

KINGDOM OF CAMBODIA
NATION RELIGION KING



PHNOM PENH WATER SUPPLY AUTHORITY

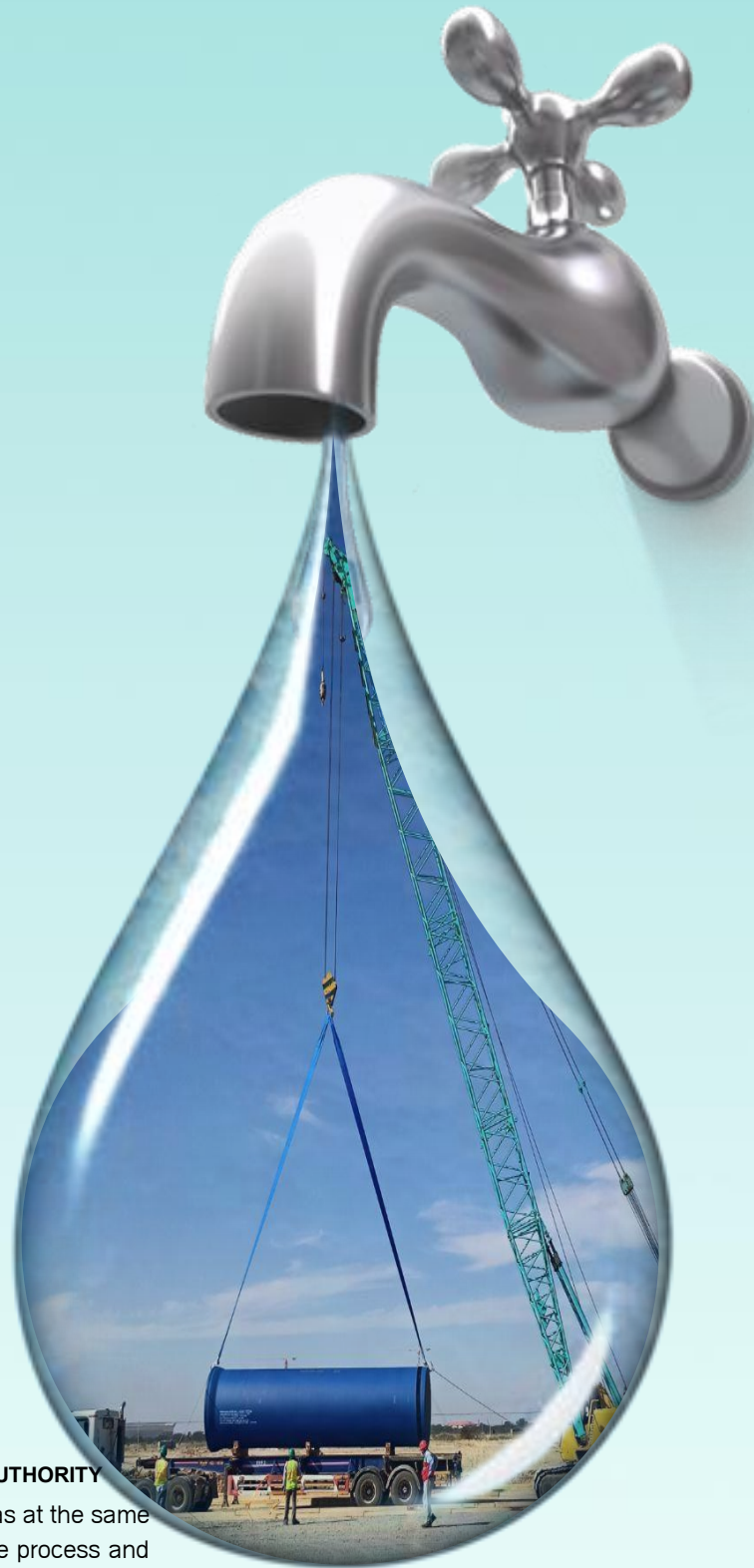
SECOND

QUARTERLY REPORT

2026

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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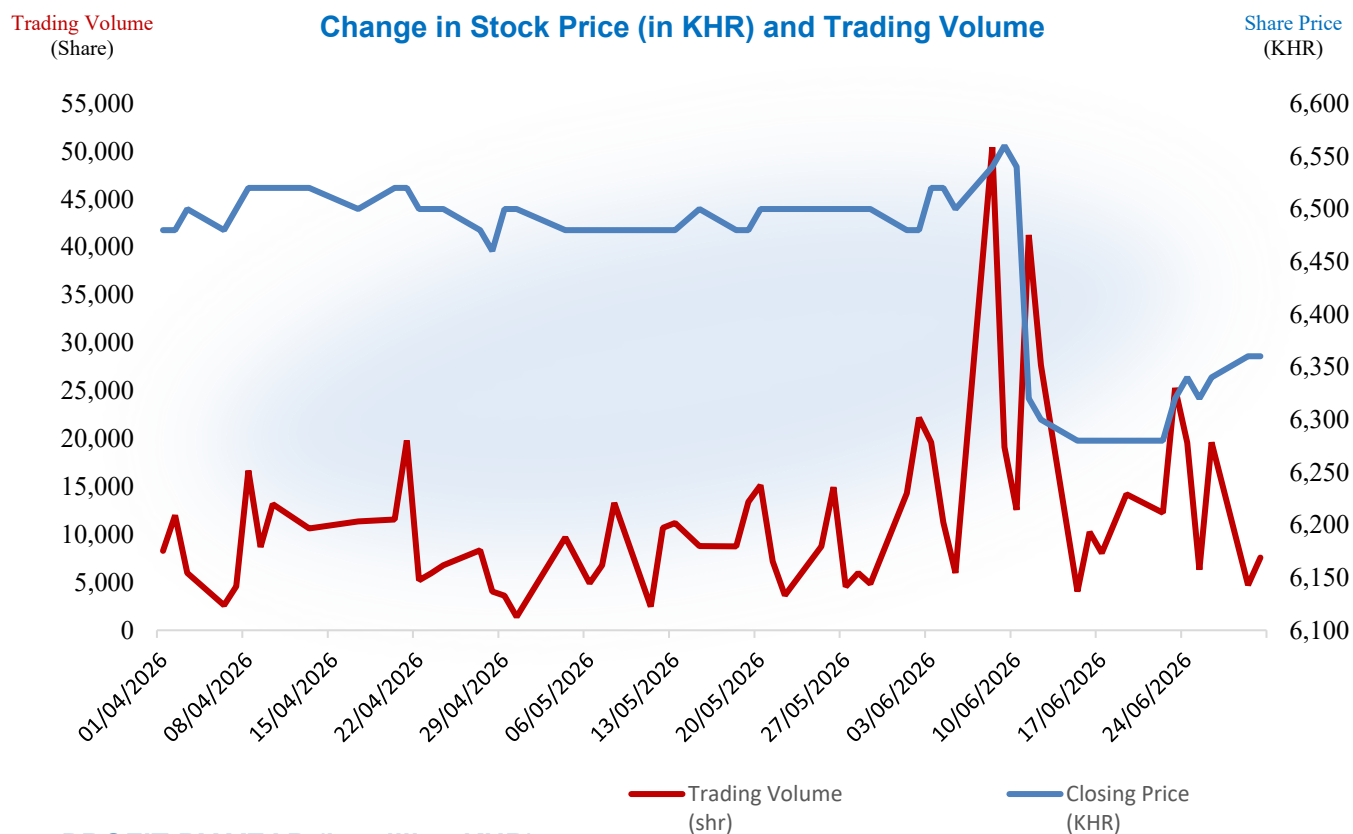


Mlech Water Treatment Plant, Chum Kiri District, Kampot Province

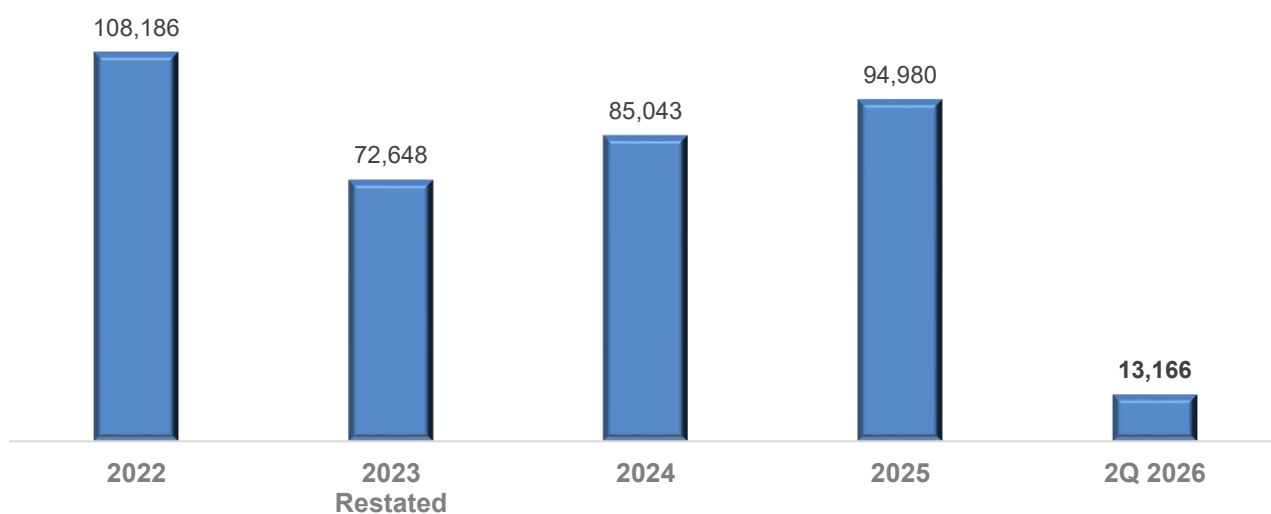
FINANCIAL HIGHLIGHTS

Financial Position		Second Quarter of 2026	2025 (Restated)	2024 (Restated)
Total assets (KHR'000)		3,569,700,975	3,444,134,332	3,279,165,281
Total liabilities (KHR'000)		2,082,249,786	1,969,043,516	1,906,547,941
Total shareholders'equity (KHR'000)		1,487,451,189	1,475,090,816	1,372,617,340
Profit/(Loss)		Second Quarter of 2026	Second Quarter of 2025 (Restated)	Second Quarter of 2024
Total Revenue (KHR'000)		96,262,015	85,926,958	92,598,718
Profit/(Loss) before tax (KHR'000)		16,279,877	24,407,117	3,167,377
Profit/(Loss) after tax (KHR'000)		13,166,070	18,500,616	2,425,928
Total comprehensive income (KHR'000)		13,166,070	18,500,616	2,425,928
Financial Ratios		Second Quarter of 2026	2025 (Restated)	2024 (Restated)
Solvency ratio				
Liquidity Ratio	Current Ratio (Times)	0.22	0.25	0.38
	Quick Ratio (Times)	0.12	0.14	0.18
		Second Quarter of 2026	Second Quarter of 2025 (Restated)	Second Quarter of 2024
Profitabilities Ratio	Return on Assets (%)	0.37	0.55	0.07
	Return on Equity (%)	0.88	1.33	0.17
	Gross Profit margin (%)	30.30	36.75	27.90
	Profit Margin (%)	13.68	21.53	2.62
	Earning Per Share (KHR)	151.38	212.72	27.89
Interest Coverage Ratio (Times)		2.17	3.80	1.05

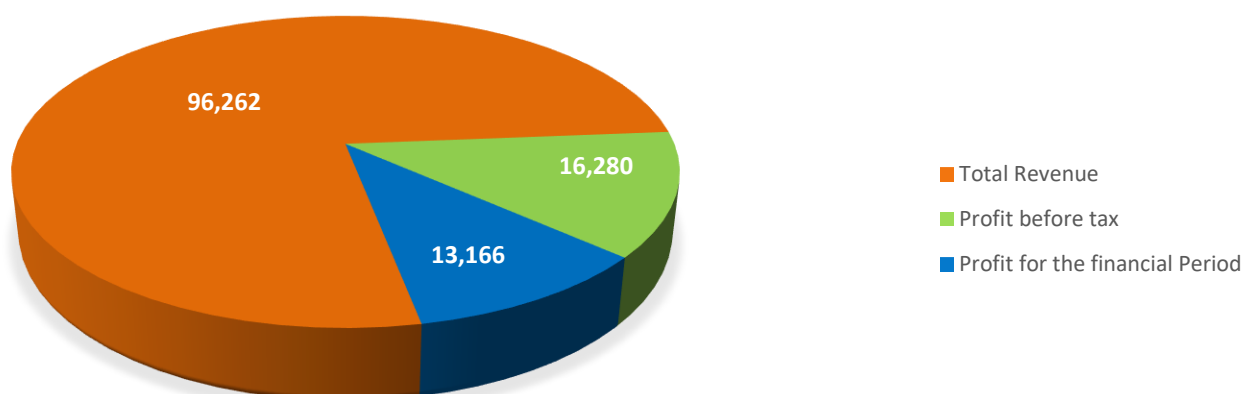
FINANCIAL SUMMARY CHARTS



PROFIT BY YEAR (in million KHR)



PROFIT FOR SECOND QUARTER OF 2026 (in million KHR)



BOARD OF DIRECTORS



H.E. EK SONNCHAN

Minister Delegate Attached to the Prime Minister

Chairman



H.E. In Sakan

Delegation of the Royal Government
and as Director General
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. Sok Nareth

Representative
of PPWSA's Employees

Member



Mr. Nam Channtry

Non-Executive Director
Representing Private Shareholders

Member



Mr. Sreng Samork

Independent Director

Member



CHAIRMAN'S STATEMENT

For the 2nd Quarter of 2026

Dear Valued Shareholders,

On behalf of the Board of Directors of the Phnom Penh Water Supply Authority (PPWSA), I am pleased to inform the two parent ministries, investors, development partners, the public, customers, and all stakeholders about the key operational progress achieved by PPWSA during the second quarter of 2026.

First and foremost, the key directions outlined in the first quarter of 2026 have continued to be implemented with dedication and a strong sense of responsibility.

1- Preparation of Corporate Governance Legal Documents

The preparation and development of PPWSA's corporate governance legal documents have reached the final stage. These documents are essential for clearly defining the roles, duties, authority, responsibilities, accountability, transparency, and code of conduct for Board of Directors, management and employees at all levels.

We expect that these documents will be submitted to the Board of Directors for review and approval in the third quarter of 2026. Following approval, PPWSA will arrange comprehensive dissemination, training, and implementation guidance for all management and employees.

The main objective is not merely to have documents in place to fulfil formal requirements, but to ensure that the principles of good governance become part of the institution's daily working culture, which everyone must respect and practice with integrity, discipline, and responsibility.

2- Reduction of Non-Revenue Water (NRW)

With regard to the reduction of non-revenue water, the technical team and relevant units have made considerable efforts in carrying out their responsibilities and have achieved notable positive results. By the end of the second quarter of 2026, the non-revenue water rate had dropped to 24.84% compared with 26.72% at the end of the first quarter of 2026, representing a reduction of 1.88% within one quarter. This result demonstrates that the implementation of technical measures and the participation of the working groups have begun to produce tangible outcomes. On behalf of the Board of Directors, I would like to commend and express my sincere appreciation to the management, technical working groups, and all relevant parties for their dedication and efforts in undertaking this work.

Nevertheless, the rate of 24.84% remain high and requires our continued attention and further efforts. Reducing non-revenue water is not solely the responsibility of the technical units, but a share responsibility of all relevant departments and units. I hope that, in the next quarter, we will continue to strengthen water-pressure management, leakage detection and repair, distribution-network management, water-meter accuracy inspection, the prevention of illegal water use, and the use of digital data to identify water-loss location more quickly and effectively. We must not be satisfied merely with the results achieved thus far, but should regard them as the first step in a long journey towards building PPWSA into an institution characterized by quality, high efficiency, and long-term sustainability.

3- Competition and Leadership Performance Evaluation Program

PPWSA has also completed the preparation of a draft document on the Competition and Leadership Performance Evaluation Program for departmental management and plans to submit it to the Board of Directors for review and approval in the third quarter of 2026. This program has been developed to enhance the quality of leadership, work efficiency, accountability, integrity, discipline, teamwork, and the quality of services provided to customers.

The evaluation shall be based on clear, measurable, transparent, and evidence-based criteria and indicators. The evaluation results will serve as a basis for:

- Commending and rewarding units and individuals with outstanding performance
- Considering promotions or providing opportunities for greater responsibilities based on actual competence and proven achievements
- Providing guidance, training, and corrective support to address identified shortcomings
- Identifying misconduct and taking disciplinary action in cases of negligence, breaches of discipline, or failure to assume responsibility

The granting of rewards, promotions, corrective guidance, and disciplinary measures shall be carried out with integrity, transparency, equality, and fairness, without being influenced by personal relationships, favoritism, position, or any form of influence.

Our objective is not to seek faults or punish any individual, but to establish working system in which good performers receive recognition, those with shortcomings receive guidance and opportunities for improvement, and those who intentionally commit misconduct are held accountable in accordance with the applicable rules and regulations.

4- Commitment and Future Direction

I firmly believe that the work and reforms currently being implemented are appropriate and necessary steps that align with the expectations and confidence of the leader of the two parent ministries, as well as the trust in PPWSA by investors, development partners, the public, and customers receiving clean-water supply service from PPWSA.

The Board of Directors will continue to perform its oversight, guidance, and support roles for the executive management in accordance with the principles of good governance, transparency, accountability, integrity, and the protection of the interests of the institution, customers, investors, and the public.

We pledge to continue fulfilling our duties with a strong sense of responsibility and without retreating even a single step in restoring and strengthening PPWSA's efficiency, competitiveness, reputation, and public confidence.

Acknowledgement

On this occasion, I would like to express my profound gratitude to the leader of the Ministry of Industry, Science, Technology and Innovation and the Ministry of Economy and Finance for their continued guidance, support, and valuable cooperation with PPWSA. I would also like to thank the members of the Board of Directors, management, employees at all levels, investors, customers, development partners, and all stakeholders for their continued support and trust in PPWSA.

Finally, I wish all investors success in their business activities and other responsibilities, together with continued and lasting prosperity.

I respectfully extend my best wishes to the leader of the two parent ministries, the members of the Board of Directors, management, and all PPWSA employees for good health, strength, wisdom, and success in all their duties.

Phnom Penh, August 14, 2026

CHAIRMAN

EK SONNCHAN

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Appendix I: Condensed Interim Financial Statements for the three-month and six-month periods ended
30 June 2026 and Independent Auditors' Report on Review of Condensed Interim Financial Statements

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 Email: ir@ppwsa.com.kh
- ◆ Company Registration Number: Co.0839Et/2012 Date: March 27th, 2012
- ◆ License number: Sub-decree No. 52 ANKr.BK Issued by: The Royal Government of Cambodia
Date: March 19th, 1996
- ◆ Disclosure document registration number by SERC: 012/12 SECC/SSR Date: March 23rd, 2012
- ◆ Representative: **H.E. In Sakan** Delegation of the Royal Government and as Director General 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.

C. Phnom Penh Water Supply Authority's Key Event

In the Second quarter of 2026, PPWSA had no other key event to disclosed.

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)'s production in the Second Quarter of 2026 :

Water Treatment Plant	Water Source	Planned (m ³)	Actual (m ³)	Rate (%)
Phum Prek	Tonle Sap	12,583,400	12,713,659	101
Chroy Changvar	Upper Mekong River	11,137,000	10,916,210	98
Chamkar Mon	Tonle Bassac	4,548,800	4,273,568	94
Nirodh	Lower Mekong River	23,368,800	24,600,519	105
Bakheng	Upper Mekong River	29,815,700	29,632,193	99
Boeung Thom	Sterng Prek Thnot	379,300	429,628	113
Takhmao	Tonle Bassac	455,000	1,748,765	384
Mlech	Mlech Dam	97,100	116,178	120
Tbong Khmom	Boeung Tavan	139,500	168,414	121
TOTAL :		82,524,600	84,599,134	103

➤ Actual raw material and electricity usage for water production in the Second Quarter of 2026 :

Description	Water Treatment Plant									Total
	Phum Prek	Chroy Changvar	Chamkar Mon	Nirodh	Bakheng	Boeung Thom	Takhmao	Mlech	Tbong Khmom	
PAC (Kg)	56,400	45,300	28,625	202,000	154,025	20,300	10,225	1,650	3,321	521,846
Salt (Kg)	0	0	124,500	0	314,025	0	31,375	0	0	459,900
Liquid chlorine (Kg)	0	0	21,156	0	82,977	0	8,963	0	0	113,096
Chlorine gas (Kg)	35,150	31,604	0	64,799	0	0	0	0	0	131,553
Chlorine powder (Kg)	0	0	0	0	0	5,066	0	854	1,406	7,326
Lime (Kg)	76,550	0	0	0	0	10,196	0	0	0	86,746
Electricity (kWh)	3,505,376	3,056,200	1,081,791	6,076,520	6,504,947	105,544	528,500	37,905	61,124	20,957,907

➤ 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	0.19	0.13	0.15	0.28	0.08	0.54	0.07	0.33	0.34	0.24
pH Value	pH	6.5 - 8.5	6.5 - 8.5	7.72	7.83	7.81	7.78	7.85	7.50	7.82	7.17	7.62	7.76
Free Available Chlorine	mg/l	-	5	1.31	1.07	1.05	1.26	1.21	1.12	1.19	1.32	1.08	0.43
Total Available Chlorine	mg/l	-	-	1.53	1.18	1.21	1.39	1.34	1.29	1.37	1.44	1.31	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

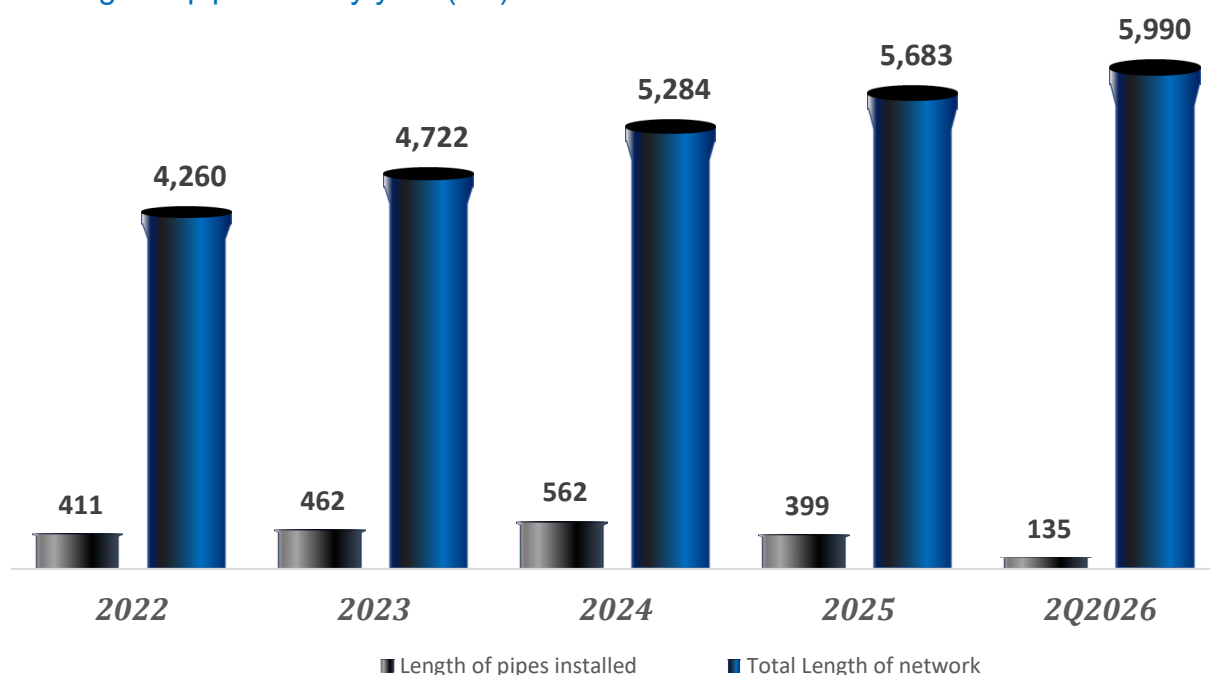
PART 2. Information on Business Operation Performance (Con't)

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

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

A.1.2. Pipes Laying

The Length of pipes laid by year (km)



A.1.3. Non-revenue water

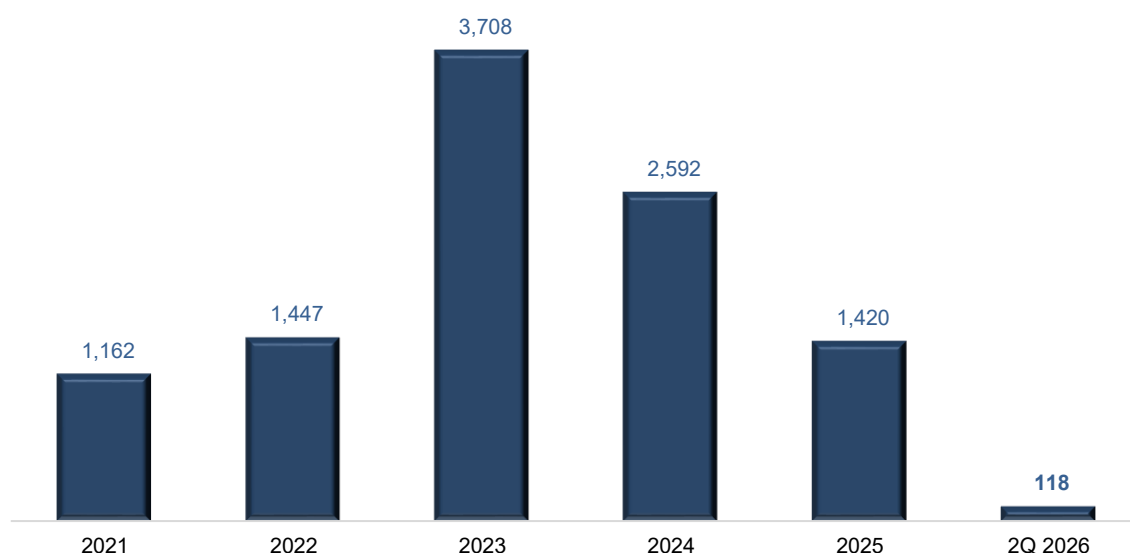
In the Second Quarter of 2026, PPWSA's non-revenue water rate was kept as following:

- Phnom Penh Capital and Takmao City: 24.84%.
- Kompot Province, Mlech WTP: 4.90%
- Tbong Khmom Province, Tbong Khmom WTP: 15.53%

A.2. Business Activities and Results

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

low-incom household connections



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

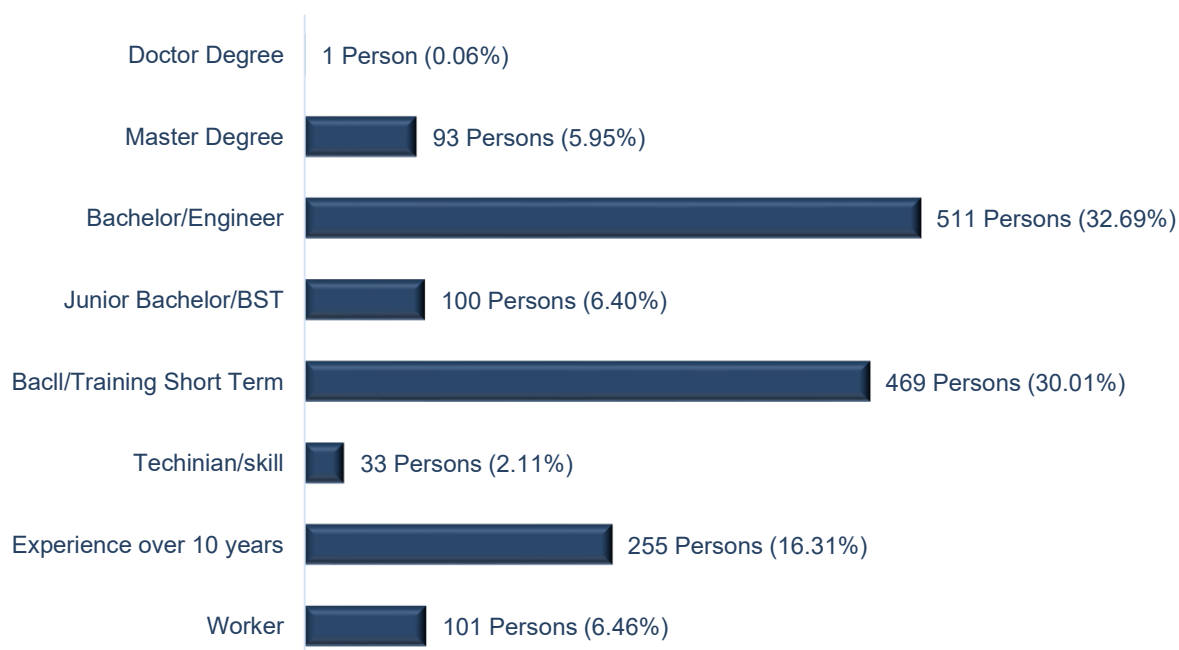
A. Business Operation Performance including business segments information (con't)

A.2. Business Activities and Results (con't)

A.2.2. House Connection and Customer Management

Type of Customers	2022	2023	2024	2025	1Q 2026	
	(Connections)	(Connections)	(Connections)	(Connections)	(Connections)	(%)
Domestic	360,948	381,752	397,479	412,332	419,292	77.6822
Commercial	83,874	89,702	97,234	107,467	114,495	21.2125
Administrative	913	918	840	853	862	0.1597
Wholesalers	9	6	6	4	4	0.0007
RDE Representative	5	3	3	4	4	0.0007
Standpipe	16	14	13	8	6	0.0011
Room rental	5,789	5,746	5,714	5,404	5,090	0.9430
TOTAL	451,554	478,141	501,289	526,072	539,753	

A.3- Human Resource Management



Total staff of PPWSA in Q2-2026: 1,563 persons (261 females)

B- Revenue Structure

No	Source of Revenue	Second Quarter of 2026		Second Quarter of 2025 (Restated)		Second Quarter of 2024	
		(KHR'000)	%	(KHR'000)	%	(KHR'000)	%
1	Revenue from contracts with customers	90,844,388	94.37	81,656,261	95.03	84,132,663	90.86
2	Construction Service fee	1,366,966	1.42	(589,414)	(0.69)	1,073,763	1.16
3	Other income	4,050,661	4.21	4,860,111	5.66	7,392,292	7.98
Total revenue		96,262,015		85,926,958		92,598,718	

PART 3:
FINANCIAL STATEMENT
REVIEWED BY
THE EXTERNAL AUDITOR

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED
30 JUNE 2026
AND
INDEPENDENT AUDITORS' REPORT ON REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

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 Revenue from contracts with customers, construction service fees and other incomes.

- Revenue from contracts with customers 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 30 June 2026 compared to the period of 30 June 2025

Description	Second Quarter of 2026 (KHR'000)	Second Quarter of 2025 (Restated) (KHR'000)	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total Revenues	96,262,015	85,926,958	10,335,057	12.03

PPWSA had a total revenue of KHR96,262,015,000 for the period ended 30 June 2026 and KHR85,926,958,000 for the period ended 30 June 2025. The revenue increased by KHR10,335,057,000 or 12.03%. The main reason of this increase in revenue is due to revenue from contracts with customers increased by KHR9,188,127,000 or 11.25% and construction service fee increased by KHR1,956,380,000 or 331.92%.

2. Revenue analysis by segment

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

Description	Second Quarter of 2026		Second Quarter of 2025	
	(KHR'000)	%	(Restated) (KHR'000)	%
Revenue from contracts with customers	90,844,388	94.37	81,656,261	95.03
Construction Service fee	1,366.966	1.42	(589,414)	(0.69)
Other income	4,050,661	4.21	4,860,111	5.66
Total revenue	96,262,015		85,926,958	

PART 4: 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:

- The period ended 30 June 2026 compared to the period of 30 June 2025

Description	Second Quarter of 2026		Second Quarter of 2025		Changes		
	Volume	Amount	Volume	Amount	Volume	Amount	%
	(M ³)	(KHR'000)	(M ³)	(KHR'000)	(M ³)	(KHR'000)	
	a	b	c	d	a - c	b - d	(b-d)/d*100
Domestic	30,170,082	30,620,089	27,856,056	28,057,321	2,314,026	2,562,768	9.13%
Commercial	27,719,990	47,660,239	25,182,758	42,636,270	2,537,232	5,023,969	11.78%
Public administrative and autonomy	2,487,417	6,204,051	2,345,974	5,648,044	141,443	556,007	9.84%
Representative and room rental	3,249,546	2,751,006	3,108,273	2,576,739	141,273	174,267	6.76%

💧 Revenue from domestic/household water sales

Revenue from domestic water sales amounted to KHR30,620,089,000 for the period ended 30 June 2026 and KHR28,057,321,000 for the period ended 30 June 2025, This represents an increase of KHR2,562,768,000 or 9.13%. This growth occurred despite a 0.82m³ increase in monthly consumption per connection (from 24.87m³ to 25.69m³) , and the average tariff also increased by KHR7.69/m³ (from KHR1,007.23/m³ to KHR1,014.92/m³).

💧 Revenue from commercial and industrial water sales (Commerce)

Revenue from commercial water sales amounted to KHR47,660,239,000 for the period ended of 30 June 2026 and KHR42,636,270,000 for the period ended of 30 June 2025, This represents an increase of KHR5,023,969,000 or 11.78%. This growth occurred despite a 2.19m³ decrease in monthly consumption per connection (from 84.94m³ to 82.75m³) , which was offset by an increase in the average tariff of KHR26.28/m³ (from KHR1,693.07/m³ to KHR1,719.35/m³).

💧 Revenue from public administrative water sales

Revenue from public administrative water sales amounted to KHR6,204,051,000 for the period ended of 30 June 2026 and KHR5,648,044,000 for the period ended of 30 June 2025, This represents an increase of KHR556,007,000 or 9.84%. The reason of increased is that the monthly water consumption per connection increased by 41.72m³ (from 885.91m³ to 927.63m³) and the average tariff remained flat at KHR2,500/m³.

💧 Revenue from water sales for representatives and rented rooms

Revenue from representative and rent rooms water sales amounted of KHR2,751,006,000 for the period ended of 30 June 2026 and KHR2,576,739,000 for the period ended of 30 June 2025, This represents an increase of KHR174,267,000 or 6.76%. The reason of increased is that the monthly water consumption per connection increased by 24.87m³ (from 185.97m³ to 210.84m³) , and the average tariff also increase by KHR17.59m³ (from KHR828.99/m³ to KHR846.58/m³).

PART 4: 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 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 30 June 2026 compared to the period ended 30 June 2025

Description	Second Quarter of 2026 (KHR'000)	Second Quarter of 2025 (Restated) (KHR'000)	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total revenues	96,262,015	85,926,958	10,335,057	12.03
Salaries,Wages and related expenses	(22,433,628)	(21,382,445)	(1,051,183)	4.92
Depreciation and amortisation charges	(17,388,774)	(15,221,000)	(2,167,774)	14.24
Electricity costs	(11,282,245)	(9,746,480)	(1,535,765)	15.76
Raw materials for water treatment	(3,308,896)	(3,571,582)	262,686	(7.35)
Construction service expenses	(2,345,308)	2,296,799	(4,642,107)	(202.11)
Finance income	577,537	1,136,211	(558,674)	(49.17)
Finance costs	(13,466,265)	(8,311,104)	(5,155,161)	62.03
Profit before tax	16,279,877	24,407,117	(8,127,240)	(33.30)

PPWSA earned profit before tax of KHR16,279,877,000 for the period ended 30 June 2026 and profit before tax of KHR24,407,117,000 for the period ended 30 June 2025, decreased by KHR8,127,240,000 or 33.30%. The main reason of this decrease is due to electricity costs increased by KHR1,535,765,000 or 15.76% and construction service expenses increased by KHR4,642,107,000 or 202.11% and finance income decreased by KHR558,674,000 or 49.17%.

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 4: Management's Discussion and Analysis (Con't)

A. Overview of operations (Con't)

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

➤ The period ended 30 June 2026 compared to the period ended 30 June 2025

Description	Second Quarter of 2026 (KHR'000)	Second Quarter of 2025 (Restated) (KHR'000)	Changes	
			(KHR'000)	Percentage
	c	d	c - d	(c-d)/d*100
Profit before tax (a)	16,279,877	24,407,117	(8,127,240)	(33.30)
Income tax expense (b)	(3,113,807)	(5,906,501)	2,792,694	(47.28)
Profit for the financial period	13,166,070	18,500,616	(5,334,546)	(28.83)
Total comprehensive income for the financial year	13,166,070	18,500,616	(5,334,546)	(28.83)
Effective tax reate (b)/(a)	19.13%	24.20%		

PPWSA earned profit for the financial period of KHR13,166,070,000 for the period ended of 30 June 2026 and KHR18,500,616,000 for the period ended 30 June 2025, increased by KHR5,334,546,000 or 28.83%. The main reason of this decrease is due to electricity costs increased by KHR1,535,765,000 or 15.76% and construction service expenses increased by KHR4,642,107,000 or 202.11% and finance income decreased by KHR558,674,000 or 49.17%.

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

The uncertain state of the world economy continues to affect the economic growth in the economy globe and in the region as well. However, PPWSA continues to operate daily and remains profitable in the Second Quarter of 2026 . The reason the Authority could secure this profit is that water sales increased quarter on quarter, with the supporting factors as below:

- **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.

PART 4: 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 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 Second Quarter of 2026. The real estate and tourism sector in Cambodia is not in a good situation either, 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 continued construction Bakheng WTP - Phase 3 with the production capacity of 195,000 m³/day which is scheduled to be completed in the Fourth Quarter of 2027, 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 30 June 2026, the management believes that PPWSA does not have any unusual and extraordinary elements.

PART 4: Management's Discussion and Analysis (Con't)

C. Material changes in sales and revenues

PPWSA's main revenues are the revenue from contracts with customers (water sales and connection fees) which is a basic need of Phnom Penh residents. The water sales represented about 94.37% of gross revenue in Second Quarter of 2026 . 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 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 months 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).

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 and Global conflict 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.

PART 4: Management's Discussion and Analysis (Con't)

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 March 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.អនុញ្ញាត, dated 18 May 2011.

PART 5: Other Necessary Information for Investor Protection

In the Second quarter of 2026, PPWSA had no other necessary information to disclose.

SIGNATURE OF DIRECTORS OF PHNOM PENH WATER SUPPLY AUTHORITY

Phnom Penh, August 14, 2026

Read and Approved

Signature

EK SONNCHAN

Chairman of the Board

Phnom Penh, August 14, 2026

Read and Approved

Signature

In Sakan

Director

APPENDIX I

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED

30 JUNE 2026

AND

INDEPENDENT AUDITORS' REPORT ON REVIEW OF

CONDENSED INTERIM FINANCIAL STATEMENTS

PHNOM PENH WATER SUPPLY AUTHORITY

**Condensed Interim Financial Statements
for the three-month and six-month
periods ended 30 June 2026**

and

**Independent Auditors' Report on Review of
Condensed Interim Financial Statements**

Phnom Penh Water Supply Authority

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Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying condensed interim financial statements of Phnom Penh Water Supply Authority ("PPWSA" or the "Company"), which comprises the condensed interim statement of financial position as at 30 June 2026, and the related condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and changes in equity and cash flows for the six-month periods then ended, and notes to the condensed interim financial statements, are prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*.

Signed in accordance with a resolution of the Board of Directors, 



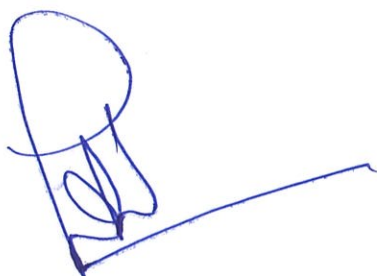
Ek Sonnchan

Chairman of the Board of Directors



In Sakan

Director General



Deng Polyden

*Deputy Director General
in charge of Finance*

Phnom Penh, Kingdom of Cambodia

Date: *14 August 2026*



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THE INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the shareholders of Phnom Penh Water Supply Authority

Introduction

We have reviewed the accompanying condensed interim financial statements of Phnom Penh Water Supply Authority ("PPWSA" or "the Company"), as set out on pages 5 to 32 (hereafter referred to as "the condensed interim financial statements") which comprise:

- the condensed interim statement of financial position as at 30 June 2026;
- the condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026;
- the condensed interim statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2026; and
- other explanatory notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Cambodian 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.



Basis for Qualified Conclusion

The Company has not assessed or quantified the accounting implications arising from certain post-employment benefit arrangements provided to current and former employees, including a lump-sum retirement benefit equivalent to six months of final salary upon retirement and continuing monthly payments to 109 eligible retired employees for the remainder of their lives. As a result, no liability, expense or related disclosures have been recognised in the condensed interim financial statements in respect of these arrangements. In addition, the detailed supporting schedules for construction in progress ("CIP") included in property, plant and equipment were not available, other than the related transactions recorded in the general ledger. Certain assets relating to the Bakheng Water Production Facilities Phase 1 and Phase 2 projects were completed and available for use but remained classified within CIP and had not been transferred to the appropriate asset classes or depreciated. The Company also acquired ownership rights to certain land in the Boeung Tamok area. As of the reporting date, the fair value of this land had not yet been determined.

The financial effects of the above matters have not been determined. In the absence of sufficient information to quantify those effects, it was not practicable to obtain review evidence through the performance of additional review procedures or alternative means. Accordingly, we were unable to determine whether any adjustments to employee benefit liabilities, employee benefit expense, property, plant and equipment, depreciation expense, related tax, capital, retained earnings and related disclosures in the condensed interim financial statements were necessary.

Qualified Conclusion

Based on our review, except for the possible effects of the matters described in the *Basis for Qualified Conclusion* section of our report, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the Cambodian International Accounting Standard 34, "Interim Financial Reporting".

Emphasis of Matter – Comparative Information

We draw attention to Note 20 to the condensed interim financial statements which indicates that the comparative information presented as at 31 December 2025 and 1 January 2025, and for the three-month and six-month periods ended 30 June 2025 has been restated. Our conclusion is not further modified in respect of this matter.

Other Matter Relates to Comparative Information

The Company's condensed interim financial statements for the three-month and six-month periods ended 30 June 2025 and financial statements for the years ended 31 December 2025 and 2024 (not presented herein), excluding the adjustments described in Note 20 to the condensed interim financial statements, were reviewed and audited by another firm of auditors who expressed an unmodified conclusion and unmodified opinions on those financial statements on 13 August 2025, 7 April 2026 and 28 May 2025, respectively.



As part of our review of the condensed interim financial statements for the three-month and six-month periods ended 30 June 2026, we reviewed the adjustments described in Note 20 that were applied to restate the comparative information presented as at 31 December 2025 and 1 January 2025, and for the three-month and six-month periods ended 30 June 2025. We were not engaged to review or apply any procedures to the condensed interim financial statements for the three-month and six-month periods ended 30 June 2025 or the financial statements for the years ended 31 December 2025 and 2024 (not presented herein), other than with respect to the adjustments described in Note 20 to the condensed interim financial statements. Accordingly, we do not express a conclusion or any other form of assurance on those respective financial statements taken as a whole. However, based on our review, nothing has come to our attention that causes us to believe that the adjustments described in Note 20 are not appropriate or have not been properly applied.

For KPMG Cambodia Ltd

Yim Lundy
Engagement Partner

Phnom Penh, Kingdom of Cambodia

14 August 2026

Phnom Penh Water Supply Authority

Condensed interim statement of financial position as at 30 June 2026

	Note	30 June 2026 KHR'000	31 December 2025 KHR'000 (Restated)	1 January 2025 KHR'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	4	3,277,468,561	3,162,986,393	2,939,664,426
Intangible assets		9,421,778	8,287,336	9,080,507
		<u>3,286,890,339</u>	<u>3,171,273,729</u>	<u>2,948,744,933</u>
Current assets				
Inventories		125,029,989	127,019,755	144,235,770
Trade and other receivables		20,546,388	17,941,570	27,537,927
Contract assets	10	36,977,772	33,636,688	37,586,190
Loan to employees		3,360,097	3,425,716	3,894,589
Short-term investments	5	48,495,035	66,661,827	94,961,360
Current tax assets		4,780,790	-	3,797,846
Cash and bank balances		43,620,565	24,175,047	18,406,666
		<u>282,810,636</u>	<u>272,860,603</u>	<u>330,420,348</u>
TOTAL ASSETS		<u>3,569,700,975</u>	<u>3,444,134,332</u>	<u>3,279,165,281</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		636,601,984	636,601,984	620,759,107
Reserves	6	806,026,404	739,747,415	713,236,157
Retained earnings		44,822,801	98,741,417	38,622,076
TOTAL EQUITY		<u>1,487,451,189</u>	<u>1,475,090,816</u>	<u>1,372,617,340</u>
LIABILITIES				
Non-current liabilities				
Borrowings	7	413,861,129	422,754,225	443,727,099
Deferred government and other grants	8	71,582,336	72,738,240	72,625,961
Deferred tax liabilities, net		111,178,931	106,860,485	97,602,134
Other payables	9	100,416,656	111,588,949	88,950,566
		<u>697,039,052</u>	<u>713,941,899</u>	<u>702,905,760</u>
Current liabilities				
Trade and other payables	9	193,515,124	88,409,369	212,443,546
Borrowings	7	1,190,881,616	1,158,455,758	986,892,283
Contract liabilities	10	813,994	5,791,093	4,306,352
Current income tax liabilities		-	2,445,397	-
		<u>1,385,210,734</u>	<u>1,255,101,617</u>	<u>1,203,642,181</u>
TOTAL LIABILITIES		<u>2,082,249,786</u>	<u>1,969,043,516</u>	<u>1,906,547,941</u>
TOTAL EQUITY AND LIABILITIES		<u>3,569,700,975</u>	<u>3,444,134,332</u>	<u>3,279,165,281</u>

The accompanying notes form an integral part of these condensed interim financial statements.

Phnom Penh Water Supply Authority

Condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026

		For the six-month period ended		For the three-month period ended	
	Note	30 June 2026 KHR'000	30 June 2025 KHR'000 (Restated)	30 June 2026 KHR'000	30 June 2025 KHR'000 (Restated)
Revenue					
Revenue from contracts with customers	11	174,252,003	157,618,778	90,844,388	81,656,261
Construction service fee		5,323,533	2,503,987	1,366,966	(589,414)
Other income		12,945,560	8,427,064	4,050,661	4,860,111
		<u>192,521,096</u>	<u>168,549,829</u>	<u>96,262,015</u>	<u>85,926,958</u>
Expenses					
Depreciation and amortisation		(33,836,998)	(30,331,888)	(17,388,774)	(15,221,000)
Electricity costs		(22,284,734)	(21,043,903)	(11,282,245)	(9,746,480)
Salaries, wages and related expenses		(42,657,757)	(40,827,932)	(22,433,628)	(21,382,445)
Raw materials for water treatment		(7,901,589)	(7,495,287)	(3,308,896)	(3,571,582)
Raw materials for household water connections		(4,871,407)	(2,629,918)	(3,082,569)	(1,195,697)
Repairs and maintenance		(5,849,230)	(5,574,953)	(2,951,397)	(2,509,556)
Construction service expense		(5,362,920)	(199,427)	(2,345,308)	2,296,799
Other operating expenses		(6,251,695)	(4,763,673)	(4,300,593)	(3,014,987)
		<u>(129,016,330)</u>	<u>(112,866,981)</u>	<u>(67,093,410)</u>	<u>(54,344,948)</u>
Operating profit		63,504,766	55,682,848	29,168,605	31,582,010
Finance income	12	1,220,814	5,210,548	577,537	1,136,211
Finance costs	12	(13,525,920)	(9,024,430)	(13,466,265)	(8,311,104)
Finance costs, net		<u>(12,305,106)</u>	<u>(3,813,882)</u>	<u>(12,888,728)</u>	<u>(7,174,893)</u>
Profit before tax		51,199,660	51,868,966	16,279,877	24,407,117
Income tax expense	13	(10,138,143)	(10,672,920)	(3,113,807)	(5,906,501)
Net profit for the period		<u>41,061,517</u>	<u>41,196,046</u>	<u>13,166,070</u>	<u>18,500,616</u>
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		<u>41,061,517</u>	<u>41,196,046</u>	<u>13,166,070</u>	<u>18,500,616</u>

Phnom Penh Water Supply Authority

Condensed interim statement of profit or loss and other comprehensive income (continued) for the three-month and six-month periods ended 30 June 2026

		For the six-month period ended		For the three-month period ended	
	Note	30 June 2026	30 June 2025	30 June 2026	30 June 2025
		KHR'000	KHR'000	KHR'000	KHR'000
			(Restated)		(Restated)
Earnings per share attributable to equity holders of the Company, presented in KHR, during the period were as follows:					
Basic earnings per share	14	472.12	473.66	151.38	212.72
Diluted earnings per share	14	<u>472.12</u>	<u>473.66</u>	<u>151.38</u>	<u>212.72</u>

The accompanying notes form an integral part of these condensed interim financial statements.

Phnom Penh Water Supply Authority

Condensed interim statement of changes in equity for the six-month period ended 30 June 2026

	Share capital KHR'000	Reserves KHR'000	Retained earnings KHR'000	Total KHR'000
Balance at 1 January 2026	636,601,984	739,747,415	98,741,417	1,475,090,816
<i>Total comprehensive income</i>				
Net profit for the period	-	-	41,061,517	41,061,517
Other comprehensive income	-	-	-	-
	-	-	41,061,517	41,061,517
<i>Transaction with owners</i>				
Transfer to reserves	-	66,278,989	(66,278,989)	-
Dividends	-	-	(28,701,144)	(28,701,144)
	-	66,278,989	(94,980,133)	(28,701,144)
Balance at 30 June 2026	<u>636,601,984</u>	<u>806,026,404</u>	<u>44,822,801</u>	<u>1,487,451,189</u>
Balance at 1 January 2025 (Restated)	620,759,107	713,236,157	38,622,076	1,372,617,340
<i>Total comprehensive income</i>				
Net profit for the period (Restated)	-	-	41,196,046	41,196,046
Other comprehensive income	-	-	-	-
	-	-	41,196,046	41,196,046
<i>Transaction with owners</i>				
Transfer to reserves	-	26,511,258	(26,511,258)	-
Dividends	-	-	(4,566,091)	(4,566,091)
	-	26,511,258	(31,077,349)	(4,566,091)
Balance at 30 June 2025 (Restated)	<u>620,759,107</u>	<u>739,747,415</u>	<u>48,740,773</u>	<u>1,409,247,295</u>

The accompanying notes form an integral part of these condensed interim financial statements.

Phnom Penh Water Supply Authority

Condensed interim statement of cash flows for the six-month period ended 30 June 2026

	Note	For the six-month period ended 30 June 2026 KHR'000	30 June 2025 KHR'000 (Restated)
Cash flows from operating activities			
Profit before tax		51,199,660	51,868,966
<i>Adjustments for:</i>			
Amortisation of intangible assets		678,011	595,872
Amortisation of deferred government and other grants	8	(1,242,531)	(1,004,954)
Depreciation of property, plant and equipment	4	33,158,987	29,736,016
Interest income	12	(1,220,814)	(2,243,812)
Interest expenses	12	8,974,318	9,024,430
Provision for inventory written down		2,196,527	-
Net unrealised foreign exchange gain		4,487,947	(5,072,978)
Property, plant and equipment written-off	4	-	350,875
Operating profit before changes working capital		98,232,105	83,254,415
<i>Changes in working capital:</i>			
Inventories		(34,019,118)	21,106,239
Trade and other receivables		(2,604,818)	(4,685,915)
Trade and other payables		1,581,080	4,285,208
Contract assets		(3,341,084)	3,830,721
Contract liabilities		(4,977,099)	3,063,252
Cash generated from operations		54,871,066	110,853,920
Income tax paid		(13,045,886)	(6,542,111)
Net cash from operating activities		41,825,180	104,311,809
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(7,672,318)	(75,998,877)
Purchase of intangible assets		(339,763)	(397,219)
Interest received		158,379	2,243,812
Proceed from settlement of loan to employee		65,619	307,594
Placement of short-term investments		(9,035,211)	(509,722)
Proceeds from maturity of short-term investments		28,436,917	-
Net cash from/(used in) investing activities		11,613,623	(74,354,412)
Cash flows from financing activities			
Dividends paid		4,134,454	-
Interest paid		(10,630,133)	(9,145,102)
Repayments of principal of borrowings		(27,584,233)	(21,513,322)
Proceeds from government grant		86,627	347,284
Net cash used in financing activities		(33,993,285)	(30,311,140)

Phnom Penh Water Supply Authority

Condensed interim statement of cash flows (continued) for the six-month period ended 30 June 2026

	Note	For the six-month period ended 30 June 2026 KHR'000	30 June 2025 KHR'000 (Restated)
Net increase/(decrease) in cash and cash equivalents		19,445,518	(353,743)
Cash and cash equivalents at the beginning of financial period		<u>24,175,047</u>	<u>18,406,666</u>
Cash and cash equivalents at the end of financial period		<u>43,620,565</u>	<u>18,052,923</u>
Significant non-cash transactions:			
Investing activities			
Property, plant and equipment transferred from inventories		33,812,357	16,594,540
Interest capitalised to property, plant and equipment		1,551,717	971,300
Credit purchases of property, plant and equipment		<u>80,575,560</u>	<u>82,512,077</u>
		<u>115,939,634</u>	<u>100,077,917</u>
Financing activities			
Direct payment for property, plant and equipment via borrowings		<u>47,360,216</u>	<u>91,142,690</u>

The accompanying notes form an integral part of these condensed interim financial statements.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements for the three-month and six-month periods ended 30 June 2026

1. Corporate information

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

This condensed interim financial statements is presented in Khmer Riel ("KHR"), which is also the functional currency of PPWSA.

Principal activities

The principal activities of 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 in Kampot Province and the provision of other related services. The objectives of PPWSA are to:

- Invest in, build, enlarge, operate, repair and maintain the means of water sanitation and distribution;
- Manage devices to increase water production, 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 PPWSA in accordance with government policy; and
- Ensure sustainable production processes, business and finance for the public interest.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with Cambodian International Accounting Standard ("CIAS") 34, *"Interim Financial Reporting"*. They do not include all the information required for a complete set of CIFRS financial statements. However, selected explanatory notes, including restatement information in Note 20, are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and financial performance since the last annual financial statements as at and for the year ended 31 December 2025.

The condensed interim financial statements was authorised for issue by the Board of Directors on 14 August 2026.

(b) Functional currency

The Company transacts its business and maintains its accounting records in Khmer Riel ("KHR"). Management has determined the KHR to be the Company's functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Company.

All amounts have been rounded to the nearest thousand KHR, unless otherwise indicated.

(c) Use of estimates and judgements

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3. Material accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended 31 December 2025.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

4. Property, plant and equipment

	For the six-month period ended	
	30 June 2026	30 June 2025
	KHR'000	KHR'000
Cost		
Balance at the beginning of the period	3,935,236,418	3,651,415,105
Additions	115,301,488	66,398,346
Transfers to intangible assets	(1,472,690)	-
Transfers from inventories	33,812,357	16,594,540
Written-off	-	(350,875)
Balance at the end of the period (*)	<u>4,082,877,573</u>	<u>3,734,057,116</u>
Accumulated depreciation		
Balance at the beginning of the period	772,250,025	711,750,679
Depreciation for financial period/year	33,158,987	29,736,016
Balance at the end of the period	<u>805,409,012</u>	<u>741,486,695</u>
Carrying amount		
Balance at the end of the period	<u>3,277,468,561</u>	<u>2,992,570,421</u>

(*) Among the ending balance as at 30 June 2026, there is construction in-progress balance of KHR 1,658,949,342 thousand.

During the financial period, for cash flows purposes, the acquisition of property, plant and equipment comprises:

	For the six-month period ended	
	30 June 2026	30 June 2025
	KHR'000	KHR'000
Cash purchase	<u>(7,672,318)</u>	<u>(75,998,877)</u>
Non-cash:		
Property, plant and equipment transferred from inventories	33,812,357	16,594,540
Interest capitalised to property, plant and equipment	1,551,717	971,300
Credit purchases of property, plant and equipment	<u>80,575,560</u>	<u>82,512,077</u>
	<u>115,939,634</u>	<u>100,077,917</u>

5. Short-term investments

These represent fixed deposits placed with financial institutions for a period of twelve months (2025: twelve months) and earn interest at rates ranging from 2.75% to 4.40% (2025: 3.25% to 5.25%) per annum.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

6. Reserves

	Capital reserves KHR'000	Legal reserves KHR'000	General reserves KHR'000	Development reserves KHR'000	Total KHR'000
As at 1 January 2026	1,648,435	54,573,590	54,573,590	628,951,800	739,747,415
Transfer from retained earnings (*)	-	4,749,006	4,749,006	56,780,977	66,278,989
As at 30 June 2026	<u>1,648,435</u>	<u>59,322,596</u>	<u>59,322,596</u>	<u>685,732,777</u>	<u>806,026,404</u>
As at 1 January 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 30 June 2025	<u>1,648,435</u>	<u>54,573,590</u>	<u>54,573,590</u>	<u>628,951,800</u>	<u>739,747,415</u>

In accordance with PPWSA's Articles of Incorporation, article 44, dated 27 June 2012, 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.

(*) The transfer from retained earnings to reserves was done followed the resolution of the Board of Directors on 7 April 2026 and 29 May 2025, respectively.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

7. Borrowings

	30 June 2026 KHR'000	31 December 2025 KHR'000
Non-current		
MoEF – Japanese International Cooperation Agency ("JICA")	25,359,067	26,832,595
MoEF – Asian Development Bank ("ADB")	22,456,948	23,745,246
European Investment Bank ("EIB")	366,045,114	372,176,384
	<u>413,861,129</u>	<u>422,754,225</u>
Current		
MoEF-JICA	1,201,583	1,244,247
MoEF-ADB	2,346,461	2,368,730
AFD – Credit No. 1174 01P	128,844,716	134,040,320
AFD – Credit No. 1176 01S	325,765,404	337,702,165
AFD – Credit No. 1244 01M	451,668,309	445,186,289
AFD – Credit No. 1273 01P	266,056,182	222,931,545
EIB	14,998,961	14,982,462
	<u>1,190,881,616</u>	<u>1,158,455,758</u>
	<u>1,604,742,745</u>	<u>1,581,209,983</u>

The maturity dates of these borrowings are as follows:

	30 June 2026 KHR'000	31 December 2025 KHR'000
Non-current		
Later than one year but not later than two years	22,076,051	19,384,707
Later than two years but not later than five years	70,388,907	70,361,436
Later than five years	321,396,171	333,008,082
	<u>413,861,129</u>	<u>422,754,225</u>
Current		
Within 1 year	<u>1,190,881,616</u>	<u>1,158,455,758</u>
	<u>1,604,742,745</u>	<u>1,581,209,983</u>

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

7. Borrowings (continued)

Movements of borrowings during the period were as follows:

	For the six-month period ended	
	30 June 2026	30 June 2025
	KHR'000	KHR'000
Balance at the beginning of the period	1,581,209,983	1,430,619,382
Addition	47,360,216	91,142,690
Interest expense	8,974,318	9,024,430
Interest capitalised into property, plant, and equipment	1,551,717	971,300
Interest paid	(10,630,133)	(9,145,102)
Principal paid	(27,584,233)	(21,513,322)
Unrealised exchange gain	3,860,877	(1,174,249)
Balance at the end of the period	<u>1,604,742,745</u>	<u>1,499,925,129</u>

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

8. Deferred government and other grants

	EU Grant KHR'000	JICA grant KHR'000 (Restated)	Government grant KHR'000 (Restated)	Other grants KHR'000	Total KHR'000
Balance at 1 January 2026	54,436,199	10,790,309	3,573,419	3,938,313	72,738,240
Addition	-	-	-	86,627	86,627
Amortisation charges	-	(1,062,506)	(66,253)	(113,772)	(1,242,531)
Balance at 30 June 2026	<u>54,436,199</u>	<u>9,727,803</u>	<u>3,507,166</u>	<u>3,911,168</u>	<u>71,582,336</u>
Balance at 1 January 2025	54,436,199	12,643,315	3,705,926	1,840,521	72,625,961
Addition	-	-	-	347,284	347,284
Amortisation charges	-	(926,503)	(66,253)	(12,198)	(1,004,954)
Balance at 30 June 2025	<u>54,436,199</u>	<u>11,716,812</u>	<u>3,639,673</u>	<u>2,175,607</u>	<u>71,968,291</u>

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

9. Trade and other payables

	30 June 2026 KHR'000	31 December 2025 KHR'000 (Restated)
Non-current – Other payable		
Refundable water deposits	100,416,656	96,588,949
Amount due to Phnom Penh Municipality	-	15,000,000
	<u>100,416,656</u>	<u>111,588,949</u>
Current		
Trade payables – third parties	<u>96,178,349</u>	<u>30,606,405</u>
Other payables:		
Accrued staff incentive	7,181,935	13,384,762
Amount due to Phnom Penh Municipality	60,195,549	34,822,396
Amount due to employees	715,943	726,651
Performance guarantee	67,293	67,279
Dividend payable (*)	24,566,690	-
Other tax payable	249,528	1,457,406
Other payables	<u>4,359,837</u>	<u>7,344,470</u>
	<u>97,336,775</u>	<u>57,802,964</u>
	<u>193,515,124</u>	<u>88,409,369</u>

(*) On 7 April 2026, the Board of Directors of PPWSA proposed and the shareholders subsequently approved, a dividend of KHR 330 per share in respect of the financial year ended 31 December 2025. The total dividend declared amounting to KHR 4,305,171,750, of which a sum of KHR 4,134,454,170 has already been paid, to other shareholders and KHR 24,395,971,710 to the MEF.

10. Contract assets and liabilities

	30 June 2026 KHR'000	31 December 2025 KHR'000 (Restated)
Contract assets		
Construction service receivable	3,323,022	1,956,055
Accrued water revenue	<u>33,654,750</u>	<u>31,680,633</u>
	<u>36,977,772</u>	<u>33,636,688</u>
Contract liabilities		
Deferred income	(5,278)	(5,278)
Unearned income	<u>(808,716)</u>	<u>(5,785,815)</u>
	<u>(813,994)</u>	<u>(5,791,093)</u>

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

11. Revenue from contracts with customers

	For the six-month period ended 30 June 2026		For the three-month period ended 30 June 2026	
	KHR'000	30 June 2025 KHR'000	KHR'000	30 June 2025 KHR'000
Water sales (*)	166,366,782	152,228,057	87,126,714	78,893,560
Water connection	5,248,896	2,877,951	2,604,416	1,709,234
Water meter replacement charge	2,507,233	2,378,486	1,044,862	987,768
Spare parts and meter sales	129,092	134,284	68,396	65,699
	<u>174,252,003</u>	<u>157,618,778</u>	<u>90,844,388</u>	<u>81,656,261</u>

(*) Revenue from contracts with customers on water sales is disaggregated by type of customer as follows:

	For the six-month period ended 30 June 2026		For the three-month period ended 30 June 2026	
	KHR'000	30 June 2025 KHR'000	KHR'000	30 June 2025 KHR'000
Water sales				
Household	57,799,828	54,477,297	30,620,089	28,057,321
Commercial	91,635,217	81,505,146	47,660,239	42,636,270
Public administrative and autonomy	12,105,866	11,721,832	6,204,051	5,648,044
Representative and room rental	4,981,081	4,797,139	2,751,006	2,576,739
Rounding differences	40,635	37,313	21,300	19,313
Less: invoice cancellations	(195,845)	(310,670)	(129,971)	(44,127)
	<u>166,366,782</u>	<u>152,228,057</u>	<u>87,126,714</u>	<u>78,893,560</u>

12. Finance cost, net

	For the six-month period ended 30 June 2026		For the three-month period ended 30 June 2026	
	KHR'000	30 June 2025 KHR'000 (Restated)	KHR'000	30 June 2025 KHR'000 (Restated)
Finance income:				
Interest income on bank deposits (a)	1,220,814	2,243,812	577,537	1,136,211
Net foreign exchange gains	-	2,966,736	-	-
	<u>1,220,814</u>	<u>5,210,548</u>	<u>577,537</u>	<u>1,136,211</u>
Finance costs:				
Interest expense on borrowings (b)	(8,974,318)	(9,024,430)	(4,363,881)	(4,256,183)
Net foreign exchange loss	(4,551,602)	-	(9,102,384)	(4,054,921)
	<u>(13,525,920)</u>	<u>(9,024,430)</u>	<u>(13,466,265)</u>	<u>(8,311,104)</u>

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

12. Finance cost, net (continued)

- (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.

13. Income tax

In accordance with Cambodian Law on Taxation, the Company has an obligation to pay corporate income tax of either the tax on income at the rate of 20% of taxable income or the minimum tax at 1% of annual turnover, whichever is higher.

During the period, the Company has paid a total of KHR 13,045,886 thousand in respect to the tax on income and prepayment tax on income (30 June 2025: KHR 6,542,111 thousand).

14. Earnings per share

(a) Basic earnings per share

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

	For the six-month period ended		For the three-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	KHR	KHR	KHR	KHR
		(Restated)		(Restated)
Profit attributable to equity holders (KHR'000)	41,061,517	41,196,046	13,166,070	18,500,616
Weighted average number of shares	86,973,162	86,973,162	86,973,162	86,973,162
Basic earnings per share	472.12	473.66	151.38	212.72

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

14. Earnings per share (continued)

(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.

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.

15. Related party transactions

(a) Significant transactions with related parties

	For the six-month period ended		For the three-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	KHR'000	KHR'000	KHR'000	KHR'000
Common control				
<i>MoEF</i>				
Interest on borrowings	<u>8,974,318</u>	<u>9,024,430</u>	<u>4,363,881</u>	<u>4,256,183</u>

(b) Compensation of key management personnel

	For the six-month period ended		For the three-month period ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	KHR'000	KHR'000	KHR'000	KHR'000
Salaries and other expenses	<u>1,246,359</u>	<u>1,243,330</u>	<u>645,012</u>	<u>607,468</u>

16. Financial risk management objectives and policies

The financial risk management objective of 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 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.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

16. Financial risk management objectives and policies (continued)

(a) Credit risk

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

PPWSA's primary exposure to credit risk arises through its trade receivables from its customers and 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 PPWSA's management of working capital. It is the risk that PPWSA will encounter difficulty in meeting its financial obligations when due.

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, PPWSA maintains a level of cash and cash equivalents deemed adequate to finance 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 PPWSA would fluctuate because of changes in market interest rates.

The exposure of PPWSA to interest rate risk arises primarily from borrowings. 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. PPWSA does not use derivative financial instruments to hedge any debt obligations.

17. Seasonality or cyclicity of operations

The demand of water supply is subject to seasonal fluctuation as a result of the high demand for water during the dry season.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

18. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to PPWSA's decision makers. Those who are responsible for allocating resources to and assessing the performance of the operating segments have been identified as the key management team. PPWSA operates in one operating segment being water supply related business.

19. Capital commitments

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

	30 June 2026 KHR'000	31 December 2025 KHR'000
Construction of water treatment plant	249,805,779	356,219,567
Consultation services	3,296,587	3,363,303
Purchase of iron pipes, fittings and accessories	1,153,418	1,186,420
	<u>254,255,784</u>	<u>360,769,290</u>

20. Restatement of comparative information

During the preparation of the condensed interim financial statements for the three-month and six-month periods ended 30 June 2026, management identified certain errors in the prior years' financial statements related to the following:

- A. Measurement of current income tax liabilities and deferred tax.
- B. Classification of items under Trade and other payable, and deferred government and other grants
- C. Presentation of foreign exchange (loss)/gain.
- D. Measurement of construction service fee and construction service expense
- E. Presentation in statement of cash flows.
- F. Earnings per share.

The errors described below have been corrected retrospectively, and the comparative information has been restated accordingly.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

20. Restatement of comparative information (continued)

A. Measurement of current income tax liabilities and deferred tax

As at 31 December 2025 and 2024, PPWSA reported net deferred tax liabilities amounting to KHR 114,548,371 thousand and KHR 105,146,861 thousand, respectively. Subsequently, management identified errors in the calculation of current income tax and deferred tax balances. The following items were impacted:

As at 31 December 2024:

- Net deferred tax liabilities and retained earnings were overstated and understated, respectively, by KHR 7,544,727 thousand.

As at 31 December 2025 and for the year ended 31 December 2025:

- Net deferred tax liabilities were overstated by KHR 7,687,886 thousand;
- Income tax expense was overstated by KHR 143,159 thousand; and
- Retained earnings were understated by KHR 7,687,886 thousand.

As at and for the three-month and six-month periods ended 30 June 2025:

- Net deferred tax liabilities were overstated by KHR 7,316,528 thousand;
- Income tax expense was overstated by KHR 1,928,366 thousand and understated by KHR 228,199 thousand, respectively; and
- Retained earnings were understated by KHR 7,316,528 thousand.

B. Classification of items under Trade and other payable, and deferred government and other grants

- 1) PPWSA has identified an error in classification of unearned income balance amounting to KHR 5,756,402 thousand and KHR 780,679 thousand as at 31 December 2025 and 2024. These balances were incorrectly presented under other payables rather than contract liabilities. Consequently, contract liabilities were understated and other payables were overstated by the respective amounts.
- 2) As at 31 December 2025, in accordance with the 17th board of meeting mandate 8th of minute held on 19 June 2025, amount due to Phnom Penh Municipality of KHR 15,000,000 thousand, which was due for settlement in 2027, was classified under current liabilities instead of non-current liabilities. Consequently, the non-current and current trade and other payable was understated and overstated, respectively, by KHR 15,000,000 thousand.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

20. Restatement of comparative information (continued)

B. Classification of items under Trade and other payable, and deferred government and other grants (continued)

- 3) PPWSA has identified a transposition error between deferred JICA grant and Government grant balance as of 31 December 2025, 2024 and for the six-month period ended 30 June 2025. As a result, the balance of deferred JICA grant was understated and deferred government grant was overstated by KHR 7,216,890 thousand, KHR 8,937,389 thousand, and KHR 8,077,139 thousand, respectively. The error has no impact on the deferred government and other grants caption, presented herein under Note 8.

C. Presentation of foreign exchange (loss)/gain

PPWSA has presented the net foreign exchange (loss)/gain in various captions under Revenues, and Net finance income/costs in statement of profit or loss. Following a review of its accounting presentation policy, PPWSA has elected to present the net foreign exchange (loss)/gain under net finance income/cost. As a result, for the three-month and six-month periods ended 30 June 2025, the total revenue was overstated by KHR 1,789,117 thousand and KHR 1,792,487 thousand, respectively, and the net finance costs was overstated by the same amount.

D. Measurement of construction service fee and construction service expense

During the year ended 31 December 2025, PPWSA reported construction service fee amounting to KHR 16,161,397 thousand and construction service expense of KHR 8,779,409 thousand, respectively. Subsequently, management identified errors in the calculation of construction service fee and construction service expense balances. The following items were impacted:

As at and for the year ended 31 December 2025:

- Contract assets were overstated by KHR 2,028,971 thousand;
- Construction service fee was overstated by KHR 2,028,971 thousand;
- Construction service expense was understated by KHR 1,897,620 thousand
- Trade and other payables were understated by KHR 1,897,620 thousand; and
- Retained earnings were overstated by KHR 3,926,591 thousand.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

20. Restatement of comparative information (continued)

E. Presentation of statement of cash flows

PPWSA has identified numerous arithmetic errors in presentation of the statement of cash flows for the six-month period ended 30 June 2025. As a result:

- Net cash from operating activities was understated by KHR 29,072,825 thousand;
- Net cash used in investing activities was overstated by KHR 62,377,459 thousand; and
- Net cash from financing activities was overstated by KHR 91,450,284 thousand.

The significant non-cash transactions from investing activities were understated by KHR 228,391,361 thousand. The errors had no impact on the balance of cash and cash equivalents.

F. Earnings per share

As a result of item A, the earnings per share and diluted earnings per share for the three-month and six-month periods ended 30 June 2025 were both consequently adjusted to KHR 212.72 per share and KHR 473.66 per share, respectively.

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

20. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows:

Statement of financial position

		31 December 2025			1 January 2025		
	Items	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000
Assets							
Current assets							
Contract assets	D	<u>35,665,659</u>	<u>(2,028,971)</u>	<u>33,636,688</u>	<u>37,586,190</u>	<u>-</u>	<u>37,586,190</u>
Equity							
Retained earnings	A	<u>94,980,122</u>	<u>3,761,295</u>	<u>98,741,417</u>	<u>31,077,349</u>	<u>7,544,727</u>	<u>38,622,076</u>
Liabilities							
Non-current liabilities							
Deferred tax liabilities, net	A	114,548,371	(7,687,886)	106,860,485	105,146,861	(7,544,727)	97,602,134
Other payables	B	96,588,949	15,000,000	111,588,949	88,950,566	-	88,950,566
Current liabilities							
Trade and other payables	B/D	107,268,151	(18,858,782)	88,409,369	213,224,225	(780,679)	212,443,546
Contract liabilities	B	<u>34,691</u>	<u>5,756,402</u>	<u>5,791,093</u>	<u>3,525,673</u>	<u>780,679</u>	<u>4,306,352</u>
		<u>318,440,162</u>	<u>(5,790,266)</u>	<u>312,649,896</u>	<u>410,847,325</u>	<u>(7,544,727)</u>	<u>403,302,598</u>

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

20. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows: (continued)

Statement of profit or loss and other comprehensive income

		For the six-month period ended 30 June 2025			For the three-month period ended 30 June 2025		
	Items	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000
Revenues							
	Sales	157,618,778	-	157,618,778	81,656,261	-	81,656,261
	Construction service fee	2,503,987	-	2,503,987	(589,414)	-	(589,414)
	Foreign exchange gains – net	1,792,487	(1,792,487)	-	1,789,117	(1,789,117)	-
	Other income	8,427,064	-	8,427,064	4,860,111	-	4,860,111
		<u>170,342,316</u>	<u>(1,792,487)</u>	<u>168,549,829</u>	<u>87,716,075</u>	<u>(1,789,117)</u>	<u>85,926,958</u>
Expenses							
	Depreciation and amortisation	(30,331,888)	-	(30,331,888)	(15,221,000)	-	(15,221,000)
	Electricity costs	(21,043,903)	-	(21,043,903)	(9,746,480)	-	(9,746,480)
	Salaries, wages and related expenses	(40,827,932)	-	(40,827,932)	(21,382,445)	-	(21,382,445)
	Raw materials for water treatment	(7,495,287)	-	(7,495,287)	(3,571,582)	-	(3,571,582)
	Raw materials for household water connection	(2,629,918)	-	(2,629,918)	(1,195,697)	-	(1,195,697)
	Repairs and maintenance	(5,574,953)	-	(5,574,953)	(2,509,556)	-	(2,509,556)
	Construction service expenses	(199,427)	-	(199,427)	2,296,799	-	2,296,799
	Other operating expenses	(4,763,673)	-	(4,763,673)	(3,014,987)	-	(3,014,987)
		<u>(112,866,981)</u>	<u>-</u>	<u>(112,866,981)</u>	<u>(54,344,948)</u>	<u>-</u>	<u>(54,344,948)</u>

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Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

20. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows: (continued)

Statement of profit or loss and other comprehensive income (continued)

		For the six-month period ended 30 June 2025			For the three-month period ended 30 June 2025		
	Items	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000
Operating profit		57,475,335	(1,792,487)	55,682,848	33,371,127	(1,789,117)	31,582,010
Finance income	C	10,770,098	(5,559,550)	5,210,548	1,136,211	-	1,136,211
Finance costs	C	(16,376,467)	7,352,037	(9,024,430)	(10,100,221)	1,789,117	(8,311,104)
Finance costs, net		(5,606,369)	1,792,487	(3,813,882)	(8,964,010)	1,789,117	(7,174,893)
Profit before tax		51,868,966	-	51,868,966	24,407,117	-	24,407,117
Income tax expense	A	(10,444,721)	(228,199)	(10,672,920)	(7,834,867)	1,928,366	(5,906,501)
Net profit for the period		<u>41,424,245</u>	<u>(228,199)</u>	<u>41,196,046</u>	<u>16,572,250</u>	<u>1,928,366</u>	<u>18,500,616</u>

Earnings per share attributable to equity holders of the Company, presented in KHR, during the period were as follows:

Basic earnings per share	F	476.29	(2.62)	473.66	190.54	22.17	212.72
Diluted earnings per share	F	<u>476.29</u>	<u>(2.62)</u>	<u>473.66</u>	<u>190.54</u>	<u>22.17</u>	<u>212.72</u>

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

20. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows: (continued)

Statement of cash flows

	For the six-month period ended 30 June 2025		
	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000
Cash flows from operating activities			
Profit before tax	51,868,966	-	51,868,966
<i>Adjustments for:</i>			
Amortisation of intangible assets	595,872	-	595,872
Amortisation of deferred government and other grants	(1,004,954)	-	(1,004,954)
Depreciation of property, plant and equipment	29,736,016	-	29,736,016
Interest income	(10,770,098)	8,526,286	(2,243,812)
Interest expenses	16,376,467	(7,352,037)	9,024,430
Net unrealised foreign exchange gain	-	(5,072,978)	(5,072,978)
Property, plant and equipment written-off	350,875	-	350,875
Operating profit before changes working capital	87,153,144	(3,898,729)	83,254,415
<i>Changes in working capital:</i>			
Inventories	37,700,779	(16,594,540)	21,106,239
Trade and other receivables	(80,692,555)	76,006,640	(4,685,915)
Trade and other payables	34,353,585	(30,068,377)	4,285,208
Contract assets	3,830,721	-	3,830,721
Contract liabilities	(564,579)	3,627,831	3,063,252
Cash generated from operations	81,781,095	29,072,825	110,853,920
Income tax paid	(6,542,111)	-	(6,542,111)
Net cash from operating activities	75,238,984	29,072,825	104,311,809
Cash flows from investing activities			
Purchase of property, plant and equipment	(136,758,180)	60,759,303	(75,998,877)
Purchase of intangible assets	(397,219)	-	(397,219)
Interest received	933,250	1,310,562	2,243,812
Proceed from settlement of loan to employee	-	307,594	307,594
Placement of short-term investments	(509,722)	-	(509,722)
Proceeds from maturity of short-term investments	-	-	-
Net cash used in investing activities	(136,731,871)	62,377,459	(74,354,412)

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

20. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows: (continued)

Statement of cash flows (continued)

	For the six-month period ended 30 June 2025		
	Previously reported KHR'000	Restatement KHR'000	As restated KHR'000
Cash flows from financing activities			
Proceeds from borrowings	91,142,690	(91,142,690)	-
Interest paid	(9,145,102)	-	(9,145,102)
Repayments of principal of borrowings	(21,513,322)	-	(21,513,322)
Proceed from government grant	347,284	-	347,284
Proceed from settlement of loan to employee	307,594	(307,594)	-
Net cash used in financing activities	61,139,144	(91,450,284)	(30,311,140)
Net decrease in cash and cash equivalents	(353,743)	-	(353,743)
Cash and cash equivalents at the beginning of financial period	18,406,666	-	18,406,666
Cash and cash equivalents at the end of financial period	18,052,923	-	18,052,923
Significant non-cash transactions:			
Investing activities			
Property, plant and equipment transferred from inventories	16,594,540	-	16,594,540
Interest capitalised to property, plant and equipment	971,300	-	971,300
Credit purchases of property, plant and equipment	(54,736,594)	137,248,671	82,512,077
	(37,170,754)	137,248,671	100,077,917
Financing activities			
Direct payment for property, plant and equipment via borrowings	-	91,142,690	91,142,690

Phnom Penh Water Supply Authority

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2026

21. Taxation contingencies

On 22 January 2025, PPWSA received a tax reassessment letter from the General Department of Taxation ("GDT") for a Comprehensive tax audit for the period from 1 January 2019 to 31 December 2019. The letter imposed a total penalty for underpaid tax on profit amounting to KHR 2,817,141,466 and underpaid tax on value-added taxes amounting to KHR 1,371,227,617. On 18 February 2025, PPWSA submitted a protest letter. As of the date of these financial statements, PPWSA has not yet received a response from the GDT.

On 28 January 2025, PPWSA received a tax reassessment letter from the General Department of Taxation ("GDT") for a Comprehensive tax audit for the period from 1 January 2020 to 31 December 2021. The letter imposed a total penalty for underpaid tax on profit, tax on value-added taxes and withholding tax on service 15% amounting to KHR 5,225,347,223. On 27 February 2025, PPWSA submitted a protest letter. As of the date of these financial statements, PPWSA has not yet received a response from the GDT.

On 17 January 2024, PPWSA received a tax reassessment letter from the General Department of Taxation ("GDT") for a limited tax audit for the period from 1 January 2022 to 31 March 2023. The letter imposed a total penalty for underpaid value-added taxes amounting to KHR 8,743,629,148. On 14 February 2024, PPWSA submitted a protest letter. As of the date of these financial statements, PPWSA has not yet received a response from the GDT.

PPWSA's management is confident that they can effectively communicate their position to the GDT, supported by substantial evidence, in order to address this matter. Hence, no provision was recorded in relation to the accrued tax penalty expense.

The Company assesses its tax obligations based on applicable tax laws and regulations as of the reporting date. Given the evolving nature of tax legislation, certain tax treatments may necessitate judgment and interpretation. Management exercises judgment in establishing the Company's tax positions and continually monitors regulatory developments. While the Company commits to comply with current tax requirements, interpretations of tax regulations may vary. Any adjustments resulting from regulatory reviews, once conducted and finalised, will be reflected into the financial statements as appropriate.

22. Financial instruments – fair values

PPWSA has not disclosed the fair value information for the financial assets and financial liabilities because their carrying amounts are a reasonable approximation of the fair value.



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