



PHNOM PENH WATER SUPPLY AUTHORITY

KINGDOM OF CAMBODIA  
NATION RELIGION KING

# FIRST QUARTERLY

# REPORT 2024



## 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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# អគ្គនាយកដ្ឋានទឹកស្អាត



ពេទ្យក្រុងបឹងកេងកងស្ថាប័នទឹកស្អាត របស់រដ្ឋាករទឹកស្វយ័តក្រុងភ្នំពេញ  
ត្រូវបានសម្ពោធជាផ្លូវការ ក្នុងឋានៈជាម្ចាស់ផ្ទះ  
ក្រោមឈ្មោះសម្តេចនាយករដ្ឋមន្ត្រី ហ៊ុន សែន  
សម្តេចអគ្គមហាសេនាបតីតេជោ ហ៊ុន សែន នាយករដ្ឋមន្ត្រី នៃក្រុងជាតិរាជធានីភ្នំពេញ  
ទីថ្ងៃទី១៩ ខែមិថុនា ឆ្នាំ២០២៣

BAKHENG WATER TREATMENT PLANT OF PHNOM PENH WATER SUPPLY AUTHORITY  
HIGHLY PRESIDED OVER BY  
SAMDECH AKKA MOHA SENA PADELTECHO HUN SEN PRIME MINISTER OF THE KINGDOM OF CAMBODIA  
INAUGURATION CEREMONY ON JUNE 19, 2023

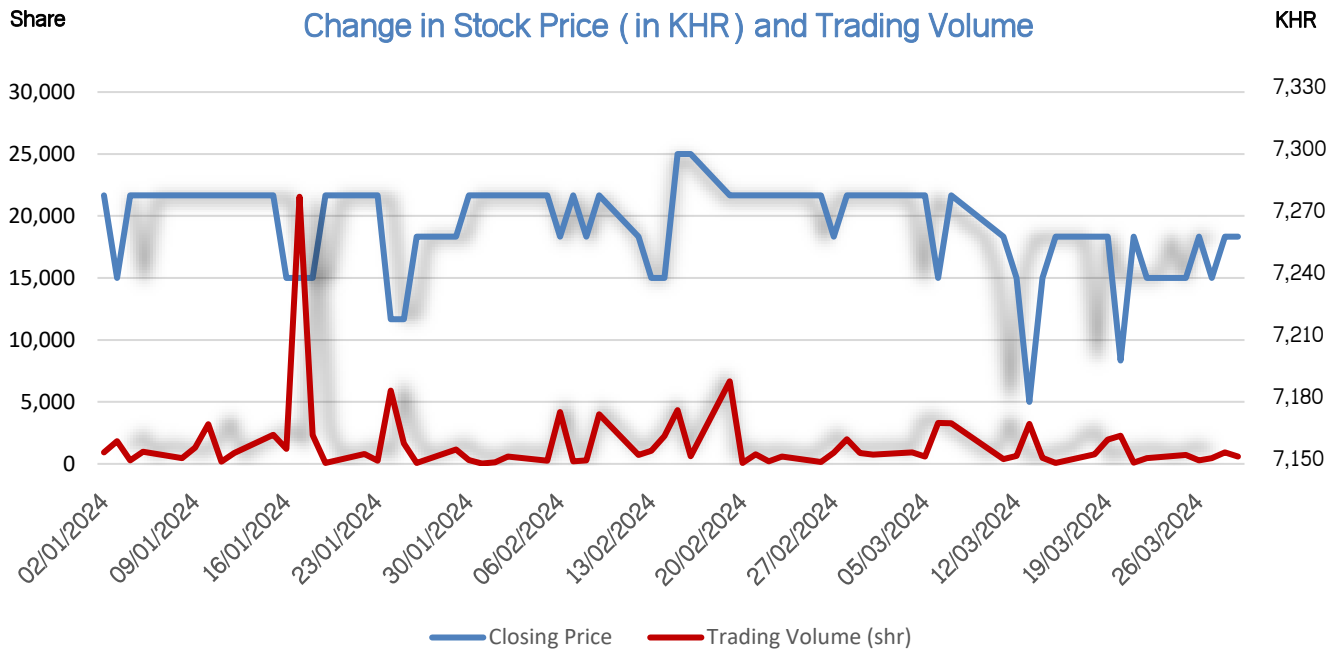


BAKHENG WATER TREATMENT PLANT

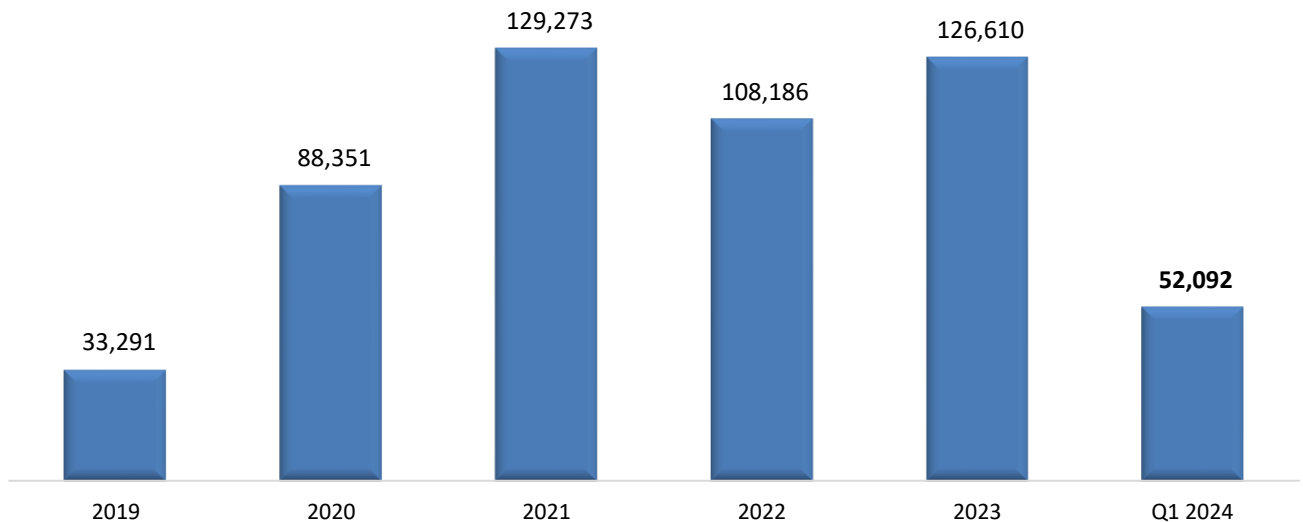
# FINANCIAL HIGHLIGHTS

Financial Position		First Quarter of 2024	2023	2022
Total assets (KHR'000)		3,227,517,763	3,159,060,323	2,684,135,875
Total liabilities (KHR'000)		1,785,473,825	1,764,542,852	1,411,922,828
Total shareholders' equity (KHR'000)		1,442,043,938	1,394,517,471	1,272,213,047
Profit/(Loss)		First Quarter of 2024	First Quarter of 2023	First Quarter of 2022
Total Revenue(KHR'000)		106,811,513	83,011,613	82,020,010
Profit/(Loss) before tax (KHR'000)		62,821,339	41,741,650	40,686,269
Profit/(Loss) after tax (KHR'000)		52,092,429	38,410,385	30,291,749
Total comprehensive income (KHR'000)		52,092,429	38,410,385	30,291,749
Financial Ratios		First Quarter of 2024	2023	2022
Solvency ratio				
Liquidity Ratio	Current Ratio (Times)	2.82	2.60	2.21
	Quick Ratio(Times)	1.51	1.51	1.46
		First Quarter of 2024	First Quarter of 2023	First Quarter of 2022
Profitabilities Ratio	Return on Assets (%)	1.63	1.41	1.28
	Return on Equity (%)	3.67	2.98	2.57
	Gross Profit margin (%)	42.33	32.37	39.06
	Profit Margin (%)	48.77	46.27	36.93
	Earning Per Share (KHR)	598.95	441.63	348.29
Interest Coverage Ratio (Times)		24.55	22.82	39.15

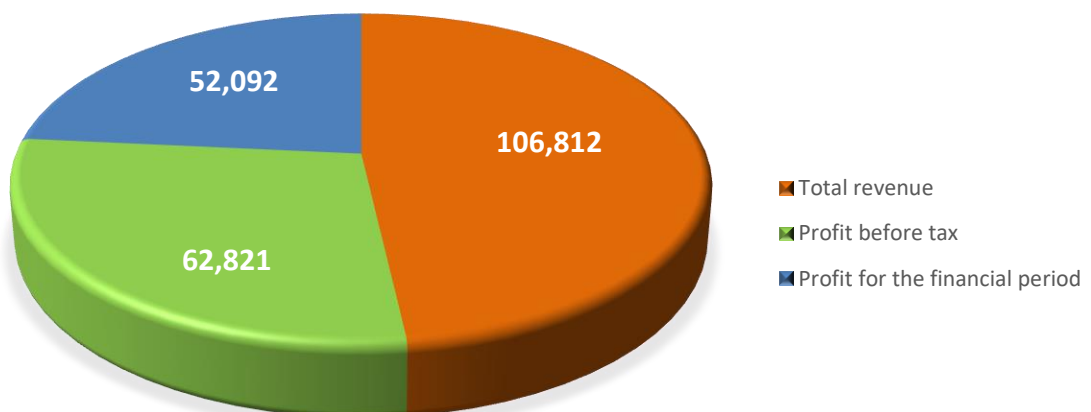
# FINANCIAL SUMMARY CHARTS



### PROFIT BY YEAR (in million KHR)



### PROFIT FOR FIRST QUARTER OF 2024 (in million KHR)



# BOARD OF DIRECTORS



**H.E. Sim Sitha**

Secretary of State, Ministry of Industry,  
Science, Technology and Innovation

**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**



**Mr. Nuon Pharat**

Deputy Governor of the Board  
Governors of Phnom Penh

**Member**



**Mr. Ma Noravin**

Representative  
of PPWSA's Employees

**Member**



**Mr. Nam Chantry**

Non-Executive Director  
Representing Private Shareholders

**Member**



**Mr. Sreng Samork**

Independent Director

**Member**

# CHAIRMAN'S MESSAGE



**H.E. Sim Sitha**

Secretary of State, Ministry of Industry,  
Science, Technology and Innovation

**Chairman**

In the 1<sup>st</sup> quarter of 2024,

By gaining the trust from the Royal Government and the support from the two parent ministries, PPWSA successfully performed all its business activities. We have been continuing to develop its water service from day to day, both in terms of qualities and quantities, to meet the water demand for the population in Phnom Penh and the provincial town of Takmao as well as to contribute to the developments of the two municipalities.

In this quarter, PPWSA reported total revenues of KHR106,811,513,000 and profit before tax of KHR62,821,339,000. Net income was KHR52,092,429,000 while the basic earnings per share was KHR598.95.

PPWSA invests in, builds, expands, operates and maintains water supply and sanitation facilities; takes all the means to improve its production and service, and assure clean water quality to satisfy the requirements for livings, businesses, services and industries; engages in domestic or oversea businesses and services related to water and sanitation sectors due to the Board's resolutions and the existing laws; enhances technical, commercial and financial cooperation with local and international development partners to develop PPWSA based on the Royal Government's policy; maintains financial and operational viability linked to social responsibility; improves staff efficiency and strengthens institutional capacity; conducts cost analysis and reforms the processes and procedures to minimize the costs; and benchmarks its performance against other most effective peers in the world.

## Effective Service

PPWSA keeps supplying clean water that is straight drinkable from the tap on 24x7 basis. In the 1<sup>st</sup> quarter of 2024, we laid the mains and distribution pipes of 180,811.43 meters; produced 76,637,164m<sup>3</sup> of clean water; installed 7,320 new house connections, of which 959 connections were for the low-income whom we always care for; and NRW accounted for 9.75%.

## Performance of the Board of Directors

### A. Outcomes of the Board of Directors' 8<sup>th</sup> ordinary meeting

The meeting was held on March 15, 2024 at 8:30 AM at PPWSA headquarter with the following agendas:

- 1) Request for approval on Annual Report 2023 and on the distribution of profit and dividend in 2023

The Board approved :

- a) Unanimously adopted the proposed distribution of net income in 2023, where :

▪ Reward to staff (3 months)	:	KHR	10,696,376,000
▪ Social Fund (5%)	:	KHR	6,797,133,000
▪ Mandatory reserved fund (5%)	:	KHR	6,330,479,100
▪ Voluntary reserved fund (5%)	:	KHR	6,330,479,100

- b) Unanimously adopted the retained earnings : KHR 109,382,532,750

- c) Total dividend to be distributed : KHR 30,440,606,700

including, the dividend of KHR4,566,091,250 to be distributed to privat shareholders and the dividend of KHR25,874,515,450 to the state represented by Ministry of Economy and Finance, which was waived through Letter No.6581 ស៊ៀវ.អ៊ីស៊ី, dated 9 August 2021.

▪ Dividend yield	:	4.82%
▪ Dividend per share	:	KHR 350/share
▪ Dividend payout ratio	:	3.61%
▪ Record date	:	7 June 2024
▪ Payment dates	:	18 to 24 June 2024

- 2) Request for in-principle approval on the disposal of damaged fixed assets and provision of obsolete or damaged inventory in 2023, to be submitted to Ministry of Economy and Finance for in-principle approval on write-off

The Board approved this agenda to be discussed in the extraordinary meeting, and also advised PPWSA to prepare a request for the in-principle approval from Ministry of Economy and Finance on this agenda in advance.

- 3) Request for approval on the arrangements for the 12<sup>th</sup> General Meeting of Shareholders

The Board approved :

- Date of the 12<sup>th</sup> General Meeting of Shareholders (GMS) is 24 May 2024, and 24 April 2024 is the Record Date for the attending the 12<sup>th</sup> GMS.
- The 12<sup>th</sup> GMS will be organized at the headquarter of PPWSA and via online meeting, and the voting will be organized online.
- The GMS will start at 8:00 AM with the proposed agendas as below:
  - Registration
  - Opening Call



- Presentation on the Annual Business Report 2023 and Business Plan 2024, including questions & answers
  - Voting for Approval on Dividend Distribution to Shareholders, and on Remuneration for the Board of Directors
  - Closing Remark
- Authorized Mr. DENG Polyden, Deputy Director General in charge of Finance, to deliver the presentation on the Annual Business Report 2023 and the Business Plan 2024.
  - Delegated full powers to the Delegation of the Royal Government of Cambodia in charge of the Director General of Phnom Penh Water Supply Authority to conduct and organize the 12<sup>th</sup> GMS.
- 4) Request for approval on the procedure for transferring Prey Kub Construction Company's water supply business in Sangkat Prek Pnov, Sangkat Ponhea Pun and Sangkat Samrong in Prek Pnov district, Phnom Penh to PPWSA.

The Board gave the following recommendations:

- 1- PPWSA shall quickly conduct an economical analysis and a deep evaluation of Prey Kub Construction Company's water supply business performance based on Option 2 against Option 1, highlighting the possible impacts and a business expansion plan, and submit to the Board of Directors for discussion in the next meeting before reporting to and requesting Ministry of Industry, Science, Technology and Innovation for a decision.
  - 2- PPWSA shall shortly make a report on the progress of this work to the Ministry of Industry, Science, Technology and Innovation in order that the Ministry can afford a preliminary reply to Phnom Penh Municipality.
- 5) Request for recommendations on recruitment of employees for the internal audit of PPWSA

The Board granted total support to the Independent Director's request to assist PPWSA in recruiting qualified, skillful and competent employees with good attitudes to work for in the internal audit.

- 6) Procurement Report for the end of 2023 and for the 1<sup>st</sup> quarter of 2024
- The Board agreed to the Procurement Report for the end of 2023 and for the 1<sup>st</sup> quarter of 2024.
- 7) Report on the Social Fund for the end of 2023 and for the 1<sup>st</sup> quarter of 2024, and request for approval on 3 expenditure requests

The Board totally agreed to the report on Social Fund for the end of 2023 and for the 1<sup>st</sup> quarter of 2024 and agreed to the 3 expenditure requests.

- 8) Progress Report on water supply to 13 projects of Borey Morn Dany

The Board approved as follows:

- 1- Agreed in principle that PPWSA uses the Social Fund budget to pay the remaining investment cost for the installation of distribution network in Borey Morn Dany's projects No.10, No.14 (North) and No.22 by allowing those homeowners who have

not yet paid for the investment cost to repay to PPWSA when requesting for a water connection. In addition, PPWSA shall have a specific contract with the Borey representative(s) at each project, including the article that requires the presentative(s) to cooperate in acknowledging and notifying PPWSA of any request for water connections from the homeowners who have not paid the investment cost.

- 2- Agreed to transfer to other income accounts of PPWSA the repayments received from those homeowners who have not contributed to the above investment cost.
- 9) Progress Report on Bakheng Water Supply Project – Phase 3  
The Board acknowledged the report.
- 10) Other - Request for approval on the agendas of Board of Directors' 1<sup>st</sup> extraordinary meeting in 2024 (9<sup>th</sup> meeting) 8<sup>th</sup> Mandate  
The Board decided to hold its first extraordinary meeting in 2024 to discuss and approve the following agendas:
  - 1- Request for in-principle approval on the disposal of damaged fixed assets and provision of obsolete or damaged inventory in 2023, to be submitted to Ministry of Economy and Finance for in-principle approval on write-off
  - 2- Business Report for the 1<sup>st</sup> quarter of 2024 and Business Plan for the 2<sup>nd</sup> quarter of 2024
  - 3- Internal audit report for the 1<sup>st</sup> quarter of 2024
  - 4- Progress Report on the construction of Boeung Thom Water Treatment Plant with a production capacity of 6,000m<sup>3</sup>/day
  - 5- Others

#### **B. Outcomes of the Board of Directors' 1<sup>st</sup> extraordinary meeting in 2024 (9<sup>th</sup> meeting)**

The meeting was held on March 27, 2024 at 8:30 AM at PPWSA headquarter (new meeting room of Board of Directors) with the following agendas:

- 1) Request for in-principle approval on the disposal of damaged fixed assets and provision of obsolete or damaged inventory in 2023, to be submitted to Ministry of Economy and Finance for in-principle approval on write-off.  
The Board agreed in principle to the proposed write-off, and to request the Ministry of Economy and Finance to evaluate and auction the fixed assets and inventory in compliance with the present procedures.
- 2) Business Report for the 1<sup>st</sup> quarter of 2024 and Business Plan for the 2<sup>nd</sup> quarter of 2024  
The Board totally agreed to the Business Report for the 1<sup>st</sup> quarter of 2024 and Business Plan for the 2<sup>nd</sup> quarter of 2024.
- 3) Internal Audit for the 1<sup>st</sup> quarter of 2024  
The Board acknowledged the report and also requested PPWSA to follow the recommendations raised.
- 4) Progress Report on the construction of Boeung Thom Water Treatment Plant with a production capacity of 6,000m<sup>3</sup>/day  
The Board acknowledged this report in Agenda 2 above.
- 5) Other  
The Board approved the afternoon of April 3, 2024 as the Board of Directors' 2<sup>nd</sup> extraordinary meeting in 2024 to discuss the agenda on request for approval on nomination of senior staff.

PPWSA has a clear strategy to expand the water distribution network to the surrounding areas of Phnom Penh based on the extension of water treatment facilities, keeping the same tariff and standard for Phnom Penh, and a strong commitment to social and environmental responsibility.

In the 2<sup>nd</sup> quarter of 2024, PPWSA plans to produce 76,627,550m<sup>3</sup> of clean water, expand 161,944 meters of additional distribution network, and total revenues of KHR113,330,843,000 with total expenses of KHR71,246,588,000 as approved by the Board and the 2 parent ministries.

## **Acknowledgement**

We would like to express our deep gratitude to the Royal Government, the two tutelary ministries-Ministry of Industry, Science, Technology and Innovation, and Ministry of Economy and Finance, Securities and Exchange Committee of Cambodia, and all the shareholders who always trust and support PPWSA.

We are also proud and thankful to PPWSA's staff at all levels, who worked hard and responsibly to achieve the best results.

Phnom Penh, May 15, 2024

**CHAIRMAN**

**Sim Sitha**

# Content

Financial Highlights	i
Financial Summary Charts	ii
Board of Directors	iii
Chairman’s Message	v
<b>Part 1: General Information of Phnom Penh Water Supply Authority</b>	<b>1</b>
A- Identity of Phnom Penh Water Supply Authority	1
B- Nature of Business	1
<b>Part 2: Information on Business Operating Performance</b>	<b>2</b>
A-Business Operating Performance	2
B-Revenue Structure	4
<b>Part 3- Financial Statement reviewed by the external auditor</b>	<b>5</b>
<b>Part 4- Management’s Discussion and Analysis</b>	<b>7</b>
A- Overview of Operations	7
B- Significant Factors Affecting Profit	11
C- Material Changes in Sales and Revenue	12
D- Impact of Foreign Exchange, Interest Rates and Commodity Prices	12
E- Impact from Inflation	12
F- Economic, Fiscal and Monetary Policies of the Royal Government	12
<b>Part 5- Other Necessary Information for Investor Protection</b>	<b>13</b>

## PART1: General Information of PPWSA

### A. Identity of the Phnom Penh Water Supply Authority

- ◆ Name in Khmer: រដ្ឋាករទឹកស្វយ័តក្រុងភ្នំពេញ (រ.ទ.ស.ភ)
- ◆ Name in Latin: Phnom Penh Water Supply Authority (PPWSA)
- ◆ Standard Code: KH1000010004
- ◆ Address: Office No.45, St. 106, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Cambodia
- ◆ Phone number: (855)31 322 6345
- ◆ Website: [www.ppwsa.com.kh](http://www.ppwsa.com.kh) Email: [ir@ppwsa.com.kh](mailto:ir@ppwsa.com.kh)
- ◆ Company Registration Number: Co.0839Et/2012 Date: March 27<sup>th</sup>, 2012
- ◆ License number: Sub-decree No. 52 ANKr.BK Issued by: The Royal Government of Cambodia  
Date: December 19<sup>th</sup>, 1996
- ◆ Disclosure document registration number by SERC: 012/12 SECC/SSR Date: March 23<sup>rd</sup>, 2012
- ◆ Representative: **H.E. LONG NARO** Delegation of the Royal Government of Cambodia in Charge of The Director General of Phnom Penh Water Supply Authority

### 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. Engage in domestic or overseas business and services related to water and sanitation sectors due to the Board of Directors's 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 procedures to reduce water costs.
- ◆ Strategically compare with the most efficient water utilities in the world.
- ◆ Strong commitment to social and environmental responsibility.

## 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

##### A.1.1. Water Treatment

➤ Below is the water treatment plant (WTP) in the First quarter of 2024:

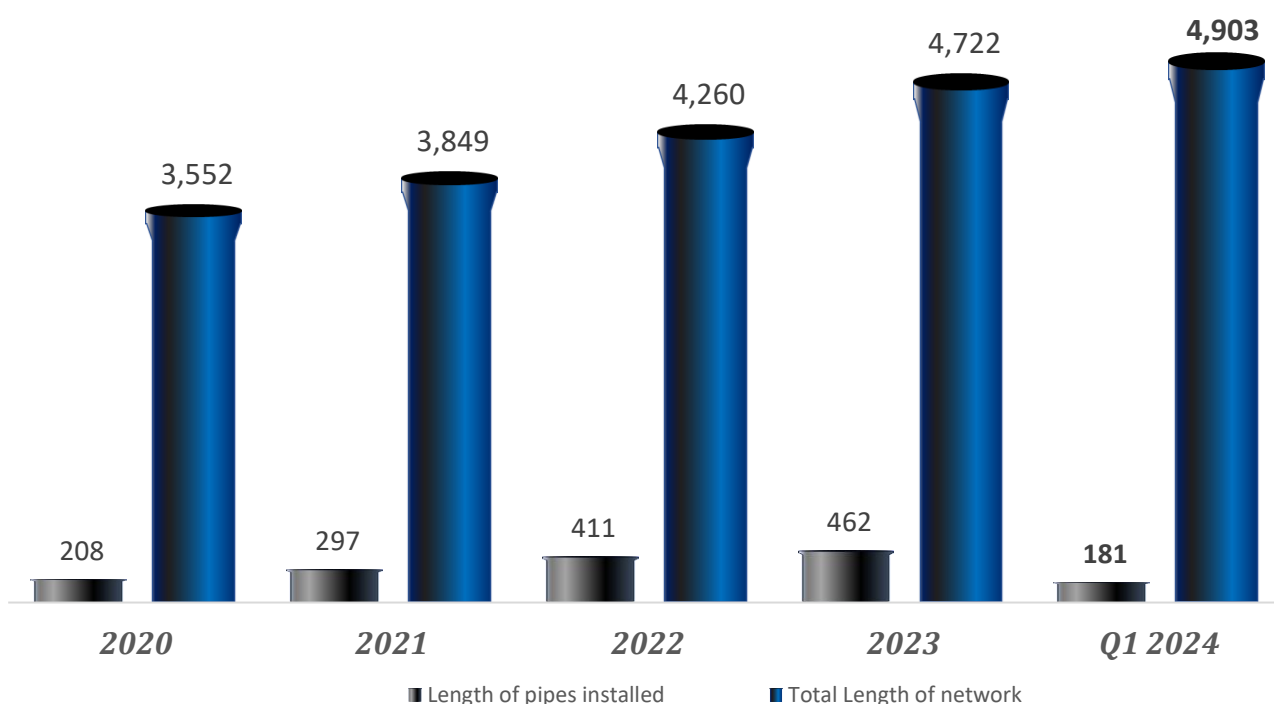
Description	Planned (m <sup>3</sup> )	Actual (m <sup>3</sup> )	Rate (%)
Phum Prek WTP	15,015,000	14,809,649	99
Chroy Changvar WTP	13,195,000	14,416,480	109
Chamkar Mon WTP	5,034,000	4,577,736	91
Nirodh WTP	24,086,000	23,623,880	98
Bakheng WTP	17,654,000	18,933,597	107
Mlech WTP	131,950	132,352	100
Tbong Khmom WTP	91,000	143,470	158
<b>TOTAL</b>	<b><u>75,206,950</u></b>	<b><u>76,637,164</u></b>	<b><u>102</u></b>

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

Parameters	Unit	WHO	Phum Prek WTP	Chroy Changvar WTP	Chamkar Mon WTP	Nirodh WTP	Bakheng WTP	Mlech WTP	Tbong Khmom WTP	Distribution Pipes
Turbidity	NTU	≤ 5	0.44	0.15	0.15	0.29	0.08	0.26	0.47	<b>0.24</b>
pH Value	pH	6.5-8.5	7.54	7.75	7.63	7.47	7.77	7.13	7.41	<b>7.29</b>
Free Available Chlorine	mg/l	0.1-1	1.66	1.22	1.18	1.35	1.05	1.33	1.03	<b>1.20</b>
Total Available Chlorine	mg/l	<2	1.89	1.36	1.34	1.53	1.13	1.47	1.20	<b>1.38</b>
Total coliforms	cfu/100ml	0	0	0	0	0	0	0	0	<b>0</b>
E. Coli	cfu/100ml	0	0	0	0	0	0	0	0	<b>0</b>

##### A.1.2. Pipes Laying

The Length of pipes laid by year (km)



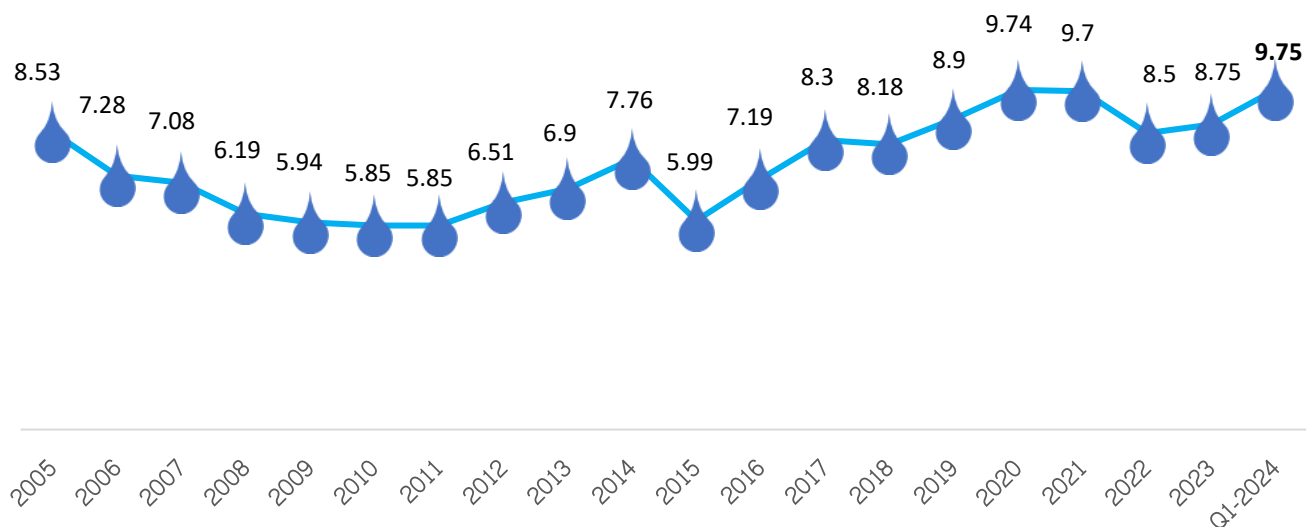
## A. Business Operation Performance including business segments information (con't)

### A.1. Water Treatment and Distribution System and Non-revenue water (con't)

#### A.1.3. Water Loss Reduction

In the first quarter of 2024, PPWSA's non-revenue water rate was kept at 9.75%, as shown in the graph below.

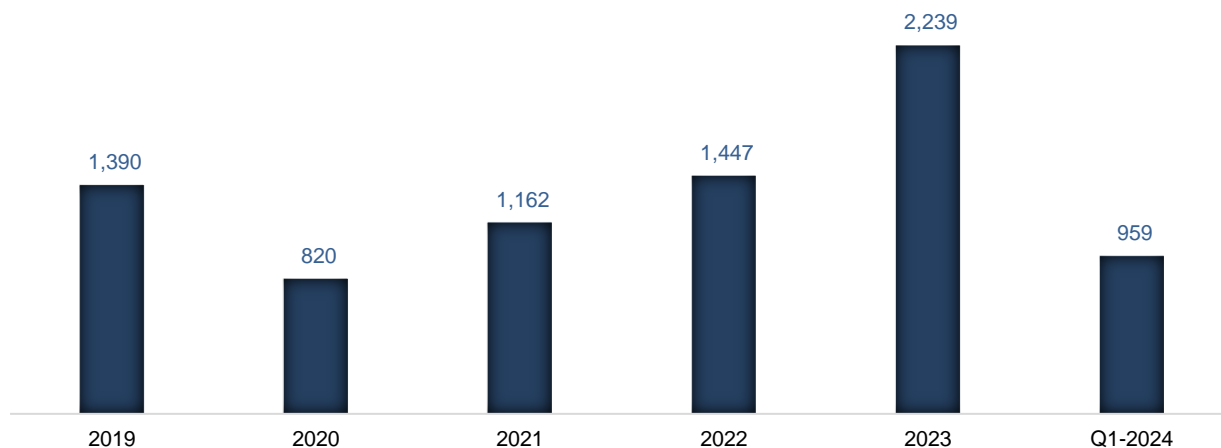
NRW Trend from 2005 to the First Quarter of 2024 (in percentage)



## A.2. Business Activities and Results

### A.2.1. Water Supply to the low-income households

#### low-incom household connections

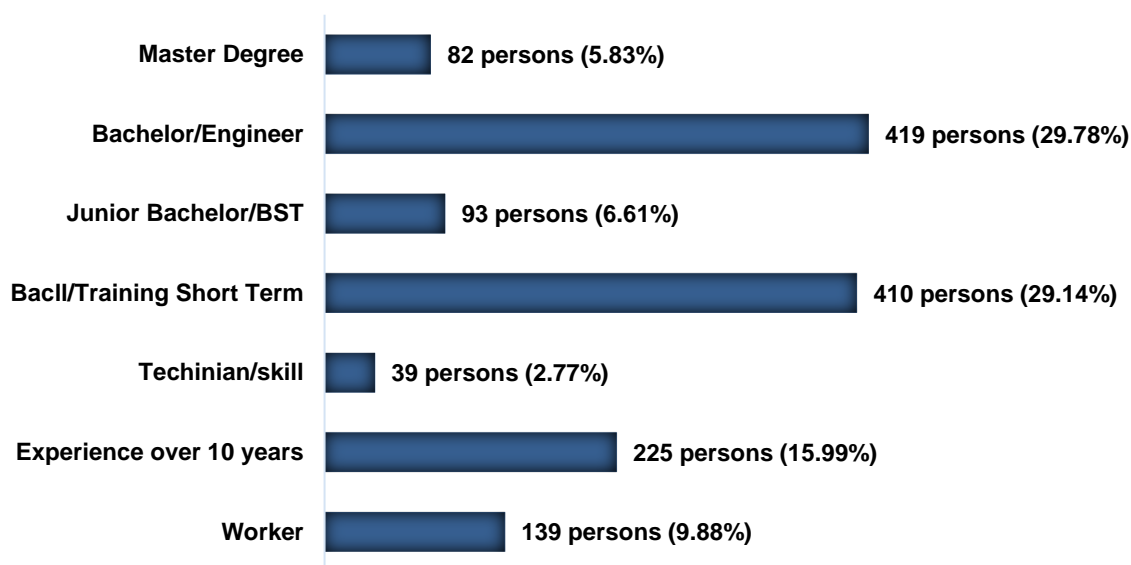


### A.2.2. House Connection and Customer Management

Type of Customers	2020	2021	2022	2023	Q1-2024	
	(Connections)	(Connections)	(Connections)	(Connections)	(Connections)	(%)
Domestic	333,099	350,463	360,948	381,752	<b>387,600</b>	<b>79.79</b>
Commercial	68,136	74,344	83,874	89,702	<b>91,482</b>	<b>18.83</b>
Administrative	744	823	913	918	<b>928</b>	<b>0.1910</b>
Wholesalers	10	11	9	6	<b>6</b>	<b>0.0012</b>
RDE Respresentative	14	16	5	3	<b>3</b>	<b>0.0006</b>
Standpipe	17	16	16	14	<b>13</b>	<b>0.0027</b>
Room rental	5,759	5,728	5,789	5,746	<b>5,732</b>	<b>1.18</b>
<b>TOTAL</b>	<b>407,779</b>	<b>431,401</b>	<b>451,554</b>	<b>478,141</b>	<b>485,764</b>	

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

### A.3- Human Resource Management



Total staff of PPWSA in Q1-2024: 1,407 persons (241 females)

## B- Revenue Structure

No	Source of Revenue	First Quarter of 2024		First Quarter of 2023		First Quarter of 2022	
		(KHR'000)	%	(KHR'000)	%	(KHR'000)	%
1	Sales	94,663,252	88.63%	73,742,555	88.84	69,132,127	84.29
2	Construction Service fees	2,194,827	2.05%	6,825,219	8.22	3,816,557	4.65
3	Foreign exchange gains-net	1,050,670	0.98%	-	-	-	-
4	Other income	8,902,764	8.34%	2,443,839	2.94	9,071,326	11.06
	<b>Total revenue</b>	<b>106,811,513</b>		<b>83,011,613</b>		<b>82,020,010</b>	



**PART 3:  
FINANCIAL STATEMENT  
REVIEWED BY  
THE EXTERNAL AUDITOR**

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIOD ENDED 31 March 2024**

**ATTACHED IN APPENDIX I**

## PART 4: Management's Discussion and Analysis

### A. Overview of operations

#### 1. Revenue analysis

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

- Water sales revenue is generated 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 generated from the fees of construction services related to the expansion of the distribution network that PPWSA constructs for a construction company.
- Other revenues:
  - 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.
  - Interest income is the income from interest on fixed savings accounts in which the Authority deposited cash surplus at various commercial bank accounts.

In addition to revenues as above, PPWSA has revenue from commercial and industrial customers' investments for installing special network connections into their properties, and fees earned from collection of sewerage maintenance charges on behalf of Phnom Penh Municipality.

➤ The period ended 31 March 2024 compared to the period of 31 March 2023

Description	First Quarter of 2024	First Quarter of 2023	Changes	
	(KHR'000)	(KHR'000)	(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total Revenues	106,811,513	83,011,613	23,799,900	28.67

PPWSA had a total revenue of KHR106,811,513,000 for the period ended 31 March 2024 and KHR83,011,613,000 for the period ended 31 March 2023. The revenue increased by KHR23,799,900,000 or 28.67%. The main reason of this increase in revenue is due to the increase of KHR20,920,697,000 in sales revenue or 28.37% and other income increase by KHR6,458,925,000 or 264.29%

#### 2. Revenue analysis by segment

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

Description	First Quarter of 2024	%	First Quarter of 2023	%
	(KHR'000)		(KHR'000)	
Sale	94,663,252	88.63	73,742,555	88.84
Construction service fee	2,194,827	2.05	6,825,219	8.22
Foreign exchange gains-net	1,050,670	0.98	-	-
Other income	8,902,764	8.34	2,443,839	2.94
Total Revenues	106,811,513		83,011,613	

## 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:

- The period ended 31 March 2024 compared to the period of 31 March 2023

Description	First Quarter of 2024		First Quarter of 2023		Changes		
	Volume	Amount	Volume	Amount	Volume	Amount	%
	(M <sup>3</sup> )	(KHR'000)	(M <sup>3</sup> )	(KHR'000)	(M <sup>3</sup> )	(KHR'000)	
	a	b	c	d	a - c	b - d	(b-d)/d*100
Domestic	35,329,185	35,195,777	27,209,444	26,523,779	8,119,741	8,671,998	32.70%
Commercial	26,886,340	45,386,323	21,447,332	35,646,798	5,439,008	9,739,525	27.32%
Public administrative and autonomy	2,722,856	6,807,140	2,127,618	5,685,582	595,238	1,121,558	19.73%
Representative and room rental	4,226,660	3,004,418	3,353,416	2,347,391	873,244	657,027	27.99%

#### ◆ Revenue from domestic/household water sales

Revenue from domestic water sales amounted to KHR 35,195,777,000 for the period ended 31 March 2024 and KHR 26,523,779,000 for the period ended 31 March 2023, that is prompting an increased by KHR 8,671,998,000 or 32.70%. The reason of the increase is that the number of connections increased by 21,315 from 366,997 to 388,312 connections and monthly consumption per connection ascended by 5.19m<sup>3</sup> from 25.14m<sup>3</sup> to 30.33m<sup>3</sup> and the average tariff ascended by KHR 21.42/m<sup>3</sup> from KHR 974.80/m<sup>3</sup> to KHR 996.22/m<sup>3</sup>.

#### ◆ Revenue from commercial water sales

Revenue from commercial water sales amounted to KHR 45,386,323,000 for the period ended of 31 March 2024 and KHR 35,646,798,000 for the period ended of 31 March 2023, that is prompting an increased by KHR 9,739,525,000 or 27.32%. The reason of the increase is that the number of connections ascended by 4,504 from 85,180 to 89,684 connections and monthly consumption per connection ascended by 14.68m<sup>3</sup> from 85.25m<sup>3</sup> to 99.93m<sup>3</sup> and the average tariff ascended by KHR 26.02/m<sup>3</sup> from KHR 1,662.06/m<sup>3</sup> to KHR 1,688.08/m<sup>3</sup>.

#### ◆ Revenue from public administrative water sales

Revenue from public administrative water sales amounted to KHR6,807,140,000 for the period ended of 31 March 2024 and KHR5,685,582,000 for the period ended of 31 March 2023, that is prompting an increase of KHR1,121,558,000 or 19.73%. The reason of the increase is that the connections ascended by 67 connections from 922 to 989 connections and monthly consumption per connection ascended by 231.83m<sup>3</sup> from 685.83m<sup>3</sup> to 917.71m<sup>3</sup> and and water tariff KHR 2,500/m<sup>3</sup>.

#### ◆ Revenue from water sales for representatives and rented rooms

Revenue from representative and rent rooms water sales amounted of KHR 3,004,418,000 for the period ended of 31 March 2024 and KHR 2,347,391,000 for the period ended of 31 March 2023, that is prompting an increase by KHR 657,027,000 or 27.99%. The reason of the increase is that monthly consumption per connection ascended by 26.73m<sup>3</sup> from 165.96m<sup>3</sup> to 192.69m<sup>3</sup> and the average tariff ascended by KHR 10.83/m<sup>3</sup> from KHR 700.00/m<sup>3</sup> to KHR 710.83/m<sup>3</sup>. On the other hand, the number of customer descended by 50 connections from 5,810 to 5,760 connections.

## 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 analyses 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 analysis the operating expenses, we considered the total expenses as follows.

➤ The period ended 31 March 2024 compared to the period ended 31 March 2023

Description	First Quarter of 2024 (KHR'000)	First Quarter of 2023 (KHR'000)	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total revenues	106,811,513	83,011,613	23,799,900	28.67
Salaries, Wages and related expenses	(19,846,454)	(18,457,090)	(1,389,364)	7.53
Depreciation and amortisation charges	(14,765,031)	(15,117,954)	352,923	(2.33)
Electricity costs	(12,409,018)	(8,953,220)	(3,455,798)	38.60
Raw materials for water treatment	(4,244,997)	(3,381,078)	(863,919)	25.55
Construction service expenses	(1,826,362)	(3,204,764)	1,378,402	(43.01)
Finance income	19,444,954	16,048,689	3,396,265	21.16
Finance costs	(1,841,625)	(1,177,483)	(664,142)	56.40
<b>Profit before tax</b>	<b>62,821,339</b>	<b>41,741,650</b>	<b>21,079,689</b>	<b>50.50</b>

PPWSA earned profit before tax of KHR62,821,339,000 for the period ended 31 March 2024 and KHR41,741,650,000 for the period ended 31 March 2023, increasing by KHR21,079,689,000 or 50.50%. The main reason of this increase is due to the decrease of KHR1,378,402,000 in construction service expense or 43.01% and Finance income increased by KHR3,396,265,000 or 21.16%.

### 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.

## A. Overview of operations (Con't)

### 5. Profit for the financial year (Con't)

➤ The period ended 31 March 2024 compared to the period ended 31 March 2023

Description	First Quarter of 2024 (KHR'000)	First Quarter of 2023 (KHR'000)	Changes	
			(KHR'000)	Percentage
	c	d	c - d	(c-d)/d*100
Profit before tax (a)	62,821,339	41,741,650	21,079,689	50.50
Tax expense (b)	(10,728,910)	(3,331,265)	(7,397,645)	222.07
Profit for the financial year	52,092,429	38,410,385	13,682,044	35.62
Total comprehensive income for the financial year	52,092,429	38,410,385	13,682,044	35.62
Effective tax reate (b)/(a)	17.08%	7.98%		

PPWSA earned profit for the financial period of KHR52,092,429,000 for the period ended 31 March 2024 and KHR38,410,385,000 for the period ended 31 March 2023, increasing by KHR 13,682,044,000 or 35.62%. The main reason of this increase is due to the increase of KHR20,920,697,000 in sales revenue or 28.37%, other income increased by KHR6,458,925,000 or 264.29%, construction service expense decreased by KHR1,378,402,000 or 43.01% and finance income increased by KHR3,396,265,000 or 21.16%.

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

The protracted situation of the war between Russia and Ukraine, as well as the uncertain state of the world economy continues to affect the economic growth in the globe and in the region as well. However, PPWSA continues to operate daily and remains profitable in the first quarter of 2024. The reason the Authority could secure this profit is that water sales increased quarter on quarter, with the supporting factors as below:

- **NRW rate:** PPWSA utilized an effective mechanism to reduce NRW to 9.75% in this quarter. Maintaining NRW is a critical factor enabling PPWSA to ensure its financial viability and sustainable enterprise development.
- **Increasing the 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 that of other customer categories.
- **Operating expenses management:** PPWSA managed these expenses, especially the electricity, raw material consumption cost which is huge expense in the water treatment process, through the introduction of new technologies such as variable speed distribution pumps unnecessary as well as the efficient and economical use of raw materials in water treatment.

For operating expenses, PPWSA tried to lessened the expenditures, especially, on administration and maintenance. In this regard, the Authority regularly inspected and maintained all the existing equipment and facilities to assure their quality and reduce other repair expenses.

## 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 to 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:** The economy in the globe as well as in the region was not in good conditions in the First quarter of 2024. The real estate and tourism sector in Cambodia was likely to be on a declining trend, but has been affected to some extent by the global economic situation, PPWSA is still striving to maintain a good average water price, ensuring its financial sustainability.

## B. Significant Factors Affecting Profit

### 1. Demand and supply conditions analysis

According to a study of water demand relative to population growth in Phnom Penh and due to the expansion of Phnom Penh surrounding areas, PPWSA constructed a Bakheng WTP - Phase 2 with the production capacity of 195,000 m<sup>3</sup>/day which operated in the first quarter of 2024, Boeung Thom WTP with a production capacity of 6,000 m<sup>3</sup>/day and Takhmao WTP with a production capacity of 30,000m<sup>3</sup>/day which are scheduled to complete in the second quarter of 2024 and at the end of 2024, respectively.

### 2. Raw materials price analysis

Changes 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 the period ended March 31, 2024, the management believes that PPWSA does not have any unusual and extraordinary elements.

## C. Material changes in sales and revenues

PPWSA's main revenues are the sales revenues (water sales and connection fees) which is a basic need of Phnom Penh residents. The water sales represented about 88.63% of gross revenue in first quarter of 2024. PPWSA is also the monopoly water supplier in Phnom Penh and its outskirts. Revenues may grow, according to the demography of Phnom Penh capital, province town of the Takhmao.

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

### D.1. Impact of exchange rate

The PPWSA records the accounting using the base currency "Cambodian Riel (KHR)", and foreign currency transactions are converted to the base currency at the exchange rates ruling at the dates of the transactions. Gains and losses arising from the settlement of such transactions, changes in assets and liabilities denominated in foreign currencies are recorded in the detailed income statement. On the other hand, most payments by PPWSA were made in Cambodian Riel so there is no significant impact on the exchange rate.

### 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 months fixed deposits at local commercial banks.

#### D.2.2. Impact of interest rate on interest expense

The PPWSA has had two financing sources with floating and fixed interest rates. The fixed-rate financing was received via MEF from ADB at the interest rate of 1.65% per annum, and from JICA at the interest rate of 0.66% per annum.

The floating-rate loan is received directly from AFD at the interest rate of 6-month EURIBOR-1.35% commodity. The interest rates must range from 0.25% to 5.21% per annual.

### D.3. Impact of prices

Through PPWSA's procurement procedure in compliance with the existing laws and regulations, as well as other guidelines, the Authority has to sign contracts with suppliers at a competitive or negotiable price. The protracted war between Russia and Ukraine has pushed up the prices of raw materials in domestic and foreign markets due to 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 needs for raw materials to ensure the timely and affordable use pursuant to the applicable public procurement laws.

## 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.

## F. Economic, Fiscal and 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.



## F. Economic, Fiscal and Monetary Policies of the Royal Government (Con't)

- **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 សហវ.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 សហវ.អជជ, dated 18 May 2011.

## PART 5: Other Necessary Information for Investor Protection

In the first quarter of 2024, Phnom Penh Water Supply Authority has no other necessary information to disclose.

# SIGNATURE OF DIRECTORS OF PHNOM PENH WATER SUPPLY AUTHORITY

Phnom Penh, May 15, 2024

Read and Approved

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Signature

**Sim Sitha**

Chairman of the Board

Phnom Penh, May 15, 2024

Read and Approved

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Signature

**Long Naro**

Director

# **APPENDIX I**

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIOD ENDED 31 March 2024**

Registration No:  
Co.0839 Et/2012

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

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**


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

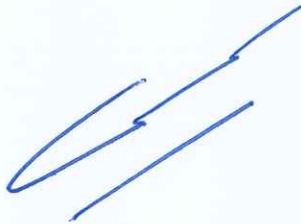
<b>CONTENTS</b>	<b>PAGE</b>
STATEMENT BY THE DIRECTORS	1
REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION	2
CONDENSED STATEMENT OF FINANCIAL POSITION	3
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
CONDENSED STATEMENT OF CHANGES IN EQUITY	5
CONDENSED STATEMENT OF CASH FLOWS	6 - 7
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION	8 - 18

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

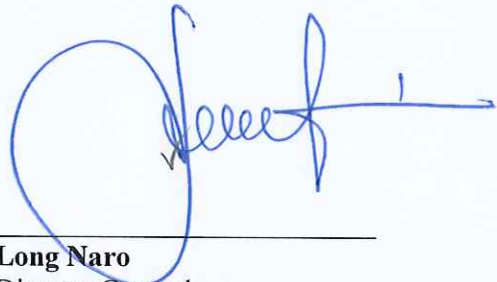
**STATEMENT BY THE DIRECTORS**

In the opinion of Directors, the accompanying condensed statement of financial position of Phnom Penh Water Supply Authority (“PPWSA”) as at 31 March 2024, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”) are presented fairly, in all material respects, in accordance with Cambodia International Accounting Standard 34 *Interim Financial Reporting*.

Signed on behalf of the Board of Directors, 



**Sim Sitha**  
Chairman of the Board of Directors



**Long Naro**  
Director General



**Deng Polyden**  
Deputy Director General  
in charge of Finance

Phnom Penh, Cambodia  
Date: 15<sup>th</sup> May 2024

**REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PHNOM PENH WATER SUPPLY AUTHORITY**  
(Incorporated in Cambodia)  
(Registration No: Co.0839 Et/2012)

### Introduction

We have reviewed the accompanying condensed statement of financial position of Phnom Penh Water Supply Authority (“PPWSA”) as at 31 March 2024, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”). The Directors of the PPWSA are responsible for the preparation of and presentation of the Condensed Interim Financial Information. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Information of the PPWSA is not presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

   
BDO (Cambodia) Limited

Phnom Penh, Cambodia  
Date: 15 May 2024

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

**CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

	Note	Unaudited 31.3.2024 KHR'000	Audited 31.12.2023 KHR'000 (restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,569,185,315	2,495,436,312
Intangible assets		10,041,501	10,463,074
		<u>2,579,226,816</u>	<u>2,505,899,386</u>
<b>Current assets</b>			
Inventories		288,643,733	318,746,592
Trade and other receivables		47,897,097	27,980,236
Contract assets	10	166,596,593	155,501,255
Loan to employees		8,217,525	7,956,651
Short-term investments	5	122,025,813	127,316,003
Cash and bank balances		14,910,186	15,660,200
		<u>648,290,947</u>	<u>653,160,937</u>
<b>TOTAL ASSETS</b>		<u>3,227,517,763</u>	<u>3,159,060,323</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		620,759,107	620,759,107
Reserves	6	769,192,402	647,148,782
Retained earnings		52,092,429	126,609,582
<b>TOTAL EQUITY</b>		<u>1,442,043,938</u>	<u>1,394,517,471</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	7	1,309,014,474	1,296,464,956
Deferred government and other grants	8	73,660,268	74,162,746
Deferred tax liabilities		85,735,811	81,946,858
Other payables	9	84,580,161	82,903,732
		<u>1,552,990,714</u>	<u>1,535,478,292</u>
<b>Current liabilities</b>			
Trade and other payables	9	188,669,770	179,944,621
Borrowings	7	30,681,256	24,137,129
Contract liabilities	10	5,578,868	4,254,138
Current tax liabilities		7,553,217	20,728,672
		<u>232,483,111</u>	<u>229,064,560</u>
<b>TOTAL LIABILITIES</b>		<u>1,785,473,825</u>	<u>1,764,542,852</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,227,517,763</u>	<u>3,159,060,323</u>

*The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*



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

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

	Note	Unaudited	
		Three-month period ended 31.3.2024 <sup>(1)</sup> KHR'000	31.3.2023 <sup>(2)</sup> KHR'000
Revenue:			
Sales	12	94,663,252	73,742,555
Construction service fee		2,194,827	6,825,219
Foreign exchange gains - net		1,050,670	-
Other income		8,902,764	2,443,839
		<u>106,811,513</u>	<u>83,011,613</u>
Expenses:			
Depreciation and amortisation charges		(14,765,031)	(15,117,954)
Electricity costs		(12,409,018)	(8,953,220)
Salaries, wages and related expenses		(19,846,454)	(18,457,090)
Raw materials for water treatment		(4,244,997)	(3,381,078)
Raw materials for household water connections		(1,390,207)	(1,157,083)
Repairs and maintenance		(3,820,639)	(2,293,738)
Construction service expense		(1,826,362)	(3,204,764)
Reversal of impairment on loan to employees		260,874	-
Other operating expenses		(3,551,669)	(2,685,485)
Foreign exchange losses - net		-	(890,757)
		<u>(61,593,503)</u>	<u>(56,141,169)</u>
Operating profit		45,218,010	26,870,444
Finance income	13	19,444,954	16,048,689
Finance costs	13	(1,841,625)	(1,177,483)
Profit before tax		62,821,339	41,741,650
Tax expense	14	(10,728,910)	(3,331,265)
Profit for the financial period		52,092,429	38,410,385
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial period		<u>52,092,429</u>	<u>38,410,385</u>
Earnings per share attributable to equity holders:			
Basic earnings per share	15	598.95	441.63
Diluted earnings per share	15	598.95	441.63

*Notes:*

(1) *The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were reviewed but no audited.*

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

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

	Note	Share capital KHR'000	Reserves KHR'000	Retained earnings KHR'000	Total KHR'000
<b>Unaudited</b>					
<b>Balance as at 1 January 2024</b>		<b>620,759,107</b>	<b>647,148,782</b>	<b>126,609,582</b>	<b>1,394,517,471</b>
Profit for the financial period, representing total comprehensive income		-	-	52,092,429	52,092,429
<b>Transactions with owners</b>					
Transfer to reserves	6	-	122,043,620	(122,043,620)	-
Dividends	11	-	-	(4,565,962)	(4,565,962)
Total transactions with owners		-	122,043,620	(126,609,582)	(4,565,962)
<b>Balance as at 31 March 2024<sup>(1)</sup></b>		<b>620,759,107</b>	<b>769,192,402</b>	<b>52,092,429</b>	<b>1,442,043,938</b>
<b>Unaudited</b>					
<b>Balance as at 1 January 2023</b>		<b>620,759,107</b>	<b>543,268,075</b>	<b>108,185,865</b>	<b>1,272,213,047</b>
Profit for the financial period, representing total comprehensive income		-	-	38,410,385	38,410,385
<b>Transactions with owners</b>					
Transfer to reserves	6	-	103,880,707	(103,880,707)	-
Dividends	11	-	-	(4,305,158)	(4,305,158)
Total transactions with owners		-	103,880,707	(108,185,865)	(4,305,158)
<b>Balance as at 31 March 2023<sup>(2)</sup></b>		<b>620,759,107</b>	<b>647,148,782</b>	<b>38,410,385</b>	<b>1,306,318,274</b>

*Notes:*

(1) *The Condensed Statement of Change in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were reviewed but not audited.*

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

**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

	Note	Unaudited	
		Three-month period ended 31.3.2024 <sup>(1)</sup> KHR'000	31.3.2023 <sup>(2)</sup> KHR'000
<b>Cash flows from operating activities</b>			
Profit before tax		62,821,339	41,741,650
Adjustments for:			
Amortisation of intangible assets		421,573	453,165
Amortisation of deferred government and other grants	8	(502,478)	(502,476)
Depreciation of property, plant and equipment	4	14,343,460	14,664,789
Finance income	13	(1,860,417)	(1,662,838)
Finance costs	13	1,841,625	929,671
Property, plant and equipment written-off	4	284,307	444,666
Reversal of impairment on loans to employees		(260,874)	-
Net unrealised foreign exchange gain		(17,584,537)	(14,138,039)
Operating profit before changes working capital		59,503,998	41,930,588
Changes in working capital:			
Inventories		28,058,738	18,287,786
Trade and other receivables		(20,045,559)	(14,924,078)
Trade and other payables		9,963,283	34,452,314
Contract assets		(11,095,338)	(437,314)
Contract liabilities		1,324,730	1,023,188
Refundable water deposits		1,676,429	2,003,675
Cash generated from operations		69,386,281	82,336,159
Income tax paid		(20,115,412)	(18,303,288)
Net cash from operating activities		49,270,869	64,032,871
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(89,298,595)	(101,012,086)
Purchase of intangible assets		-	(129,302)
Interest received		1,989,115	875,273
Proceeds from disposal of short-term investments		5,290,190	713,508
Net cash used in investing activities		(82,019,290)	(99,552,607)
<b>Cash flows from financing activities</b>			
Dividend paid		129	-
Drawdown of borrowings		44,657,084	32,095,692
Interest paid		(1,739,933)	(1,534,376)
Repayments of borrowings		(10,918,873)	(9,506,595)
Net cash from financing activities		31,998,407	21,054,721

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

**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (continued)**

	Note	Unaudited	
		31.3.2024 <sup>(1)</sup>	31.3.2023 <sup>(2)</sup>
		KHR'000	KHR'000
Net decrease cash and cash equivalents		(750,014)	(14,465,015)
Cash and cash equivalents at the beginning of financial period		<u>15,660,200</u>	<u>56,716,439</u>
Cash and cash equivalents at the end of financial period		<u>14,910,186</u>	<u>42,251,424</u>

*Notes:*

- (1) *The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *The comparative figures for the corresponding period were reviewed but not audited.*

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
31 MARCH 2024**

**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 Office 45, Street 106, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, the Kingdom of Cambodia.

This condensed interim financial information are presented in Khmer Riel (“KHR”), which is also the functional currency of the PPWSA.

The condensed interim financial information was authorised for issue by the Board of Directors on 15 May 2024.

**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.

**3. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting* and on a going concern basis. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached herein.

The explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the PPWSA since the financial year ended 31 December 2023.

### 3. BASIS OF PREPARATION (continued)

The accounting policies and methods of computation adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023 except for the adoption of the following accounting standards and amendments:

	<b>Effective Date</b>
<i>Supplier Finance Arrangements (Amendments to CIAS 7 Statement of Cash Flows and CIFRS 7 Financial Instruments: Disclosures)</i>	1 January 2024
<i>Amendments to CIFRS 16 Lease Liability in Sale and Leaseback</i>	1 January 2024
<i>Amendments to CIAS 1 Classification of Liabilities as Current or Non-current</i>	1 January 2024
<i>Amendments to CIAS 1 Non-current Liabilities with Covenants</i>	1 January 2024

#### *Supplier Finance Arrangement (Amendments to CIAS 7 Statement of Cash Flows and CIFRS 7 Financial Instruments: Disclosures)*

These Amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on the liabilities, cash flows and exposure to liquidity risk of the entity.

#### *Amendments to CIFRS 16 Lease Liability in Sale and Leaseback*

This amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

#### *Amendments to CIAS 1 Classification of Liabilities as Current or Non-current*

CIAS 1 *Presentation of Financial Statements* has been amended to:

- Clarify that the classification of liabilities as current or non-current is based on rights that in existence at the end of the reporting period;
- Specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;
- Explain that rights are in existence if covenants are complied with at the end of the reporting period; and
- Introduce a definition of “settlement” to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

#### *Amendments to CIAS 1 Non-current Liabilities with Covenants*

The amendment modifies the requirements introduced by *Classification of Liabilities as Current or Non-current* on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

### 3. BASIS OF PREPARATION (continued)

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

	<b>Effective Date</b>
Amendments to CIAS 21 <i>Lack of Exchangeability</i>	1 January 2025
CIFRS 18 <i>Presentation and Disclosures in Financial Statements</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.

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

#### Amendments to CIAS 21 *Lack of Exchangeability*

Amendments to 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; and
- 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.

#### CIFRS 18 *Presentation and Disclosures in Financial Statements*

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 #1, 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;

### 3. BASIS OF PREPARATION (continued)

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

The following is a summary of the most significant changes introduced by IFRS 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 IFRS-compliant sub-total. For example, 'adjusted profit or loss' reconciled to profit or loss.

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

The 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.

### 4. PROPERTY, PLANT AND EQUIPMENT

	<b>Unaudited 31.3.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000 (restated)</b>
<i>Cost</i>		
Balance at the beginning of financial period/year	3,153,360,119	2,805,461,230
Additions	86,332,649	281,994,800
Transfers from inventory	2,044,121	72,143,423
Written-off	(284,307)	(6,239,334)
	<u>3,241,452,582</u>	<u>3,153,360,119</u>
<i>Accumulated depreciation</i>		
Balance at the beginning of financial period/year	657,923,807	602,419,317
Depreciation for financial period/year	14,343,460	60,115,369
Written-off	-	(4,610,879)
	<u>672,267,267</u>	<u>657,923,807</u>
<i>Carrying amounts</i>		
Balance at the end of financial period/year	<u>2,569,185,315</u>	<u>2,495,436,312</u>

During the financial period, the PPWSA made the following cash payment to purchase property, plant and equipment:

	<b>Unaudited 31.3.2024 KHR'000</b>	<b>Unaudited 31.3.2023 KHR'000</b>
Additions	86,332,649	102,618,856
Decrease in payables and performance guarantee	5,804,225	-
Interest capitalised on qualifying assets	(2,838,279)	(1,606,770)
	<u>89,298,595</u>	<u>101,012,086</u>
Cash payment for purchase of property, plant and equipment	<u>89,298,595</u>	<u>101,012,086</u>



## 5. SHORT-TERM INVESTMENTS

These represent fixed deposits placed with financial institutions for a period of between nine and twelve months and earn interest at rates 3.50% to 6.75% (2023: 3.50% to 4.75%) per annum.

Short-term investments include deposits amounting to KHR122 billion (2023: KHR127.3 billion) set up specifically for the purpose of paying retirement benefits to retirees who are entitled to retirement benefits under the pension scheme.

## 6. 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	557,518,417	647,148,782
Transfer from retained earnings	-	6,330,479	6,330,479	109,382,662	122,043,620
<b>As at 31.3.2024 (Unaudited)</b>	<b>1,648,435</b>	<b>50,321,444</b>	<b>50,321,444</b>	<b>666,901,079</b>	<b>769,192,402</b>
As at 1.1.2023	1,648,435	38,581,671	38,581,671	464,456,298	543,268,075
Transfer from retained earnings	-	5,409,294	5,409,294	93,062,119	103,880,707
<b>As at 31.12.2023 (Audited)</b>	<b>1,648,435</b>	<b>43,990,965</b>	<b>43,990,965</b>	<b>557,518,417</b>	<b>647,148,782</b>

On 15 March 2024, the Board of Directors approved the transfer of retained earnings to reserves amounting to KHR122 billion.

In accordance with the PPWSA's Articles of Incorporation, article 44, dated 27 June 2012, the PPWSA's profit, after offsetting with losses carried forward (if any), can be used as follows:

- for management and staff bonus
- for legal reserve – 5%
- for general reserve – 5%
- the remaining balance for development reserve

## 7. BORROWINGS

	Unaudited 31.3.2024 KHR'000	Audited 31.12.2023 KHR'000
<b>Non-current</b>		
MoEF - Japanese International Cooperation Agency (“JICA”)	29,689,069	32,905,221
MoEF - Asian Development Bank (“ADB”)	27,528,895	28,181,178
Agence Francaise De Development (“Afd”) - Credit No. 1121 01 F	-	9,120,093
Afd - Credit No. 1174 01 P	139,624,321	146,790,388
Afd - Credit No. 1176 01 S	333,746,508	334,124,904
Afd - Credit No. 1244 01 M	382,884,884	348,610,836
European Investment Bank (“EIB”)	395,540,797	396,732,336
	<u>1,309,014,474</u>	<u>1,296,464,956</u>

7. **BORROWINGS (continued)**

	<b>Unaudited 31.3.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000</b>
<b>Current</b>		
MoEF - JICA	1,243,196	1,406,237
MoEF - ADB	1,095,537	2,377,251
AfD - Credit No. 1121 01F	17,520,571	18,260,514
AfD - Credit No. 1174 01 P	6,246,233	1,349,843
AfD - Credit No. 1176 01 S	1,017,494	275,702
AfD - Credit No. 1244 01 M	1,204,955	357,428
EIB	2,353,270	110,154
	<u>30,681,256</u>	<u>24,137,129</u>
	<u>1,339,695,730</u>	<u>1,320,602,085</u>

The maturity dates of these borrowings are as follows:

	<b>Unaudited 31.3.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000</b>
<b>Current</b>		
- Not later than one year	<u>30,681,255</u>	<u>24,137,129</u>
<b>Non-current</b>		
- Later than one year but not later than two years	22,313,021	31,779,581
- Later than two years but not later than five years	228,023,837	222,815,146
- Later than five years	<u>1,058,677,617</u>	<u>1,041,870,229</u>
	<u>1,309,014,475</u>	<u>1,296,464,956</u>
	<u>1,339,695,730</u>	<u>1,320,602,085</u>

8. **DEFERRED GOVERNMENT AND OTHER GRANTS**

	<b>EU Government grant KHR'000</b>	<b>Government grant KHR'000</b>	<b>JICA grant KHR'000</b>	<b>Other grants KHR'000</b>	<b>Total KHR'000</b>
<b>Balance at 1.1.2024</b>	54,436,199	14,496,321	3,838,433	1,391,793	74,162,746
Amortisation charges	-	(463,251)	(33,127)	(6,100)	(502,478)
<b>Balance at 31.3.2024 (Unaudited)</b>	<u>54,436,199</u>	<u>14,033,070</u>	<u>3,805,306</u>	<u>1,385,693</u>	<u>73,660,268</u>
<b>Balance at 1.1.2023</b>	54,436,199	10,191,527	3,972,502	638,249	69,238,477
Additions	-	6,157,800	-	776,377	6,934,177
Amortisation charges	-	(1,853,006)	(134,069)	(22,833)	(2,009,908)
<b>Balance at 31.12.2023 (Audited)</b>	<u>54,436,199</u>	<u>14,496,321</u>	<u>3,838,433</u>	<u>1,391,793</u>	<u>74,162,746</u>

**9. TRADE AND OTHER PAYABLES**

	<b>Unaudited 31.3.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000</b>
<b>Other payables - non-current</b>		
Refundable water deposits	<u>84,580,161</u>	<u>82,903,732</u>
<b>Trade payable - current</b>		
Third parties	<u>76,898,226</u>	<u>84,791,276</u>
<b>Other payables - current</b>		
Accrued staff incentive	3,389,664	11,505,191
Amount due to Phnom Penh Municipality	73,685,547	65,492,330
Amount due to employees	4,511,579	4,510,286
Performance guarantee	67,309	67,356
Dividend payable	4,566,091	-
Other tax payable	1,112,263	972,848
Other payables	<u>24,439,091</u>	<u>12,605,334</u>
	<u>111,771,544</u>	<u>95,153,345</u>
	<u>188,669,770</u>	<u>179,944,621</u>
	<u>273,249,931</u>	<u>262,848,353</u>

**10. CONTRACT ASSETS AND LIABILITIES**

	<b>Unaudited 31.3.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000</b>
<b>Contract assets</b>		
Construction service receivable	4,714,472	6,551,201
Accrued water revenue	<u>161,882,121</u>	<u>148,950,054</u>
	<u>166,596,593</u>	<u>155,501,255</u>
<b>Contract liabilities</b>		
Deferred income	(5,278)	(5,278)
Unearned income	<u>(5,573,590)</u>	<u>(4,248,860)</u>
	<u>(5,578,868)</u>	<u>(4,254,138)</u>

**11. DIVIDEND**

On 15 March 2024, the Board of Directors proposed and approved the dividend in respect of the financial year ended 31 December 2023 of KHR52.5 per share, amounting to a total dividend of KHR4.5 billion.

**12. SALES**

	<b>Unaudited</b>	
	<b>Three-month period ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>KHR'000</b>	<b>KHR'000</b>
Water sales:		
- households	35,195,777	26,523,779
- commercial	45,386,323	35,646,798
- public administration institution	6,541,637	5,503,967
- autonomous state authorities	265,503	181,615
- wholesalers	3,004,418	2,347,391
Rounding difference on water sales revenue	22,224	17,175
Less: Invoice cancellations	<u>(75,596)</u>	<u>(544,989)</u>
	90,340,286	69,675,736
Water connection revenue	3,006,915	2,750,981
Water meter replacement charges	1,271,514	1,263,615
Spare parts and meter sales	<u>44,537</u>	<u>52,223</u>
	<u>94,663,252</u>	<u>73,742,555</u>

**13. FINANCE INCOME/(COSTS)**

	<b>Unaudited</b>	
	<b>Three-month period ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>KHR'000</b>	<b>KHR'000</b>
Finance income:		
- Interest income on bank deposits (a)	1,860,417	1,662,838
- Net foreign exchange gains on borrowings	<u>17,584,537</u>	<u>14,385,851</u>
	19,444,954	16,048,689
Finance costs:		
- Interest expense on borrowings (b)	(4,679,904)	(2,536,441)
- Net foreign exchange losses on borrowings	-	(247,812)
- Interest expense capitalised on qualifying assets	<u>2,838,279</u>	<u>1,606,770</u>
	<u>(1,841,625)</u>	<u>(1,177,483)</u>
	<u>17,603,329</u>	<u>14,871,206</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.

#### 14. TAX EXPENSE

Under the Cambodian Law on Taxation, the PPWSA has an obligation to pay tax on profit at 20% (2023: 20%) of the taxable profit or a minimum tax at 1% (2023: 1%) of total revenue, whichever is higher. It represents the minimum amount of tax that the PPWSA will pay to tax authorities. The PPWSA has a tax on profit liability that exceeds the minimum tax liability, thus, no minimum tax will be payable. Tax is payable even if the PPWSA is in a tax loss position.

#### 15. EARNINGS PER SHARE

##### (a) Basic earnings per share

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

	Unaudited	
	Three-month period ended	
	31.3.2024	31.3.2023
	KHR'000	KHR'000
Profit attributable to equity holders (KHR'000)	52,092,429	38,410,385
Weighted average number of shares	<u>86,973,162</u>	<u>86,973,162</u>
Basic earnings per share (KHR)	<u>598.95</u>	<u>441.63</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.

#### 16. RELATED PARTY TRANSACTIONS

##### (a) The PPWSA had the following transactions with related parties during the financial period.

	Unaudited	
	Three-month period ended	
	31.3.2024	31.3.2023
	KHR'000	KHR'000
<u>Common control</u>		
MoEF		
Interest on borrowings paid	<u>4,679,904</u>	<u>2,536,441</u>

##### (b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited	
	Three-month period ended	
	31.3.2024	31.3.2023
	KHR'000	KHR'000
Salaries and other expenses	<u>616,914</u>	<u>2,398,299</u>

## 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

### (a) 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 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 primary exposure to credit risk arises through its trade receivables from its customers. The credit period is one months and the PPWSA seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

### (b) 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 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.

### (c) 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 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.

## 18. CAPITAL COMMITMENTS

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

	Unaudited 31.3.2024 KHR'000	Audited 31.12.2023 KHR'000
Construction of water treatment plant	23,120,911	27,799,075
Consultation services	9,060,309	9,949,247
Purchase of iron pipes, fitting and accessories	24,749,014	21,870,848
	<u>56,930,234</u>	<u>59,619,170</u>

## 19. TAXATION CONTINGENCIES

Law on taxation in Cambodia including Sub Decree, Prakas, Circular and Notification is frequently changing based on the amendment of tax authorities and subject to interpretation. Often, differing interpretations on law of taxation exist among relevant parties and this could result in higher tax risks. 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. Management believes that it has adequately provided tax liabilities based on its interpretation of tax legislation.

## 20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

	<b>As restated KHR'000</b>	<b>As previously stated KHR'000</b>
<b>Statement of financial position</b>		
<b>Non-current liabilities</b>		
Borrowings	1,296,464,956	1,296,924,684
<b>Current liabilities</b>		
Borrowings	<u>24,137,129</u>	<u>23,677,401</u>

## 21. PRIOR YEAR ADJUSTMENTS

The comparatives were restated due to reclassification of certain financial statements areas to reflect the nature of the transaction. The effects are as follows:

	<b>As restated KHR'000</b>	<b>As previously stated KHR'000</b>
<b>Statement of financial position</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,495,436,312	2,494,979,290
<b>Current assets</b>		
Cash and bank balances	<u>15,660,200</u>	<u>16,117,222</u>



**PHNOM PENH WATER SUPPLY AUTHORITY (PPWSA)**



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