Phnom Penh and surrounding areas, including Takmao, Tbong Khmom and Mlech and the provision of other related services. The objectives of the PPWSA are to:

- Invest in, build, enlarge, operate, repair and maintain the means of water sanitation and distribution;
- Manage devices to increase water productions, and improve services and water quality to meet demand;
- Operate the business, services and related duties for water supply in accordance with the Board of Director’s resolutions and the laws of Cambodia;
- Cooperate with local and external development partners on technology, trade and finance in order to improve and develop the PPWSA in accordance with government policy; and
- Ensure sustainable production processes, business and finance for the public interest.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the PPWSA have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) as issued by the Accounting and Auditing Regulator (“ACAR”) of the Ministry of Economy and Finance.

4. BASIS OF ACCOUNTING

The accounting policies adopted are consistent with those of the previous financial year except for the effects, if any, of the adoption of new CIFRSs during the financial year. The new CIFRSs adopted during the financial year are disclosed in Note 36 to the financial statements.

The financial statements of the PPWSA have been prepared under the historical cost convention except as otherwise stated in the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Building	Machinery	Fluid equipment	Laboratory equipment	Office furniture and equipment	Electricity equipment	Motor vehicles	Valves and tools	Water meters	House connection	Construction in progress	Total
	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
<i>Cost</i>													
Balance at 1.1.2024	200,111,308	417,221,278	139,950,622	792,048,247	3,210,671	29,292,766	167,405,145	60,619,966	47,678,179	14,480,040	36,931,649	1,243,475,650	3,152,425,521
Additions	-	23,179	120,245	-	-	2,071,952	212,411	1,453,052	175,940	-	-	455,092,343	459,149,122
Transfer from inventory	-	-	2,514,279	-	277,157	-	2,352,287	4,100,112	2,069,613	806,149	10,454,720	21,913,053	44,487,370
Transfers	-	1,001,602	-	30,739,311	-	-	209,751	-	514,935	741,056	-	(33,206,655)	-
Written-off	-	(73,009)	(662,435)	-	-	(1,523,306)	(1,769,274)	-	(618,884)	-	-	-	(4,646,908)
Balance at 31.12.2024	200,111,308	418,173,050	141,922,711	822,787,558	3,487,828	29,841,412	168,410,320	66,173,130	49,819,783	16,027,245	47,386,369	1,687,274,391	3,651,415,105
Additions	15,842,877	-	38,840	-	-	2,438,023	6,073	55,160	57,878	12,162	-	191,378,193	209,829,206
Transfer from inventory	-	12,272	1,488,633	582,078	322,048	32,611	1,807,431	-	2,013,552	509,848	-	69,451,790	76,220,263
Transfers	-	159,080,886	6,642	50,595,858	-	122,588	107,806	-	1,208,991	328,319	7,299,179	(218,750,269)	-
Written-off	-	-	-	-	-	-	-	-	-	-	-	(952,597)	(952,597)
Balance at 31.12.2025	215,954,185	577,266,208	143,456,826	873,965,494	3,809,876	32,434,634	170,331,630	66,228,290	53,100,204	16,877,574	54,685,548	1,728,401,508	3,936,511,977

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land KHR'000	Building KHR'000	Machinery KHR'000	Fluid equipment KHR'000	Laboratory equipment KHR'000	Office furniture and equipment KHR'000	Electricity equipment KHR'000	Motor vehicles KHR'000	Valves and tools KHR'000	Water meters KHR'000	House connection KHR'000	Construction in progress KHR'000	Total KHR'000
<i>Accumulated depreciation</i>													
Balance at 1.1.2024	-	102,592,845	78,727,657	249,115,525	1,503,073	21,012,212	114,898,946	44,816,791	25,358,021	11,001,380	8,897,357	-	657,923,807
Depreciation for the year	-	9,028,063	6,561,224	17,739,729	393,127	2,463,747	8,456,160	4,211,037	4,338,595	1,389,307	3,526,884	-	58,107,873
Written-off	-	(36,876)	(595,665)	-	-	(1,492,646)	(1,536,930)	-	(618,884)	-	-	-	(4,281,001)
Balance at 31.12.2024	-	111,584,032	84,693,216	266,855,254	1,896,200	21,983,313	121,818,176	49,027,828	29,077,732	12,390,687	12,424,241	-	711,750,679
Depreciation for the year	-	11,625,155	6,618,714	18,202,894	442,782	2,280,584	8,575,808	3,931,145	4,304,382	1,556,095	4,237,346	-	61,774,905
Balance at 31.12.2025	-	123,209,187	91,311,930	285,058,148	2,338,982	24,263,897	130,393,984	52,958,973	33,382,114	13,946,782	16,661,587	-	773,525,584
<i>Carrying amounts</i>													
Balance at 31.12.2025	215,954,185	454,057,021	52,144,896	588,907,346	1,470,894	8,170,737	39,937,646	13,269,317	19,718,090	2,930,792	38,023,961	1,728,401,508	3,162,986,393
Balance at 31.12.2024	200,111,308	306,589,018	57,229,495	555,932,304	1,591,628	7,858,099	46,592,144	17,145,302	20,742,051	3,636,558	34,962,128	1,687,274,391	2,939,664,426

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

Building	30 to 50 years
Machinery	3 to 20 years
Fluid equipment	6 to 50 years
Laboratory equipment	6 to 7 years
Office furniture and equipment	2 to 7 years
Electricity equipment	2 to 20 years
Motor vehicles	2 to 7 years
Valves and tools	3 to 15 years
Water meters	5 to 20 years
House connection	12 years

Freehold land has unlimited useful life and is not depreciated.

Constructions in progress represent construction of new water treatment plant, extension of the transmission and distribution networks and renovation-in-progress. Constructions in progress are not depreciated until such time when the asset is available for use.

- (b) During the financial year, the PPWSA made the following cash payments to purchase property, plant and equipment:

	2025	2024
	KHR'000	KHR'000
Additions	209,829,206	459,149,122
Transfers from inventories	76,220,263	44,487,370
Capital contribution from MoEF	(15,842,877)	-
Decrease/(Increase) in payables to suppliers	103,870,729	(108,761,622)
Interest capitalised on qualifying assets	<u>(2,332,915)</u>	<u>(4,978,016)</u>
Cash payments on purchase of property, plant and equipment	<u>371,744,406</u>	<u>389,896,854</u>

6. INTANGIBLE ASSETS

	KHR'000
<i>Cost</i>	
Balance as at 1.1.2024	26,982,807
Additions	25,474
Written-off	<u>(250,886)</u>
Balance as at 31.12.2024	26,757,395
Additions	<u>412,211</u>
Balance as at 31.12.2025	<u>27,169,606</u>
<i>Accumulated amortisation</i>	
Balance as at 1.1.2024	16,519,733
Amortisation for the year	<u>1,157,155</u>
Balance as at 31.12.2024	17,676,888
Amortisation for the year	<u>1,205,382</u>
Balance as at 31.12.2025	<u>18,882,270</u>
<i>Carrying amounts</i>	
Balance as at 31.12.2025	<u>8,287,336</u>
Balance as at 31.12.2024	<u>9,080,507</u>

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.
- (b) Intangible assets comprise accounting software as well as network software and are amortised over seven years using the straight line method.

7. INVENTORIES

	2025	2024
	KHR'000	KHR'000
<i>At cost</i>		
Distribution pipes and fittings	86,124,085	108,972,392
Water meters	7,670,332	10,244,393
Spare parts and tools	15,071,828	11,631,120
Chemicals	2,042,149	2,134,409
Drums and other packages	100,216	100,216
Inventories in transit*	2,827,847	733,496
Other materials	<u>13,183,298</u>	<u>10,419,744</u>
	<u>127,019,755</u>	<u>144,235,770</u>

* Inventories in transit are main pipes which arrived at the port of Cambodia.

- (a) Inventories costs are determined using the weighted average cost basis and stated at the lower of cost and net realisable value.
- (b) During the financial year, inventories of the PPWSA recognised as expenses amounted to KHR26.75 billion (2024: KHR25.27 billion).

8. TRADE AND OTHER RECEIVABLES

	2025	2024
	KHR'000	KHR'000
Trade receivables		
Household receivables	950,700	854,897
Commercial receivables	1,866,027	1,270,300
Public administration receivables	5,067,291	5,342,516
Water wholesalers	111,408	60,096
Construction service receivables	1,678,586	-
Less: Impairment loss (household receivables)	<u>(5,553)</u>	<u>(5,553)</u>
	<u>9,668,459</u>	<u>7,522,256</u>
Other receivables		
Interest receivables	1,161,273	1,323,663
Other receivables	<u>7,036,205</u>	<u>6,399,986</u>
	<u>8,197,478</u>	<u>7,723,649</u>
Total receivables	<u>17,865,937</u>	<u>15,245,905</u>
Advances to suppliers	<u>75,633</u>	<u>12,292,022</u>
	<u>17,941,570</u>	<u>27,537,927</u>

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the PPWSA to households and businesses is one month (2024: one month) and to government departments is one year (2024: one year).
- (c) Public administrator customers are related to receivables from government departments with whom there is no recent history of default.
- (d) The currency exposure profile of receivables is as follow:

	2025	2024
	KHR'000	KHR'000
Khmer Riel	16,930,484	15,980,156
United States Dollar	<u>1,011,086</u>	<u>11,557,771</u>
	<u>17,941,570</u>	<u>27,537,927</u>

- (e) For impairment of trade receivables and contract assets - accrued revenue that do not contain a significant financing component, the PPWSA applies the CIFRS 9 simplified approach to measuring expected credit loss using a lifetime credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The expected loss rates are based on the PPWSA's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the PPWSA's customers.

Management exercised significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

8. TRADE AND OTHER RECEIVABLES (continued)

- (e) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the PPWSA are summarised in the table below:

	2025 KHR'000	2024 KHR'000
Maximum exposure	9,668,459	7,522,256
Collateral obtained (deposits from customers)	<u>(9,668,459)</u>	<u>(7,522,256)</u>
Net exposure to credit risk	<u>-</u>	<u>-</u>

During the financial year, the PPWSA did not renegotiate the terms of any trade receivables.

- (f) Movements in the impairment allowance for trade receivables are as follows:

	Specific allowance KHR'000	Total allowance KHR'000
At 1 January 2024/2025	5,553	5,553
Charge for the year	<u>-</u>	<u>-</u>
At 31 December 2024/2025	<u>5,553</u>	<u>5,553</u>

Specific allowance refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of financial year.

- (g) Impairment for other receivables, contract assets - construction service receivables and loan to employees are recognised based on the general approach within CIFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

9. CONTRACT ASSETS/(LIABILITIES)

	2025 KHR'000	2024 KHR'000
Contract assets		
Construction service receivable	3,985,026	4,398,564
Accrued water revenue	<u>31,680,633</u>	<u>33,187,626</u>
	<u>35,665,659</u>	<u>37,586,190</u>
Contract liabilities		
Deferred income	(5,278)	(5,278)
Unearned income	<u>(29,413)</u>	<u>(3,520,395)</u>
	<u>(34,691)</u>	<u>(3,525,673)</u>
	<u>35,630,968</u>	<u>34,060,517</u>

9. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Construction service receivable and unearned income

Construction service receivable and unearned income represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Construction service receivable is transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the PPWSA issues billing to the customers.

Unearned income represents the cash received in advance for the construction services provided in relation to the expansion of the water distribution system to a water supply distributor in the provinces. Unearned income is recognised as revenue when performance obligations are satisfied.

(b) Accrued water revenue

Accrued water revenue represents water supplied to customers but not billed at the year end. These contract assets are transferred to receivables when the right to economic benefits becomes unconditional, which occurs when the PPWSA issues the bill.

(c) Significant changes in contract balances

	Construction service receivable KHR'000	Accrued water revenue KHR'000	Unearned income KHR'000
At 1 January 2024	7,624,339	31,004,138	4,248,860
Increase due to revenue recognised for unbilled construction service fee/water sales to customers	11,392,112	302,172,923	1,331,192
Progress billing	<u>(14,617,887)</u>	<u>(299,989,435)</u>	<u>(2,059,657)</u>
At 31 December 2024	4,398,564	33,187,626	3,520,395
Increase due to revenue recognised for unbilled construction service fee/water sales to customers	16,161,397	302,657,076	-
Progress billing	<u>(16,574,935)</u>	<u>(304,164,069)</u>	<u>(3,485,704)</u>
At 31 December 2025	<u>3,985,026</u>	<u>31,680,633</u>	<u>34,691</u>

(d) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	2025 KHR'000	2026 KHR'000	Total KHR'000
31 December 2025	-	29,413	29,413
31 December 2024	<u>3,520,395</u>	<u>-</u>	<u>3,520,395</u>

(e) The measuring of expected credit losses using a lifetime credit loss provision as disclosed in Note 8 (e) and 8 (g) to the financial statements.

9. CONTRACT ASSETS/(LIABILITIES) (continued)

(f) The currency exposure profile of contract assets and contract liabilities are as follow:

	2025 KHR'000	2024 KHR'000
Contract assets		
Khmer Riel	35,665,659	33,187,626
United States Dollar	-	4,398,564
	<u>35,665,659</u>	<u>37,586,190</u>
Contract liabilities		
Khmer Riel	34,691	5,278
United States Dollar	-	3,520,395
	<u>34,691</u>	<u>3,525,673</u>

10. LOAN TO EMPLOYEES

	2025 KHR'000	2024 KHR'000
Receivables from employees	3,425,716	3,894,589
Less: Impairment loss	-	-
	<u>3,425,716</u>	<u>3,894,589</u>

(a) Loan to employees are classified as financial assets measured at amortised cost.

(b) On 15 February 2012, the Board of Directors approved the motion that 10% of the floating shares be reserved for the PPWSA's staff. The number of shares to be allotted to each employee was finalised on 3 April 2012. This date is therefore regarded as the grant date for the employee share option plan. The total loans, paid on 6 April 2012, amounted to KHR8,218 million. The PPWSA provided interest-free loans with a term of three year to employees and senior officers to purchase these shares. On the due date the loans must be repaid in full to the PPWSA. According to the minutes of the Board of Directors meeting dated 20 December 2012, the employees are allowed to trade their shares if the loans have been paid. PPWSA has established a temporary account at the Securities Depository to hold the ownership securities of 529 directors and officers, totalling 1,304,396 shares, as stated in Securities Depository Certificate No. 185/12 issued by the Cambodian Stock Exchange ("CSX").

On 24 January 2024, PPWSA submitted a request to the Securities and Exchange Regulator of Cambodia ("SERC") for approval to transfer the shares currently held under PPWSA's name to 396 directors and officers. This transfer is necessary for PPWSA to proceed with the next steps with CSX. The remaining 133 individuals, whose combined shareholding amounts to 498,839 shares, including those who have retired, deceased, or cannot be contacted, remain under the temporary account pending a resolution. SERC approved PPWSA's request through an official letter dated on 28 February 2024.

On 26 June 2024, the Department of Administration and Human Resources officially announced to the relevant directors and employees that the loan settlement would be made through salary deductions, commencing from June 2024 onward.

Following the approval letter from SERC, on 7 August 2024, PPWSA submitted a request to the CSX to transfer the trading accounts to its staff. However, only 390 individuals were eligible for the transfer, as the remaining 6 individuals, holding a total of 18,487 shares, either did not agree to settle the loan through salary deductions, retired, or were deceased.

10. LOAN TO EMPLOYEES (continued)

- (b) On 13 September 2024, the PPWSA completed the transfer of 787,043 shares from its temporary account to the trading accounts of 390 directors, senior officers, and employees, following the implementation of internal procedures.
- (c) The PPWSA applies the CIFRS 9 general approach to measuring expected credit losses using forward looking expected credit loss model provision as disclosed in Note 8 (g) to the financial statements.
- (d) As at the end of each reporting period, the credit risks exposures and concentration relating to loan to employees of the PPWSA are summarised in the table below:

	2025 KHR'000	2024 KHR'000
Maximum exposure	3,425,716	3,894,589
Collateral obtained	<u>(3,425,716)</u>	<u>(3,894,589)</u>
Net exposure to credit risk	<u>-</u>	<u>-</u>

- (e) Movements in the impairment allowance for loan to employees is as follows:

	2025 KHR'000	2024 KHR'000
At 1 January	-	260,874
Reversal of impairment loss	<u>-</u>	<u>(260,874)</u>
At 31 December	<u>-</u>	<u>-</u>

11. SHORT-TERM INVESTMENTS

- (a) Short-term investments are classified as financial assets measured at amortised cost.
- (b) Short-term investments include deposits amounting to KHR66.66 billion (2024: KHR94.96 billion) set up specifically for the purpose of receiving the interest and for precautionary measures and speculative activities.
- (c) The short-term investments represents fixed deposits placed with financial institutions for a period of between nine and twelve months (2024: nine and twelve months), earning interest at rate of 3.25% to 4.25% (2024: 3.50% to 5.25%) per annum.
- (d) Weighted average effective interest rate of short-term investments of the PPWSA as at the end of each reporting period are as follows:

	Weighted average effective interest rate per annum %	Within 1 year KHR'000	Total KHR'000
31 December 2025			
Fixed rates	3.54	<u>66,661,827</u>	<u>66,661,827</u>
31 December 2024			
Fixed rates	4.57	<u>94,961,360</u>	<u>94,961,360</u>

11. SHORT-TERM INVESTMENTS (continued)

(e) The currency exposure profile of short-term investments is as follows:

	2025 KHR'000	2024 KHR'000
Khmer Riel	-	30,000,000
United States Dollar	66,661,827	64,961,360
	<u>66,661,827</u>	<u>94,961,360</u>

12. CASH AND BANK BALANCES

	2025 KHR'000	2024 KHR'000
Cash on hand	227,518	196,820
Cash at banks	23,947,529	18,209,846
	<u>24,175,047</u>	<u>18,406,666</u>

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) The currency exposure profile of cash and bank balances is as follows:

	2025 KHR'000	2024 KHR'000
Khmer Riel	22,042,062	17,033,379
United States Dollar	2,132,985	1,373,287
	<u>24,175,047</u>	<u>18,406,666</u>

(c) Weighted average effective interest rate of deposits with licensed banks of the PPWSA as at the end of each reporting period are as follows:

	2025 %	2024 %
Fixed rates	<u>1.65</u>	<u>1.65</u>

13. SHARE CAPITAL

	Ordinary shares		Class A shares		Share premium	Capital reserve	Total
	Number	KHR'000	Number	KHR'000	KHR'000	KHR'000	KHR'000
As at 31.12.25	<u>86,973,162</u>	<u>86,973,162</u>	<u>391,100,942</u>	<u>391,100,942</u>	<u>63,153,178</u>	<u>95,374,702</u>	<u>636,601,984</u>
As at 31.12.24	<u>86,973,162</u>	<u>86,973,162</u>	<u>391,101,942</u>	<u>391,100,942</u>	<u>63,153,178</u>	<u>79,531,825</u>	<u>620,759,107</u>

(a) On 15 February 2012, the Board of Directors approved the split of the existing capital of KHR465,028,000,000 into 73,927,187 ordinary shares and 391,100,942 Class A shares with a par value of KHR1,000 per share. Class A shares are not eligible for interest or dividend and have rights and conditions as detailed in article 12.2 of the Articles of Incorporation dated 27 June 2012.

13. SHARE CAPITAL (continued)

- (b) On 18 April 2012, the PPWSA was successfully listed on the Cambodia Securities Exchange (“CSX”). It is the first company on the CSX. The total number of ordinary shares is 86,973,162 shares with a par value of KHR1,000 per share. The costs of issuing 13,045,975 new shares amounting to KHR6,000 million have been offset with the share premium. All issued ordinary shares are fully paid. The details of ordinary shares are as follows:

Shareholders	Number of shares	%
MoEF	73,927,187	85%
Other shareholders	12,547,136	14%
Employee share option scheme*	498,839	1%
	86,973,162	100%

* Based on the minutes of the Board of Directors meeting dated 20 December 2012, the employees are allowed to trade their shares if the corresponding loans have been repaid.

- (c) Movement of the capital contribution are as follows:

	2025 KHR'000	2024 KHR'000
Balance at 1 January	79,531,825	79,531,825
Addition	15,842,877	-
Balance at 31 December	95,374,702	79,531,825

On 23 March 2021, the MoEF increased its capital in PPWSA by injecting the assets, liabilities and equity of Tbong Khmum Province Water Treatment Plant Operation (“the Tbong Khmum Project”) into PPWSA, totalling to KHR78,088,604,000, without the issuance of any additional shares of PPWSA.

During the financial year, the issued and paid-up share capital of the PPWSA was increased through a capital contribution by the Ministry of Economy and Finance (“MoEF”) amounting to KHR 15,842,877,000. The contribution comprised the transfer of two plots of land intended for the construction of (i) the Mlech Water Treatment Plant in Kampot Province, and (ii) the Boeng Thom Water Treatment Plant in Phnom Penh.

On 5 July 2025, the MoEF issued a letter on the approval of the determination of the price of the land plot to be recognised in the financial statements as capital contribution of land for the Mlech Water Treatment Plant in Kampot Province and the Boeng Thom Water Treatment Plant in Phnom Penh.

- (d) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank *pari passu* with regard to the Company’s residual assets.

14. RESERVES

	Capital reserve KHR'000	Legal reserve KHR'000	General reserve KHR'000	Development reserve KHR'000	Total KHR'000
As at 1.1.2024	1,648,435	43,990,965	43,990,965	501,562,301	591,192,666
Transfer from retained earnings	-	6,330,479	6,330,479	109,382,533	122,043,491
As at 31.12.2024/1.1.2025	1,648,435	50,321,444	50,321,444	610,944,834	713,236,157
Transfer from retained earnings	-	4,252,146	4,252,146	18,006,966	26,511,258
As at 31.12.2025	1,648,435	54,573,590	54,573,590	628,951,800	739,747,415

- (a) In accordance with the PPWSA's status dated 22 February 1999, article 29 the PPWSA's profit, after offsetting with losses carried forward (if any), can be used as follows:
- for management and staff bonuses
 - for legal reserve - 5%
 - for general reserve - 5%
 - the remaining balance for development reserve
- (b) Effective from the year ended 31 December 2007, the MoEF accepted the proposed 10% annual profit distribution from the PPWSA in its letter No. 2254, dated 2 May 2008. However, from 2012 onward, after the listing of the PPWSA, the distribution of dividends will be in accordance with the new status of the PPWSA, date 27 June 2012. The distribution of dividends shall be as follows:

The dividend policy shall be determined in line with the following criteria for profit allocation:

1. Compensation for losses incurred in previous years
2. After the compensation for losses, the remaining profit, if any, shall be distributed as follows:
 - i. Reward to management and employees as follows:
 - One month's salary for all employees if the net profit is between 5% and 10% of operating expenses
 - Two months' salary for all employees if the net profit is between 10% and 20% of operating expenses
 - Three months' salary for all employees if the net profit is more than 20% of operating expense
 - ii. 2% for retirement benefits and disability benefits
 - iii. 5% for legal reserve
 - iv. 5% for general reserve
 - v. 5% for social fund, which shall be recorded as an expense in the year of the transition
3. The remaining amount after the above allocations shall be allocated to:
 - i. Reserve for future investments (retained earnings) subject to the Board of Director's approval
 - ii. The remaining balance after investment reserve is allocated to the MoEF and public investors at the ratio of 85% and 15%, respectively.

14. RESERVES (continued)

- (c) The use of reserves to pay for corporate social responsibility is in accordance with letter No. 284 from the Ministry of the Council of Ministers, dated 11 March 2010. Corporate social responsibility represents the development of a water supply system for military teams in several provinces. The work extended into 2011 in accordance with the letter of the Deputy Prime Minister Keat Chhon No. 2210 MoEF, dated 22 April 2011.
- (d) In the previous financial year, there is a reallocation of KHR55.956 billion was made from the development reserve to retained earnings. This transfer reflects a refinement in the estimation of previously accrued water sales.

The reallocation has been accounted for through equity and has no impact on the profit or loss for the current financial year.

15. BORROWINGS

	2025 KHR'000	2024 KHR'000
Non-current		
MoEF - Japanese International Cooperation Agency ("JICA")	26,832,595	27,748,910
MoEF - Asian Development Bank ("ADB")	23,745,246	24,830,030
European Investment Bank ("EIB")	372,176,384	391,148,159
	<u>422,754,225</u>	<u>443,727,099</u>
Current		
MoEF - JICA	1,244,247	1,234,163
MoEF - ADB	2,368,730	2,267,989
Agence Francaise De Development ("AfD") - Credit No. 1121 01F	-	8,425,878
AfD - Credit No. 1174 01P	134,040,320	145,661,453
AfD - Credit No. 1176 01S	337,702,165	337,198,657
AfD - Credit No. 1244 01M	445,186,289	411,982,858
AfD - Credit No. 1273 01P	222,931,545	72,043,646
EIB	14,982,462	8,077,639
	<u>1,158,455,758</u>	<u>986,892,283</u>
Total borrowings		
MoEF - JICA	28,076,842	28,983,073
MoEF - ADB	26,113,976	27,098,019
AfD - Credit No. 1121 01F	-	8,425,878
AfD - Credit No. 1174 01P	134,040,320	145,661,453
AfD - Credit No. 1176 01S	337,702,165	337,198,657
AfD - Credit No. 1244 01M	445,186,289	411,982,858
AfD - Credit No. 1273 01P	222,931,545	72,043,646
EIB	387,158,846	399,225,798
	<u>1,581,209,983</u>	<u>1,430,619,382</u>

15. BORROWINGS (continued)

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) MoEF – JICA

With reference to the subsidiary loan agreement dated 18 May 2010, the PPWSA was provided with a term loan in a maximum amount of JPY3,513,000,000 from MoEF.

The purpose of the loan is to finance the design and construction of the water treatment plant and transmission in Niroth (Sub-package B).

The annual interest is 0.66% (2024: 0.66%) per annum.

The loan shall be repaid in 24 equal half-yearly instalments commencing on 20 September 2014 and ending on 20 March 2026. All transactions are carried out in US\$, both withdrawals and repayments.

On 15 March 2019, pursuant to the amendment to the Subsidiary Loan Agreement No. CP-P9 (MoEF – JICA), the loan shall be dominated in Japanese Yen (“JPY”) and PPWSA shall repay the principal and interest of the loan in local currency at the exchange rate which MoEF pays to JICA. The annual interest rate was adjusted from 7.50% to 0.66% per annum. The loan maturity was extended from 12 years to 40 years, which is ending on 20 March 2049.

(c) MoEF – ADB

With reference to the subsidiary loan agreement dated 5 May 1997, the PPWSA was provided with a term loan in a maximum amount of KHR38,299,937,500 (SDR9,605,000) from MoEF.

The purpose of the loan is to finance the Provincial and Peri-urban Water and Sanitation Project.

The annual interest is 1.65% (2024: 1.65%) per annum.

The loan shall be repaid in semi-annual instalments on 15 January and 15 July of each year, commencing from 2012. The foreign exchange risk resulting from any fluctuations between the value of the currency of the loan (SDR) and the currency used for repayment by the PPWSA (KHR) shall be borne in full by the MoEF. The exchange rate (KHR/SDR) is fixed at the contract date.

On 15 March 2019, pursuant to the amendment to the Subsidiary Loan Agreement No.1468 - CAM (MoEF – ADB), the loan shall be dominated in Special Drawing Right (“SDR”) and PPWSA shall repay the principal and interest of the loan in local currency at the exchange rate which MoEF pays to ADB. The annual interest rate was adjusted from 6.50% to 1.65% per annum. The loan shall be repaid in semi-annual instalments on 1 April and 1 October of each year, commencing from 2019.

15. BORROWINGS (continued)

(d) AfD – Credit No. 1121 01F

With reference to the credit facility agreement No.CKH 1121 01F dated 11 March 2013, the PPWSA was provided with a credit facility in a maximum amount of EUR30,000,000 from AfD.

The purpose of the credit facility is to finance the construction of the second tranche of the water production facility in Niroth and for the extension and optimisation of the Phnom Penh transmission and distribution system.

The annual interest is EURIBOR six-month rate minus 0.59%, capped at 5.19% per annum and with a minimum of 0.25% per annum.

The credit facility shall be repaid in 24 equally half-yearly including a grace period of four years. It is repayable commencing from March 2018. All transactions are carried out in EUR, both withdrawals and repayments.

(e) AfD – Credit No. 1174 01P

With reference to the credit facility agreement No.CKH 1174 01P dated 27 December 2016, the PPWSA was provided with a credit facility in a maximum amount of US\$47,100,000, which is equivalent to EUR30,000,000 from AfD.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Chamkar Mon water treatment plant and the extension of the transmission and distribution networks.

The effective global rate (tax effective global) applicable to the facility may be valued at an annual rate of 1.16% on the basis of a 365 days and an interest period of 6 months, capped at 1.14% per annum plus 0.65%, which is charged by MoEF and with a minimum of 0.25% per annum.

The credit facility shall be repaid in 26 equal semi-annual instalments including a grace period of seven years. It is repayable commencing from January 2025. All transactions are carried out in US\$, both withdrawals and repayments.

(f) AfD – Credit No. 1176 01S

With reference to the credit facility agreement No.CKH 1176 01PS dated 31 December 2018, the PPWSA was provided with a credit facility in a maximum amount of US\$85,000,000, which is equivalent to EUR77,300,000 from AfD.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Bakheng water treatment plant and the extension of the transmission and distribution networks.

15. BORROWINGS (continued)

(f) AfD – Credit No. 1176 01S (continued)

The annual interest rate is based on the Fixed Reference Rate, adjusted for fluctuations in the Index Rate between the Signing Date and the Rate Setting Date, as specified in the loan agreement. For the drawdown on 23 December 2019, the Fixed Reference Rate was 1.22% per annum. The Index Rate at the Signing Date was 0.68% per annum, while the Index Rate on the Rate Setting Date (18 December 2019) was 0.01% per annum. This resulted in a downward adjustment of 0.67%, leading to an applicable fixed interest rate of 0.55% per annum. In accordance with the subsidiary credit agreement between the MoEF and the PPWSA, an additional charge of 0.35% per annum is applied by MoEF to PPWSA on the disbursed loan balance. Interest is payable semi-annually on 15 June and 15 December each year, based on the outstanding principal, and the number of days in the interest period is 360 days per year.

The credit facility shall be repaid in 26 equal semi-annual instalments including a grace period of seven years. It is repayable commencing from 15 May 2026 and ending on 15 November 2038. All transactions are carried out in US\$, both withdrawals and repayments.

(g) AfD – Credit No. 1244 01M

With reference to the credit facility agreement No. CKH 1244 01M dated 14 November 2020, the PPWSA was provided with a credit facility in a maximum amount of US\$101,400,000, which is equivalent to EUR100,000,000 from AfD.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Bakheng Phase 2 water treatment plant and the extension of the transmission and distribution networks.

The annual interest rate is based on the Fixed Reference Rate adjusted for fluctuations in the Index Rate from the Signing Date to the Rate Setting Date. For the drawdown on 8 November 2021, the Fixed Reference Rate was 0.48% per annum and the Index Rate was 0.08% per annum, resulting in an applicable fixed interest rate of 0.55% per annum. In accordance with the subsidiary credit agreement between the MoEF and the PPWSA, an additional charge of 0.35% per annum is applied by the MoEF to PPWSA on the disbursed loan balance. Interest is payable semi-annually on 15 June and 15 December each year, based on the outstanding principal, and the number of days in the interest period is 360 days per year.

The principal shall be repaid in 26 equal semi-annual instalments including a grace period of seven years. It is repayable commencing from 15 May 2027 and ending on 15 November 2039. All transactions are carried out in US\$, both withdrawals and repayments.

Commitment fees are payable to the MoEF under the Credit Facility Agreement and are charged only on the undisbursed portion of the loan. These fees begin to apply from the second year after the signing of the agreement, at a rate of 0.25% per annum. From the third year onward, the rate increases to 0.35% per annum. The fee is calculated on a daily basis based on the undisbursed loan balance and is payable on specified dates. For the purposes of this calculation, the undisbursed balance includes any amounts requested but not yet made available by the lender.

15. BORROWINGS (continued)

(h) AfD – Credit No. 1273 01P

With reference to the credit facility agreement No. CKH 1273 01P dated 29 December 2023, the PPWSA was provided with a credit facility in a maximum amount of EUR200,000,000 from AfD.

This credit facility consists of two components which are Tranche A and Tranche B. Tranche A represents up to seventy percent (70%) of the total credit amount in Euro and Tranche B represents up to thirty percent (30%) of the total credit amount in Euro.

Amounts under each approved credit facility may be disbursed to the PPWSA in one or several drawdowns during the applicable availability period, subject to a maximum of thirty (30) drawdowns per credit. For each credit, Tranche A must be fully drawn before any drawdown of Tranche B may occur. The minimum amount of each drawdown is set at EUR300,000 for Tranche A, or the remaining available balance if less than this amount. For Tranche B, if the borrower selects a floating interest rate, the minimum drawdown is also EUR300,000, or the remaining available balance if lower. If the PPWSA opts for a fixed interest rate under Tranche B, the minimum drawdown increases to EUR3,000,000, or the available balance if lower. These conditions are stipulated in accordance with the credit facility agreement terms.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Bakheng Phase 3 water treatment plant and the extension of the transmission and distribution networks.

The indicative interest rate applicable to Tranche A is 1.10% per annum, while the indicative interest rate for Tranche B is 1.00% per annum. These rates are subject to final confirmation and may vary at the time of rate setting.

The credit facility shall be repaid in 26 equal semi-annual instalments including a grace period of seven years. All transactions are carried out in US\$, both withdrawals and repayments.

(i) European Investment Bank (“EIB”)

With reference to the finance contract dated 18 December 2018 and 18 June 2019 between the Government of the Kingdom of Cambodia (“RGC”) (represented by the Ministry of Economic and Finance) with the European Investment Bank (“EIB”) and the onlending agreement dated 7 November 2019 between the RGC and the PPWSA, the PPWSA was provided a loan with an aggregate amount not exceeding US\$100,000,000.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Bakheng water treatment plant and the extension of the transmission and distribution networks.

The EIB loan comprises six principal amounts as follows:

- (i) The PPWSA was provided with a credit facility with a maximum amount of US\$10,000,000, which is equivalent to EUR8,428,150 from EIB under the contract number FIN.91016 Tranche 1, with a Scheduled Disbursement Date on 7 December 2020. The loan bears a fixed interest rate of 0.258% per annum. The principal is to be repaid in equal semi-annual instalments starting from the first repayment date on 15 December 2025 and ending on the final repayment date of 15 June 2045. All transactions are carried out in US\$, both withdrawals and repayments.

15. BORROWINGS (continued)

(i) European Investment Bank (“EIB”) (continued)

The EIB loan comprises six principal amounts as follows: (continued)

- (ii) The PPWSA was provided with a credit facility with a maximum amount of US\$22,400,000, which is equivalent to EUR19,045,999 from EIB under the contract number FIN.91016 Tranche 2, with a Scheduled Disbursement Date on 7 September 2021. The loan bears a fixed interest rate of 0.485% per. The principal is to be repaid in equal semi-annual instalments starting from the first repayment date on 15 December 2026 and ending on the final repayment date of 15 June 2046. All transactions are carried out in US\$, both withdrawals and repayments.
- (iii) The PPWSA was provided with a credit facility with a maximum amount of US\$13,000,000 from EIB under the contract number FIN.91016 Tranche 3, with a Scheduled Disbursement Date of 16 September 2022. The loan carries a floating interest rate based on the 6-month LIBOR plus a spread of 39.4 basis points (“bps”), resulting in a period rate of 2.09% for each six-month period. The effective global rate (tax effective global), inclusive of applicable charges, is 4.18% per annum, calculated on the basis of a 360-day year and a semi-annual interest period. Repayment of principal will be made in equal semi-annual instalments, beginning on the first repayment date of 15 December 2027 and ending on the final repayment date of 15 June 2047. All transactions are carried out in US\$, both withdrawals and repayments.
- (iv) The PPWSA was provided with a credit facility with a maximum amount of US\$14,600,000 from EIB under the contract number FIN.91016 Tranche 4, with a Scheduled Disbursement Date of 18 January 2023. The loan carries a floating interest rate based on the 6-month LIBOR plus a spread of 32.1 basis points (“bps”), resulting in a period rate of 2.09% for each six-month period. The effective global rate (tax effective global), inclusive of applicable charges, is 4.99% per annum, calculated on the basis of a 360-day year and a semi-annual interest period. Repayment of principal will be made in equal semi-annual instalments, beginning on the first repayment date of 15 June 2028 and ending on the final repayment date of 15 December 2047. All transactions are carried out in US\$, both withdrawals and repayments.
- (v) The PPWSA was provided with a credit facility with a maximum amount of US\$26,000,000, which is equivalent to EUR23,840,088 from EIB under the contract number FIN.89008 Tranche 1, with a Scheduled Disbursement Date of 16 April 2020. The loan bears a fixed interest rate of 0.615% per annum. The principal is to be repaid in equal semi-annual instalments starting from the first repayment date on 15 June 2025 and ending on the last repayment date on 15 December 2044. All transactions are carried out in EUR, both withdrawals and repayments.
- (vi) The PPWSA was provided with a credit facility with a maximum amount of US\$14,000,000, which is equivalent to EUR11,799,410 from EIB under the contract number FIN. 89008 Tranche 2, with a Scheduled Disbursement Date of 7 December 2020. The loan bears a fixed interest rate of 0.26% per annum. The principal is to be repaid in equal semi-annual instalments starting from the first repayment date on 15 December 2025 and ending on the last repayment date on 15 June 2045. All transactions are carried out in US\$, both withdrawals and repayments.

15. BORROWINGS (continued)

(i) European Investment Bank (“EIB”) (continued)

The applicable interest rate on the outstanding balance of each tranche is the fixed or floating rate charged by the EIB to the MoEF under the Finance Contracts, plus an additional 0.35% per annum charged by MoEF to PPWSA. Interest shall accrue from the date of disbursement and calculate based on a 360-days year by using either a fixed rate method (30-day months) or a floating rate method (actual days elapsed). Interest is payable semi-annually on 15 June and 15 December each year.

The principal shall be repaid in equal semi-annual instalments on these same dates, with the first repayment date occurring no earlier than 30 days and no later than five years from the Scheduled Disbursement Date and the final repayment occurring not earlier than 4 years and no later than 25 years from the Scheduled Disbursement Date. All repayments of principal, interest and other charges must be made to MoEF in the currency of the disbursed tranche.

(j) Fair values of the borrowings of the PPWSA are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

Valuation techniques used and key inputs to valuation on the borrowing measured at level 3 are described below:

Financial liability	Valuation technique used	Significant unobservable input	Inter-relationship between key unobservable inputs and fair value
Borrowings	Discounted cash flow method	Discount rate	The higher the discount rate, the lower the fair value of the financial liabilities would be

(k) Borrowings that are not carried at fair values and whose carrying amounts do not approximate of fair values are as follows:

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	KHR’000	KHR’000	KHR’000	KHR’000
Fixed rate loans	<u>1,473,743,374</u>	<u>861,893,111</u>	<u>1,325,202,151</u>	<u>1,230,749,415</u>

Fair values of the borrowings are estimated by discounting future contracted cash flows at the current market interest rate available to the PPWSA for similar financial instruments.

(l) The carrying amount of borrowings are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

15. BORROWINGS (continued)

- (m) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the PPWSA that are exposed to interest rate risk:

31 December 2025	Weighted average effective interest rate per annum %	Within	1 - 2	2 - 5	More than	Total
		1 year	years	years	5 years	
		KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
Fixed rates	1.03	1,158,455,759	18,080,482	54,241,446	242,965,685	1,473,743,372
Floating rates	5.39	-	1,304,225	16,119,992	90,042,394	107,466,611
31 December 2024						
Fixed rates	0.99	986,892,283	15,743,879	54,030,435	268,535,554	1,325,202,151
Floating rates	6.44	-	-	11,849,848	93,567,383	105,417,231

- (n) The table below summarises the maturity profile of the borrowings of the PPWSA at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

31 December 2025	On demand	One to five	Over five	Total
	or within one	years	years	
	year			KHR'000
	KHR'000	KHR'000	KHR'000	KHR'000
Borrowings	1,259,260,578	98,030,867	347,275,872	1,704,567,317
31 December 2024				
Borrowings	1,058,173,893	91,671,186	379,859,786	1,529,704,865

- (o) The currency exposure profile of borrowings is as follows:

	2025	2024
	KHR'000	KHR'000
United States Dollar	1,527,019,165	1,366,112,412
Euro	-	8,425,878
Special Drawing Right	26,113,976	27,098,019
Japanese Yen	28,076,842	28,983,073
	<u>1,581,209,983</u>	<u>1,430,619,382</u>

15. BORROWINGS (continued)

(p) Breach of loan covenants

The non-current borrowings of the PPWSA from the AFD, which bear interest ranging from 0.25% to 6.09% per annum (2024: 0.25% to 6.09%) are repayable over terms ranging from 1 to 24 years (2024: 1 to 25 years). These borrowings are subject to covenants, including a maximum leverage threshold, which if breached, may result in the suspension or cancellation of undrawn amounts and render the outstanding loan balance repayable on demand at the discretion of the MoEF and/or AFD.

As at 31 December 2025 and 31 December 2024, the PPWSA exceeded the maximum leverage covenant. The PPWSA has received the waivers from the AFD which is dated on 25 March 2026 (2024: 28 May 2025). Accordingly, the borrowings have been classified as current as at those reporting dates. The PPWSA continues to monitor its compliance with covenant terms and maintain active communication with the relevant lenders to manage any potential breaches.

16. DEFERRED GOVERNMENT AND OTHER GRANTS

	EU Government grant KHR'000	Government grant KHR'000	JICA grant KHR'000	Other grant KHR'000	Total KHR'000
Balance as at 1.1.2024	54,436,199	14,496,321	3,838,433	1,391,793	74,162,746
Addition	-	-	-	473,123	473,123
Amortisation	-	(1,853,006)	(132,507)	(24,395)	(2,009,908)
Balance as at 31.12.2024	54,436,199	12,643,315	3,705,926	1,840,521	72,625,961
Balance as at 1.1.2025	54,436,199	12,643,315	3,705,926	1,840,521	72,625,961
Addition	-	-	-	2,121,959	2,121,959
Amortisation	-	(1,853,006)	(132,507)	(24,167)	(2,009,680)
Balance as at 31.12.2025	54,436,199	10,790,309	3,573,419	3,938,313	72,738,240

Amortisation of deferred government and other grants is recognised as other income in the statement of profit or loss and other comprehensive income.

(a) EU grant

EU grants represent grant for purchase of materials for Bakheng Water Supply Project C amounted to EUR12,700,000 in the form of an investment grant made available through the general budget of the European Union ("EU").

(b) Government Grant

The government grant represents the gain arising from a favourable differences in rates used for a fixed conversion (KHR/SDR) under the Subsidy Loan Agreement between the MoEF and the PPWSA on 5 May 1997 at the sum of SDR9,695,000 from the ADB. The PPWSA has decided to keep the gain on the PPWSA's books as a grant (no refund requirement on the gain) and the gain is to be amortised using the same policy as other deferred grants.

(c) JICA grants

JICA grants represent the project for introduction of clean energy by solar electricity generation system.

16. DEFERRED GOVERNMENT AND OTHER GRANTS (continued)

(c) JICA grants (continued)

The additional grants represent amount received from the general budget of the Japanese Government amounting to USD1,494,624 or equivalent to KHR6,157,800,000. The purpose of the grant is to fund the Boeng Thum Water Production Project to improve the water supply service in the South-Western part of Phnom Penh City.

(d) Other grants

Other grants represent donations of property, plant and equipment from the Association International des Maires Francophones (“AIMF”), KUBOTA Construction Co., Ltd and Korean Government.

The additional grants represent amount received from the KUBOTA Construction Co., Ltd amounting to USD2,252,586 or equivalent to KHR2,121,958,286.

17. DEFERRED TAX LIABILITIES

The components and movements of deferred tax (liabilities)/assets are as follows:

	At 1.1.2025 KHR'000	Recognised in profit or loss (Note 27) KHR'000	At 31.12.2025 KHR'000
Property, plant and equipment	(94,204,162)	(8,077,634)	(102,281,796)
Accrual income	(7,517,238)	590,026	(6,927,212)
Allowance for inventory obsolescence	705,135	(698,196)	6,939
Allowance for doubtful debts	10,081	-	10,081
Staff benefits	53,285	-	53,285
Unearned revenue	(6,205,487)	(1,216,679)	(7,422,166)
Unrealised exchange	2,011,525	973	2,012,498
	<u>(105,146,861)</u>	<u>(9,401,510)</u>	<u>(114,548,371)</u>

	At 1.1.2024 KHR'000	Recognised in profit or loss (Note 27) KHR'000	At 31.12.2024 KHR'000
Property, plant and equipment	(87,006,229)	(7,197,933)	(94,204,162)
Accrual income	(7,725,695)	208,457	(7,517,238)
Allowance for inventory obsolescence	850,828	(145,693)	705,135
Allowance for doubtful debts	10,081	-	10,081
Staff benefits	53,285	-	53,285
Unearned revenue	(943,870)	(5,261,617)	(6,205,487)
Unrealised exchange	2,767,279	(755,754)	2,011,525
	<u>(91,994,321)</u>	<u>(13,152,540)</u>	<u>(105,146,861)</u>

18. TRADE AND OTHER PAYABLES

	2025	2024
	KHR'000	KHR'000
Other payables - non-current		
Refundable water deposits	<u>96,588,949</u>	<u>88,950,566</u>
Trade payables - current		
Third parties	<u>28,708,785</u>	<u>126,157,814</u>
Other payables - current		
Accrued staff incentive	13,384,762	11,950,764
Amount due to Phnom Penh Municipality	49,822,396	64,642,768
Amount due to employees	726,651	731,516
Performance guarantee	67,279	67,292
Other tax payable	1,457,406	75,184
Other payables	<u>13,100,872</u>	<u>9,598,887</u>
	<u>78,559,366</u>	<u>87,066,411</u>
	<u>107,268,151</u>	<u>213,224,225</u>
	<u>203,857,100</u>	<u>302,174,791</u>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the PPWSA range from one to three months (2024: one to three months).
- (c) Refundable water deposits are collected from customers based on the size of the water meter prior to connection and are recorded at the received amount as refundable water deposits under non-current liabilities.
- (d) Amount due to employees represents the amount to be distributed to the employees as full settlement arising from the termination of the PPWSA's pension scheme effective on 31 December 2019.

On 21 September 2018, the Ministry of Labour and Vocational Training ("MoLVT") issued the Prakas No. 443 on the Seniority Payment Indemnity, and subsequently amended by the Instruction No. 042/19 dated 22 March 2019. It required all employers, other than textile and garment sectors, to settle the seniority indemnity to their employee as follows:

- Current pay: starting from 2019 onwards at the amounts equal to 15 days of wages and other benefits per year.
- Retrospective (back-pay): starting from end 2022 onwards at the amounts equal to 6 days of net wage per year. The provision of back-pay seniority indemnity is calculated at a maximum amount of 6-months net wages (depends on the length of the service employee served) to the employee who has seniority before 2019.

The seniority indemnity payments are made twice a year, in June and December. Employees who resign before their indemnity is due will forfeit the remaining back-pay seniority indemnity.

18. TRADE AND OTHER PAYABLES (continued)

- (d) Under Prakas No. 018/20 issued on 2 June 2020, MoLVT delayed the issuance of seniority indemnity back-pay for periods before 2019 and postponed the seniority payments for 2020. These payments were rescheduled to be issued in 2021.

This back-pay indemnity for employees with seniority before 2019 is offset by the loan to employees (as disclosed in note 10 to the financial statement), where outstanding amounts are managed and settled in accordance with the pension scheme termination and seniority indemnity requirements.

Below is the movement of the amount due to employees:

	2025 KHR'000	2024 KHR'000
At 1 January	731,516	4,510,286
Provision during the year	3,874,289	4,451,191
Settlement of seniority with loan to employees	(76,311)	(3,760,568)
Payment made during the year	<u>(3,802,843)</u>	<u>(4,469,393)</u>
At 31 December	<u>726,651</u>	<u>731,516</u>

- (e) The currency exposure profile of trade and other payables is as follows:

	2025 KHR'000	2024 KHR'000
Khmer Riel	193,464,609	138,028,099
United States Dollar	10,235,960	149,328,936
Euro	<u>156,531</u>	<u>14,817,756</u>
	<u>203,857,100</u>	<u>302,174,791</u>

- (f) The table below summarises the maturity profile of the trade and other payables of the PPWSA at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one year KHR'000	One to five years KHR'000	Over five years KHR'000	Total KHR'000
31 December 2025				
Trade and other payables	<u>135,976,936</u>	-	96,588,949	<u>203,857,100</u>
31 December 2024				
Trade and other payables	<u>213,224,225</u>	-	88,950,566	<u>302,174,791</u>

19. SALES

	2025	2024
	KHR'000	KHR'000
Water sales:		
- households	107,443,679	110,620,320
- commercial	163,590,613	160,128,367
- public administration institution	21,425,784	22,123,978
- autonomous state authorities	1,072,722	930,292
- wholesalers	9,580,048	9,910,587
Rounding difference on water sales revenue	74,089	74,359
Less: Invoice cancellations	<u>(529,859)</u>	<u>(1,614,980)</u>
	302,657,076	302,172,923
Water connection revenue	8,824,066	10,836,343
Water meter replacement charges	4,861,666	4,625,106
Spare parts and meter sales	<u>372,450</u>	<u>144,624</u>
	<u>316,715,258</u>	<u>317,778,996</u>

(a) Sale of water

Revenue from sale of water is recognised at a point in time when the water has been supplied by the PPWSA and consumed by the customers.

(b) Water connection revenue

Revenue from water connection revenue is recognised at a point in time when the water connection is completed.

(c) Water meter replacement charge

Revenue from water meter replacement is recognised at a point in time based on an amount of KHR50 per 1mm of water meter is charged each month during the billing cycle.

20. CONSTRUCTION SERVICE FEES

Construction service fees represent fees from construction service provided in relation to the expansion of the water distribution system to a water supply distributor in the provinces.

Revenue from construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the PPWSA would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the PPWSA does not create an asset with an alternative use to the PPWSA and the PPWSA has an enforceable right to payment for performance completed to date.

20. CONSTRUCTION SERVICE FEES (continued)

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining performance obligations, transaction price allocation and costs in applying the input method to recognise revenue over time.

The PPWSA identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The PPWSA also estimated total contract costs in applying the input method to recognise revenue over time.

21. OTHER INCOME

	2025	2024
	KHR'000	KHR'000
Government and other grants	2,009,680	2,009,908
Spare parts and meter sales	14,360,456	10,827,272
Penalty revenue	361,253	1,666,418
Other revenue	21,794,356	4,023,072
	<u>38,525,745</u>	<u>18,526,670</u>

22. SALARY, WAGES AND RELATED EXPENSES

	2025	2024
	KHR'000	KHR'000
Employee salaries	43,747,625	43,164,538
Incentives	13,942,078	12,521,512
Bonuses	11,635,711	11,437,559
Seniority payment	1,042,991	1,078,624
Wages for contractors	2,170,525	2,203,329
Other employee-related expenses	11,246,257	15,146,948
	<u>83,785,187</u>	<u>85,552,510</u>

23. RAW MATERIALS FOR WATER TREATMENT

	2025	2024
	KHR'000	KHR'000
Chlorine	5,527,709	5,615,471
Poly Aluminium Chloride	8,024,232	9,291,267
Salt	1,497,178	1,235,577
Lime	1,869,537	2,101,685
Other materials	591,998	732,590
	<u>17,510,654</u>	<u>18,976,590</u>

24. RAW MATERIALS FOR HOUSEHOLD WATER CONNECTIONS

	2025	2024
	KHR'000	KHR'000
Consumer water meter replacement	7,676,275	5,684,590
Pipe costs	12,174	14,847
Other costs	1,552,364	593,840
	<u>9,240,813</u>	<u>6,293,277</u>

25. FOREIGN EXCHANGE (GAIN)/LOSS – NET

	2025	2024
	KHR'000	KHR'000
Foreign exchange gain	(6,064,165)	(7,675,139)
Foreign exchange losses	4,189,637	9,871,260
	<u>(1,874,528)</u>	<u>2,196,121</u>

26. FINANCE INCOME/(COSTS)

	2025	2024
	KHR'000	KHR'000
Finance income:		
- Interest income on bank deposits (a)	4,310,989	6,613,494
- Foreign exchange gain on borrowings	10,920,913	50,555,893
	<u>15,231,902</u>	<u>57,169,387</u>
Finance costs:		
- Interest expense on borrowing (b)	(20,855,138)	(19,399,041)
- Foreign exchange loss on borrowings	(8,556,896)	(24,580,451)
- Interest capitalised on qualifying assets	2,332,915	4,978,016
	<u>(27,079,119)</u>	<u>(39,001,476)</u>
Finance (cost)/income - net	<u>(11,847,217)</u>	<u>18,167,911</u>

(a) Interest income represents interest earned from savings and deposit accounts held at local banks during the period.

(b) Interest expense represents the interest charges on the loan obtained from AfD and the subsidiary loans obtained from the MoEF, which are funded through loans obtained from the ADB, EIB and JICA.

27. TAX EXPENSE

	2025 KHR'000	2024 KHR'000
Income tax expense:		
Current year	<u>14,482,999</u>	<u>8,978,908</u>
Deferred tax expense (Note 17):		
Origination and reversal of temporary differences	<u>9,401,510</u>	<u>13,152,540</u>
Total tax expense	<u>23,884,509</u>	<u>22,131,448</u>

Under the Cambodian Law on Taxation, the PPWSA has an obligation to pay tax on profit at 20% (2024: 20%) of the taxable profit or a minimum tax at 1% (2024: 1%) of total revenue, whichever is higher.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the PPWSA is as follows:

	2025 KHR'000	2024 KHR'000
Profit before tax	<u>118,864,631</u>	<u>107,174,361</u>
Tax at Cambodian statutory tax rate of 20%	23,772,926	21,434,872
Tax effects in respect of:		
Non-allowable expenses	<u>111,583</u>	<u>696,576</u>
Total tax expense	<u>23,884,509</u>	<u>22,131,448</u>

28. EARNINGS PER SHARE

(a) Basis earnings per share

Basis earnings per share are calculated by dividing the profit attributable to equity holders of the PPWSA by the weighted average of ordinary shares in issue during the year.

	2025 KHR'000	2024 KHR'000
Profit attributable to ordinary equity holders	94,980,122	85,042,913
Weighted average number of ordinary shares in issue	<u>86,973,162</u>	<u>86,973,162</u>
Basic earnings per share	1,092.06	977.81
Diluted earnings per share	<u>1,092.06</u>	<u>977.81</u>

(b) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The PPWSA had no dilutive potential ordinary shares as at the period end. As such, the diluted earnings per share were equivalent to the basic earnings per share.

29. DIVIDEND

	2025		2024	
	Dividend per share KHR	Amount of dividend KHR'000	Dividend per share KHR	Amount of dividend KHR'000
First and final dividend declared	<u>350</u>	<u>4,566,091</u>	<u>350</u>	<u>4,566,091</u>

On 29 May 2025, the Board of Directors proposed and approved the dividend in respect of the financial year ended 31 December 2024 of KHR350 per share, amounting to a total dividend of KHR4,566,091,350.

30. RELATED PARTY DISCLOSURES

- (a) Parties are considered related to the PPWSA if the PPWSA has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the PPWSA and the party are subject to common control or common significant influence. Related parties can be individuals or other parties.

Key management personnel comprises persons (including the Directors of the PPWSA) having the authority and responsibility for planning, directing and controlling the activities of the PPWSA directly and indirectly.

- (b) The PPWSA had the following transactions with related parties during the financial year.

	2025 KHR'000	2024 KHR'000
<u>Common control</u>		
MoEF		
Interest on borrowings paid	<u>20,774,770</u>	<u>19,396,655</u>

Balances with related parties at the end of the reporting period are disclosed in Note 15 to the financial statements.

The related party transactions described above were carried out on negotiated commercial terms.

- (c) Key management compensation during the financial year is as follows:

	2025 KHR'000	2024 KHR'000
Salaries and other expenses	<u>3,015,963</u>	<u>2,458,422</u>

31. CAPITAL COMMITMENTS

At the end of the current financial year, the PPWSA has commitment on capital expenditure in respect of:

	2025 KHR'000	2024 KHR'000
Construction of water treatment plant	356,219,567	283,057,881
Consultation services	3,363,303	2,669,794
Purchase of iron pipes, fitting and accessories	<u>1,186,420</u>	<u>1,054,176</u>
	<u>360,769,290</u>	<u>286,781,851</u>

32. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the PPWSA's capital management is to ensure that the PPWSA would be able to continue as a going concern whilst maximising the return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the PPWSA remains unchanged from that in the previous financial year.

The PPWSA manages its capital structure and makes adjustments to it, in response to changes in economic conditions. In order to maintain or adjust the capital structure, the PPWSA may adjust the dividend payment to shareholders, return capital to its shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

The PPWSA monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements.

(b) Financial risk management

The financial risk management objective of the PPWSA is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from volatility of the financial markets.

The Directors are responsible for setting the objectives and underlying principles of financial risk management for the PPWSA. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits in accordance with the objectives and underlying principles approved by the Directors.

The PPWSA is exposed mainly to foreign currency risk, interest rate risk, credit risk and liquidity and cash flow risk. Information on the management of the related exposures is detailed below:

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates. PPWSA's exposure to the risk of changes in foreign exchange rates relates primarily to PPWSA's operating activities (when cash and cash equivalents, short-term investments, purchases and borrowings that are denominated in a foreign currency)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Foreign currency risk (continued)

PPWSA's unhedged financial assets and liabilities that are not denominated in its functional currency are as follows:

	2025	2024
	KHR'000	KHR'000
<u>Short-term investments</u>		
United States Dollar	66,661,827	64,961,360
<u>Cash and bank balances</u>		
United States Dollar	2,132,985	1,373,287
<u>Trade and other receivables</u>		
United States Dollar	1,011,086	11,557,771
<u>Contract assets</u>		
United States Dollar	-	4,398,564
<u>Contract liabilities</u>		
United States Dollar	-	3,520,395
<u>Borrowings</u>		
United States Dollar	1,527,019,165	1,366,112,412
Euro	-	8,425,878
Special Drawing Right	26,113,976	27,098,019
Japanese Yen	28,076,842	28,983,073
<u>Trade and other payables</u>		
United States Dollar	10,235,960	149,328,936
Euro	<u>156,531</u>	<u>14,817,756</u>

The following table demonstrates the sensitivity analysis of the PPWSA to a reasonably possible change in the US\$, EUR, SDR and JPY exchange rates against the functional currency of the PPWSA, with other variables held constant:

	2025	2024
	KHR'000	KHR'000
Profit after tax		
US\$/KHR - strengthen by 3% (2024: 3%)	(35,015,617)	(31,194,666)
- weaken by 3% (2024: 3%)	35,015,617	31,194,666
EUR/KHR - strengthen by 3% (2024: 3%)	(3,757)	(202,221)
- weaken by 3% (2024: 3%)	3,757	202,221
SDR/KHR - strengthen by 3% (2024: 3%)	(626,735)	(650,352)
- weaken by 3% (2024: 3%)	626,735	650,352
JPY/KHR - strengthen by 3% (2024: 3%)	(673,844)	(695,594)
- weaken by 3% (2024: 3%)	<u>673,844</u>	<u>695,594</u>

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the PPWSA would fluctuate because of changes in market interest rates.

The exposure of the PPWSA to interest rate risk arises primarily from loans and borrowings. The PPWSA manages its interest rate exposure by closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. The PPWSA does not use derivative financial instruments to hedge any debt obligations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the PPWSA if interest rates at the end of reporting period changed by 10 basis points with all other variables held constant:

	2025 KHR'000	2024 KHR'000
Profit after tax		
- Increased by 0.1% (2024: 0.1%)	(1,109,284)	(181,686)
- Decreased by 0.1% (2024: 0.1%)	<u>1,109,284</u>	<u>181,686</u>

The sensitivity is higher in 2025 than in 2024 because of lower interest capitalised during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

(iii) Credit risk

Credit risk is the risk of financial loss to the PPWSA if a counter party to a financial instrument fails to perform as contracted. The PPWSA is mainly exposed to credit risk from credit sales. It is the PPWSA's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the PPWSA is exposed to minimal credit risk.

The PPWSA's primary exposure to credit risk arises through its trade receivables from its customers. The PPWSA controls the credit risk on sales by ensuring that its customers have sound financial position and credit history.

The PPWSA determines a financial asset to be in default when contractual payments are past due and when internal or external information indicates that financial asset is not recoverable. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

To manage the risk on trade receivables, the PPWSA requires a deposit before the water meter connection is made. No deposit is required for government departments as the PPWSA believes that it can collect from those departments through the MoEF (the source of finance for those departments), which is the PPWSA's financial supervisor and shareholder.

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iii) Credit risk (continued)

A deposit deduction policy is applied to customers who have not settled their debts in accordance with credit terms and conditions.

To minimise credit risk on cash at banks and short-term investments (bank fixed deposits), the PPWSA has diversified its deposits with different banks using a few large and well-known local banks operating in Cambodia.

Exposure to credit risk and credit risk concentration profile

The maximum exposure to credit risk for the PPWSA is represented by the carrying amounts of each financial asset.

At the end of the reporting period, approximately:

- (i) 12% (2024: 11%) of the PPWSA's trade receivables were due from household customers.
- (ii) 13% (2024: 17%) of the PPWSA's trade receivables were due from commercial customers.
- (iii) 63% (2024: 71%) of the PPWSA's trade receivables were due from public administrative customers.

The PPWSA do not anticipate the carrying amounts recorded at the end of each reporting period to be significantly different from the values that would eventually be received.

(iv) Liquidity and cash flow risk

Liquidity and cash flow risk arises from the PPWSA's management of working capital. It is the risk that the PPWSA will encounter difficulty in meeting its financial obligations when due.

The PPWSA actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the PPWSA maintains a level of cash and cash equivalents deemed adequate to finance the PPWSA's activities.

33. SEGMENT INFORMATION

The PPWSA treats water for supply to residents in Phnom Penh and surrounding areas. To support its water distribution business, it needs to provide water meter connection as a supporting service. Revenue from water meter connection (a supporting service for water sales) accounts for less than 3% (2024: 3%) of the total revenue, while water sales account for 97% (2024: 97%) of the total revenue of the PPWSA.

The PPWSA has one reportable segment, namely, water sales. The chief operating decision maker (the management team) reviews the internal management report, which reports the performance of the water sales segment as a whole, to assess performance and allocate resources. The chief operating decision-maker accesses the performance of the reportable segment by measuring gross revenue, profit before tax and net profit compared to prior periods.

34. TAXATION CONTINGENCIES

The taxation system in Cambodia is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 29 May 2025, the Board of Directors approved the transfer of retained earnings to reserves amounting to KHR80,476,821,750.
- (b) On 29 May 2025, the Board of Directors of PPWSA proposed and the shareholders subsequently approved, a dividend of KHR350 per share in respect of the financial year ended 31 December 2024. The total dividend declared amounting to KHR4,566,091,250. This approval was made following the conclusion of the reporting period and reflects PPWSA's financial performance and commitment to shareholder returns.
- (c) On 30 June 2025, the MoEF increased its capital contribution to PPWSA through the transfer of two plots of land. These plots are intended for the construction of the Mlech Water Treatment Plant in Kampot Province and the Boeng Thom Water Treatment Plant in Phnom Penh. The total value of the land granted amounting to KHR15,842,877,000. This capital increase was made without the issuance of additional shares in PPWSA.
- (d) On 5 July 2025, the MoEF issued an approval letter in response to the Board of Directors' request for the determination of the land price to be recognised as capital contribution to PPWSA.

36. ADOPTION OF NEW CIFRSs

36.1 New CIFRSs adopted during the current financial year

PPWSA adopted the following amendments during the financial year.

	Effective Date
Amendments to CIAS 21 <i>Lack of Exchangeability</i>	1 January 2025

Adoption of the above amendments did not have any material effect on the financial performance or position of the PPWSA.

36. ADOPTION OF NEW CIFRSs (continued)

36.1 New CIFRSs adopted during the current financial year (continued)

Amendments to CIAS 21 *Lack of Exchangeability*

CIAS 21 *Lack of Exchangeability* has been amended to:

- Specify when a currency is exchangeable into another currency and when it is not a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

These amendments had no effect on the financial statements of the PPWSA.

36.2 New CIFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

The following are amendments and accounting standards that have been issued but have not been early adopted by the PPWSA:

	Effective Date
Amendments to CIFRS 7 and CIFRS 9 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to CIFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to CIFRS 9 and CIFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
CIFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
CIFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to CIFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to CIAS 21 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to CIFRS 10 and CIAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The PPWSA is in the process of making an assessment of the potential impact from the adoption of these accounting standards and amendments hence the Directors are not yet in a position to conclude on the potential impact on the results and the financial position of the PPWSA.

36. ADOPTION OF NEW CIFRSs (continued)

36.2 New CIFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026 (continued)

The possible effects from the adoption of the above amendments and accounting standards are as follows:

Amendments to CIFRS 7 and CIFRS 9 *Classification and Measurement of Financial Instruments*

These amendments clarify:

- The requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled via an electronic transfer;
- The requirements for assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features; and
- Characteristics of non-recourse loans and contractually linked instruments.

These amendments also introduce additional disclosure requirements for equity instruments classified as FVOCI and for financial instruments with contingent features.

Annual Improvements to CIFRS Accounting Standards - Volume 11

The annual improvements address the following:

- Hedge accounting by a first-time adopter (Amendments to CIFRS 1 *First-time Adoption of International Financial Reporting Standards*);
- Disclosure of deferred difference between fair value and transaction price (Amendments to Guidance on implementing CIFRS 7);
- Gain or loss on derecognition (Amendments to CIFRS 7);
- Introduction and credit risk disclosures (Amendments to Guidance on implementing CIFRS 7);
- Derecognition of lease liabilities (Amendments to CIFRS 9);
- Transaction price (Amendments to CIFRS 9);
- Determination of a “De Facto Agent” (Amendments to CIFRS 10); and
- Cost method (Amendments to CIAS 7).

Amendments to CIFRS 9 and CIFRS 7 *Contracts Referencing Nature-dependent Electricity*

These amendments include:

- Clarifying the application of the “own-use” requirements;
- Permitting hedge accounting if these contracts are used as hedging instruments; and
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

CIFRS 18 will replace CIAS 1 *Presentation of Financial Statements* as the primary source of requirements in IFRS Accounting Standards for financial statement presentation.

The following is a summary of the most significant changes introduced by CIFRS 18:

- Required categories and sub-totals in the statement of profit or loss: items of income and expense will be classified into operating, financing, investing, income tax or discontinued operations categories. This classification will depend on a combination of an assessment of the entity’s main business activities and certain accounting policy choices;
- Required sub-totals in the statement of profit or loss: based on an entity’s application of the classification requirements as described in above, certain sub-totals will be required to be presented in financial statements, such as operating profit. The operating profit sub-total is now defined in CIFRS 18;
- Labelling, aggregation and disaggregation: expanded requirements for labelling, aggregation and disaggregation of information in financial statements;

36. ADOPTION OF NEW CIFRSs (continued)

36.2 New CIFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026 (continued)

The possible effects from the adoption of the above amendments and accounting standards are as follows: (continued)

CIFRS 18 *Presentation and Disclosures in Financial Statements* (continued)

The following is a summary of the most significant changes introduced by CIFRS 18: (continued)

- Narrow scope changes to the statement of cash flows: revised requirements for how the statement of cash flow will be presented, including the classification of interest and dividend cash flows; and
- Management-defined performance measures: the requirement for certain entities to include “management-defined performance measures” (i.e. alternative performance measures, “non-GAAP measures”, etc.) in their financial statement notes, with reconciliations to the nearest CIFRS-compliant sub-total. For example, “adjusted profit or loss” reconciled to profit or loss.

CIFRS 19 *Subsidiaries without Public Accountability: Disclosures*

CIFRS 19 allows eligible subsidiaries to apply CIFRS Accounting Standards with reduced disclosures.

A subsidiary may elect to apply CIFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date:

- It does not have public accountability; and
- Its parents produces consolidated financial statements that are available for public use under CIFRS Accounting Standards.

A subsidiary applying CIFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with CIFRS Accounting Standards that CIFRS 19 has been adopted.

Amendments to CIFRS 19 *Subsidiaries without Public Accountability: Disclosures*

The newly issued amendments to CIFRS 19 help eligible subsidiaries by reducing disclosure requirements for standards and amendments issued between February 2021 and May 2024, specifically:

- CIFRS 18 *Presentation and Disclosure in Financial Statements*;
- Amendments to CIAS 7 and CIFRS 7 *Supplier Finance Arrangements*;
- Amendments to CIAS 12 *International Tax Reform - Pillar Two Model Rules*;
- Amendments to CIAS 21 *Lack of Exchangeability*; and
- Amendments to CIFRS 7 and CIFRS 9 *Amendments to the Classification and Measurement of Financial Instruments*.

Amendments to CIAS 21 *Translation to a Hyperinflationary Presentation Currency*

These amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

Amendments to CIFRS 10 and CIAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

These amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

APPENDIX IV

**Result of Water Analysis from the
Boeung Thom Water Treatment Plant of PPWSA
TEST REPORT 7191357715-CHM25-TGB**

Test Report No. 7191357715-CHM25-TGB

Date: 01 AUG 2025

Email: na.pi@tuvsud.com

Client's Ref:

Note: This report is issued subject to the Testing, Certification, Validation and Verification Regulations (TCVVR) of the TÜV SÜD Group and the General Terms and Conditions of Business of TÜV SÜD PSB Pte Ltd. In addition, this report is governed by the terms set out within this report.



**Add value.
Inspire trust.**

SUBJECT

Analysis of Drinking Water Sample

CLIENT

Phnom Penh Water Supply Authority (PPWSA)
#45, Street 106, Phnom Penh 12202
Cambodia

Attention: Keo Heng

DATE OF SAMPLE SUBMISSION / TESTING

20 Jun / 20 Jun to 01 Aug 2025

DESCRIPTION OF SAMPLE

One water sample was received and labelled as "Drinking Water"



Laboratory:
TÜV SÜD PSB Pte. Ltd.
15 International Business Park
TÜV SÜD @ IBP
Singapore 609937

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TÜV SÜD Asia Pacific Pte. Ltd.
15 International Business Park
TÜV SÜD @ IBP
Singapore 609937
TUV®



METHOD OF TEST

1. APHA-AWWA-WEF 24th Edition 2022 - Standard Methods for the Examination of Water and Wastewater.
2. USEPA Method 508 Determination of Chlorinated Pesticides in Water by Gas Chromatography Electron Capture Detector (GC/ECD).
3. USEPA Method 515 Determination of Chlorinated Acids in Drinking Water by Liquid-Liquid Extraction, Derivatization, and GC/ECD.
4. EPA 8260D: Volatile Organic Compounds by Gas Chromatography Mass Spectrometry (GC/MS).
5. EPA 8270E: Semi-Volatile Organic Compounds by GC/MS.
6. USEPA Method 551.1 Determination of Chlorination Disinfection Byproducts, Chlorinated Solvents, and Halogenated Pesticides/Herbicides in Drinking Water by Liquid-Liquid Extraction and GC/ECD.
7. USEPA Method 552.2 Determination of Haloacetic Acids and Dalapon in Drinking Water by Liquid-Liquid Extraction, Derivatization and GC/ECD.
8. Determination of EDTA and NTA by Solid Phase Extraction, Derivatization and GC/MS.
9. Determination of Bromate by Derivatization and GC/MS.
10. Determination of Inorganic Anions in Drinking Water by Ion Chromatography (IC).

The below tests were sub-contracted to the partner laboratory:

11. NF EN ISO 10704 : 2019 Water quality - Gross Alpha and Gross Beta Activity.
12. Determination of Malathion by Liquid-Liquid Extraction and GC/MS.
13. High Performance Liquid Chromatography with Tandem Mass Spectrometry (LC/MS/MS) for:
 - Acrylamide
 - Aldicarb Sulfoxide and Aldicarb Sulfone
 - Carbofuran
 - Chlorotoluron
 - Microcystin-LR
 - Microcystins (Total)
 - Isoproturon
 - N-Nitrosodimethylamine (NDMA)
 - Dichlorvos
 - Atrazine and its chloro-s-triazine metabolites
 - Bentazone
 - Diquat
 - Glyphosate and Aminomethylphosphonic acid (AMPA)
 - Perchlorate

Test Report No. 7191357715-CHM25-TGB
01 AUG 2025



RESULTS

Test Parameter	Drinking Water	Detection Limit	*WHO Guideline Value
Microbiological Parameter			
<i>Escherichia coli</i>	cfu/100mL	< 1	1
			< 1
Physical Parameters			
Color	Hazen	2.5	2.5
Conductivity at 25°C	µS/cm	164	-
Odour		Unobjectionable	-
pH @ 25°C		7.5	-
Total Dissolved Solids	mg/L	98.8	1
Turbidity	NTU	0.7	0.1
			-
Radiological Parameters			
Gross Alpha	Bq/L	Not detected	0.05
Gross Beta	Bq/L	0.13	0.05
			0.5
			1
Chemical Parameters			
Acrylamide	mg/L	Not detected	0.0005
Alachlor	mg/L	Not detected	0.001
Aldicarb Sulfoxide and Aldicarb Sulfone	mg/L	Not detected	0.01
Aldrin & Dieldrin	mg/L	Not detected	0.00003
Antimony	mg/L	Not detected	0.001
Arsenic	mg/L	Not detected	0.001
Atrazine and its chloro-s-triazine metabolites	mg/L	Not detected	0.005
Aluminium	mg/L	0.06	0.001
Barium	mg/L	0.04	0.001
Bentazone	mg/L	Not detected	0.001
Benzene	mg/L	Not detected	0.001
Benzo (a) pyrene	mg/L	Not detected	0.0001
Boron	mg/L	0.01	0.001
Bromate	mg/L	Not detected	0.01
Bromodichloromethane	mg/L	Not detected	0.001
Bromoform	mg/L	Not detected	0.001
Cadmium	mg/L	Not detected	0.001
Calcium	mg/L	15.3	0.001
Carbofuran	mg/L	Not detected	0.005
Carbon Tetrachloride	mg/L	Not detected	0.001
Chlorate	mg/L	Not detected	0.2
Chlordane (total isomers)	mg/L	Not detected	0.0001
Chlorine (Free)	mg/L	Not detected	0.01
Chlorite	mg/L	Not detected	0.2
Chloroform	mg/L	Not detected	0.001
Chlorotoluron	mg/L	Not detected	0.01
Chlorpyrifos	mg/L	Not detected	0.001
Chromium (in all forms as a total)	mg/L	Not detected	0.01
Copper	mg/L	Not detected	0.01

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RESULTS (Continued)

Test Parameter	Drinking Water	Detection Limit	*WHO Guideline Value
Cyanazine	mg/L Not detected	0.0001	0.0006
Cyanide	mg/L Not detected	0.01	-
Cyanogen chloride (as cyanide)	mg/L Not detected	0.01	-
Chloride	mg/L 29.5	0.1	-
2,4-D (2,4-dichlorophenoxyacetic acid) in free acid form	mg/L Not detected	0.01	0.03
2,4-DB [2,4-Dichlorophenoxy] butyric acid]	mg/L Not detected	0.01	0.09
DDT & Metabolites	mg/L Not detected	0.0001	0.001
Di(2-Ethylhexyl) phthalate	mg/L Not detected	0.001	0.008
1,2-Dibromo-3-chloropropane (DBCP)	mg/L Not detected	0.001	0.001
Dibromoacetonitrile	mg/L Not detected	0.001	0.07
Dibromochloromethane	mg/L Not detected	0.001	0.1
1,2-Dibromoethane (Ethylene Dibromide)	mg/L Not detected	0.0001	0.0004
1,2-Dichloroacetate	mg/L Not detected	0.01	0.05
Dichloroacetonitrile	mg/L Not detected	0.01	0.02
Dichlorobenzene, 1,2-	mg/L Not detected	0.001	1
Dichlorobenzene, 1,4-	mg/L Not detected	0.001	0.3
Dichloroethane, 1,2-	mg/L Not detected	0.001	0.03
Dichloroethene (cis & trans), 1,2-	mg/L Not detected	0.001	0.05
Dichloromethane	mg/L Not detected	0.001	0.02
Dichloropropane, 1,2-	mg/L Not detected	0.001	0.04
Dichloropropene, 1,3-	mg/L Not detected	0.001	0.02
Dichlorvos	mg/L Not detected	0.1	-
Dicofol	mg/L Not detected	0.1	-
Dichlorprop	mg/L Not detected	0.01	0.1
Dimethoate	mg/L Not detected	0.001	0.006
Dioxane, 1,4-	mg/L Not detected	0.01	0.05
Diquat	mg/L Not detected	0.001	-
Endrin	mg/L Not detected	0.0001	0.0006
Epichlorohydrin	mg/L Not detected	0.0001	0.0004
Ethylbenzene	mg/L Not detected	0.001	0.3
Edetic acid (EDTA-Ethylene Diamine Tetraacetic Acid) in free acid form	mg/L Not detected	0.1	0.6
Fenoprop (2,4,5-TP; 2,4,5-trichlorophenoxy propionic acid)	mg/L Not detected	0.003	0.009
Fluoride	mg/L Not detected	0.1	1.5
Glyphosate and Aminomethylphosphonic acid (AMPA)	mg/L Not detected	0.001	-
Hexachlorobutadiene (HCBd)	mg/L Not detected	0.0001	0.0006
Hydroxyatrazine	mg/L Not detected	0.01	0.2
Isoproturon	mg/L Not detected	0.005	0.009
Iron	mg/L 0.02	0.02	-
Lead	mg/L Not detected	0.001	0.01
Lindane	mg/L Not detected	0.0001	0.002
Malathion	mg/L Not detected	0.001	-
MCPA (4-Chloro-2-methylphenoxyacetic acid)	mg/L Not detected	0.003	-
Mecoprop (MCPP; [2(2-methyl-chlorophenoxy) propionic acid])	mg/L Not detected	0.003	0.01
Mercury, in inorganic form	mg/L Not detected	0.001	0.006
Methoxychlor	mg/L Not detected	0.001	0.02
Metolachlor	mg/L Not detected	0.01	0.01

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01 AUG 2025



RESULTS (Continued)

Test Parameter	Drinking Water	Detection Limit	*WHO Guideline Value	
Microcystin-LR	mg/L	Not detected	0.001	-
Microcystins (Total)	mg/L	Not detected	0.001	0.001
Molinate	mg/L	Not detected	0.001	0.006
Monochloramine	mg/L	0.07	0.1	3
Monochloroacetic acid (chloroacetic acid)	mg/L	Not detected	0.01	0.02
Manganese	mg/L	Not detected	0.01	0.08
Magnesium	mg/L	1.95	0.001	-
Molybdenum	mg/L	Not detected	0.02	-
Nickel	mg/L	Not detected	0.02	0.07
Nitrate (as N)	mg/L	0.3	0.02	11
Nitritotriacetic acid (NTA)	mg/L	Not detected	0.1	0.2
Nitrite (as N)	mg/L	Not detected	0.03	0.9
Nitrate plus nitrite combined	units	0.027	0.009	1
Nitrosodimethylamine (NDMA)	mg/L	Not detected	0.0001	0.0001
Pendimethalin	mg/L	Not detected	0.001	0.02
Pentachlorophenol (PCP)	mg/L	Not detected	0.001	0.009
Perchlorate	mg/L	Not detected	0.04	0.07
Permethrin, where used as a larvicide for public health purposes	mg/L	Not detected	0.04	-
Pyriproxyfen	mg/L	Not detected	0.04	-
Selenium	mg/L	Not detected	0.001	0.04
Simazine	mg/L	Not detected	0.001	0.002
Sodium dichloroisocyanurate	mg/L	Not detected	0.1 (as cyanuric acid)	50 (40 as cyanuric acid)
Styrene	mg/L	Not detected	0.001	0.02
Sulfate as SO ₄ ²⁻	mg/L	2.1	0.1	-
Silica (as SiO ₂)	mg/L	11.9	0.002	-
Sodium	mg/L	9.4	0.001	-
Terbutylazine (TBA)	mg/L	Not detected	0.001	0.007
Tetrachloroethene	mg/L	Not detected	0.001	0.1
Toluene	mg/L	Not detected	0.001	0.7
Trichloroethene	mg/L	Not detected	0.001	0.008
Trichlorophenol, 2,4,6-	mg/L	Not detected	0.001	0.2
2,4,5-T (2,4,5-Trichlorophenoxyacetic acid)	mg/L	Not detected	0.003	0.009
Trichloroacetate	mg/L	Not detected	0.01	0.2
Trifluralin	mg/L	Not detected	0.001	0.02
Total Trihalomethanes Ratio [#]	unit	Not detected	0.04	< 1
Total Organic Carbon (TOC)	mg/L	3.4	1.0	-
Total Alkalinity (as CaCO ₃)	mg/L	23.5	1.0	-
Total Hardness as (CaCO ₃)	mg/L	46.1	0.33	-
Total Phosphorus (as P)	mg/L	Not detected	0.1	-
Uranium	mg/L	Not detected	0.001	0.03
Vinyl Chloride	mg/L	Not detected	0.0001	0.0003
Xylenes	mg/L	Not detected	0.001	0.5

Note:

1. *Specification is based on WHO Guidelines for Drinking-Water Quality (2022) 4th Edition.
2. [#]The sum of the ratio of the concentration of each to its respective guideline value should not exceed 1.



REMARKS

The parameters tested for the water sample complied with WHO Guidelines for Drinking-Water Quality (2022) 4th Edition.



A handwritten signature in black ink, appearing to read 'Bach'.

THAI GIA BACH
CHEMIST

A handwritten signature in black ink, appearing to read 'Pi Na'.

DR. PI NA
PRODUCT MANAGER
ENVIRONMENTAL MONITORING
CHEMICAL CENTRE

Test Report No. 7191357715-CHM25-TGB
01 AUG 2025



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Effective 27 March 2024





PHNOM PENH WATER SUPPLY AUTHORITY (PPWSA)



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