

KINGDOM OF CAMBODIA

NATION RELIGION KING



PHNOM PENH WATER SUPPLY AUTHORITY



FIRST QUARTERLY REPORT 2025



MAJOR STRATEGIC GOALS OF THE PHNOM PENH WATER SUPPLY AUTHORITY

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



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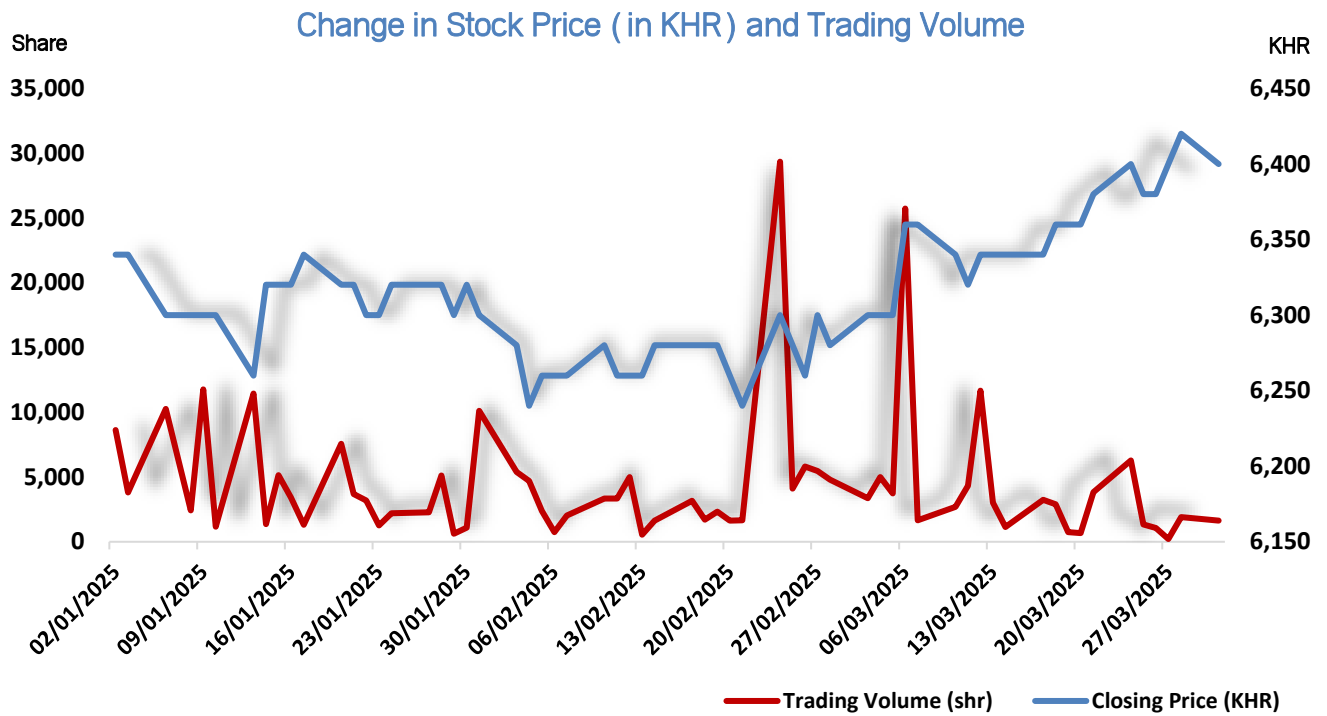


Specification Inspection of the Water Pumping Motor at Chamkar Mon Warer Treatment Plant

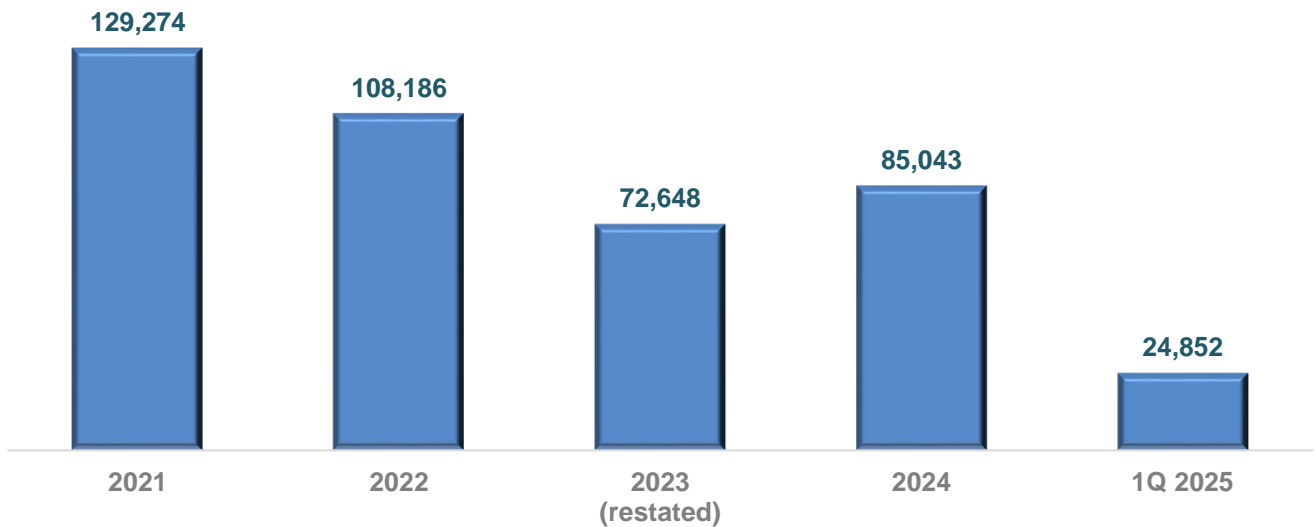
FINANCIAL HIGHLIGHTS

Financial Position		First Quarter of 2025	2024	2023 (restated)
Total assets (KHR'000)		3,322,537,686	3,279,165,281	3,038,365,177
Total liabilities (KHR'000)		1,932,613,078	1,914,092,668	1,753,769,386
Total shareholders' equity (KHR'000)		1,389,924,608	1,365,072,613	1,284,595,791
Profit/(Loss)		First Quarter of 2025	First Quarter of 2024	First Quarter of 2023
Total Revenue (KHR'000)		82,626,241	106,811,513	83,011,613
Profit/(Loss) before tax (KHR'000)		27,461,849	62,821,339	41,741,650
Profit/(Loss) after tax (KHR'000)		24,851,995	52,092,429	38,410,385
Total comprehensive income (KHR'000)		24,851,995	52,092,429	38,410,385
Financial Ratios		First Quarter of 2025	2024	2023 (restated)
Solvency ratio				
Liquidity Ratio	Current Ratio (Times)	0.29	0.38	0.76
	Quick Ratio(Times)	0.18	0.18	0.38
		First Quarter of 2025	First Quarter of 2024	First Quarter of 2023
Profitabilities Ratio	Return on Assets (%)	0.75	1.63	1.41
	Return on Equity (%)	1.80	3.67	2.98
	Gross Profit margin (%)	29.17	42.33	32.37
	Profit Margin (%)	30.08	48.77	46.27
	Earning Per Share (KHR)	285.74	598.95	441.63
Interest Coverage Rario (Times)		3.84	24.55	22.82

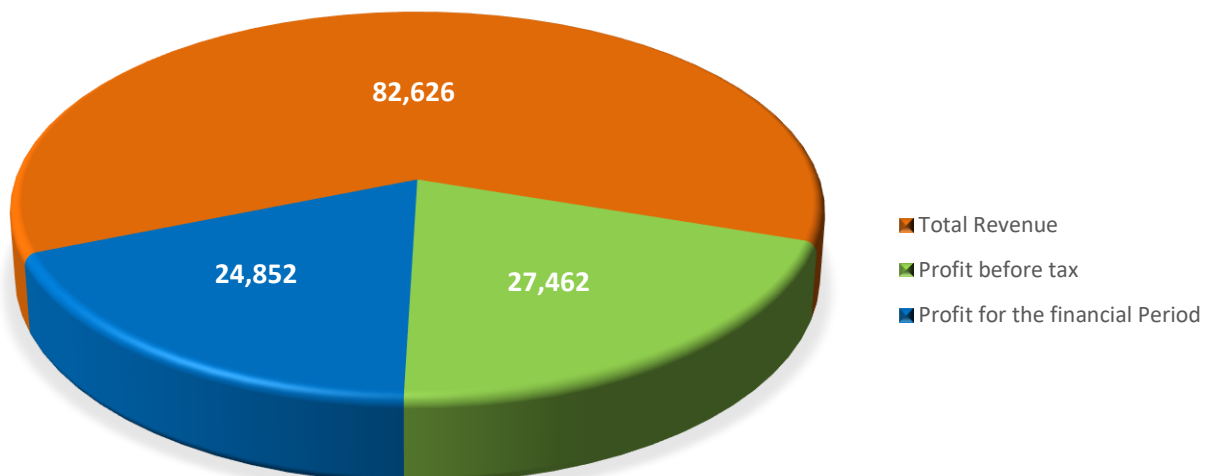
FINANCIAL SUMMARY CHARTS



PROFIT BY YEAR (in million KHR)



PROFIT FOR FIRST QUARTER OF 2025 (in million KHR)



BOARD OF DIRECTORS



H.E. EK SONNCHAN

Minister Attached to the Prime Minister

Chairman



H.E. Long Naro

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

Member



H.E. Mey Vann

Secretary of State,
Ministry of Economy and Finance

Member



H.E. Chhay Vireak

Deputy Governor of the
Board Governors of Phnom Penh

Member



Mr. Ma Noravin

Representative
of PPWSA's Employees

Member



Mr. Nam Channtry

Non-Executive Director
Representing Private Shareholders

Member



Mr. Sreng Samork

Independent Director

Member



CHAIRMAN'S STATEMENT

Under the leadership and support of both parent ministries – Ministry of Industry, Science, Technology and Innovation, and Ministry of Economy and Finance – the Board of Directors adheres to its mission to guide and direct the management team of Phnom Penh Water Supply Authority (PPWSA) to dedicate themselves to fulfilling their duty of providing clean water that is of **"Quality, Safety, Sustainability, and Affordable Price"** to the people living in Phnom Penh Capital and Takhmao City.

In the 1st quarter of 2025, PPWSA produced 77,444,179m³ of clean water, installed 4,079 new house connections including 673 connections for the low-income households. Water sales amounted to 56,628,304m³, resulting in a total revenue of KHR82,626,241,000 and a net profit of KHR24,851,995,000. The basic earnings per share (EPS) was KHR285.74.

In parallel, based on the 3rd Master Plan (2021-2030), PPWSA plans to increase its clean water production capacity to 1,488,000 m³/day by 2030, while the current capacity is only 988,000 m³/day. This will be achieved through investments in the construction of 4 additional clean water treatment plants, along with the expansion of its water network by 2,043km, in addition to the existing network length of 5,371km.

Furthermore, to achieve Goal 6 of Cambodian Sustainable Development Goals, in term of water supply to 100% of the population in Phnom Penh and Takmao City, PPWSA will continue the cooperation with development partners, including Japan International Cooperation Agency (JICA), French Agency for Development (AFD), European Investment Bank (EIB), European Union (EU), and Korea Eximbank and so on. This aims to invest in water treatment and distribution systems, equip technologies to minimize non-revenue water as much as possible, modernize and implement innovative systems for managing business operations and service delivery in all aspects related to clean water supply, thereby facilitating and enhancing customer satisfaction and comfort to the greatest extent.

For the second quarter of 2025, PPWSA plans to produce 79,946,450m³ of clean water, install 8,000 new house connections, and sell 62,653,500m³ of water as well as forecasts a total revenue of KHR100,089,560,000, and total expenditures of KHR95,532,714,000.

Finally, on behalf of the Board of Directors, the management team and the staff of PPWSA, we would like to express our strong dedication to fulfilling our duties with a strong sense of responsibility in striving to serve our customers with clean water of quality, safety, sustainability, and affordable price, in line with the trust placed in by the leadership of the two parent ministries, under the leadership of the Royal Government of Cambodia, especially **Samdech Moha Bovar Thipadei HUN MANET**, Prime Minister of the Kingdom of Cambodia.

Phnom Penh, July 17, 2025

CHAIRMAN

EK SONNCHAN

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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. 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.

C. Phnom Penh Water Supply Authority's Key Event

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

PART1: General Information of PPWSA (Con't)

C. Phnom Penh Water Supply Authority's Key Event (Con't)

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

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

According to previous studies, connecting the Koh Norea new raw water transmission to the existing 1,600mm diameter raw water transmission main along National Road 1 would require shut down treated water supply from the Nirodh Water Treatment Plant, which has a capacity of producing 260,000 cubic meters per day, for about a week, which would affect the supply of treated water of about 30% of the total water produced by Phnom Penh Water Supply and Authority and affect nearly 1 million residents living in Phnom Penh and Ta Khmao. PPWSA Top management and expert team work paid close attention to the impacts and had close and in-depth discussions with Japanese experts through the Japanese Embassy to examine and explore methods to prevent the pipe connection from being shut down or the operation of the water production plant from being stopped. As a result, PPWSA received technical and material support through Non-Cut Off project, which is part of the Project for the Development of Digital Management System of Water Supply Facilities in the Metropolitan Area (DX) under the grant of the Government of Japan through the Embassy of Japan in the Kingdom of Cambodia. This Non-Cut Off project cost a total of approximately 291 million yen, and KUBOTA Corporation was the contractor for the project implementation.

PART1: General Information of PPWSA (Con't)

C. Phnom Penh Water Supply Authority's Key Event (Con't)

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

PART 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 2025:

Water Treatment Plant	Water Source	Planned (m ³)	Actual (m ³)	Rate (%)
Phum Prek	Tonle Sap	13,275,000	12,463,585	94
Chroy Changvar	Upper Mekong River	9,000,000	11,073,324	123
Chamkar Mon	Tonle Bassac	4,500,000	4,239,256	94
Nirodh	Lower Mekong River	23,400,000	22,437,476	96
Bakheng	Upper Mekong River	25,200,000	26,569,342	105
Boeung Thom	Boeung Thom	540,000	360,598	67
Mlech	Mlech Dam	130,500	125,525	96
Tbong Khmom	Boeung Tavan	157,500	175,073	111
TOTAL		76,203,000	77,444,179	102

➤ Actual raw material and electricity usage for water production in the first quarter of 2025:

Description	Water Treatment Plant								Total
	Phum Prek	Chroy Changvar	Chamkar Mon	Nirodh	Bakheng	Boeung Thom	Mlech	Tbong Khmom	
PAC (Kg)	141,600	41,900	32,700	219,375	182,550	7,950	1,375	5,166	632,616
Salt (Kg)	0	41,300	56,950	0	228,225	0	0	0	326,475
Liquid chlorine (Kg)	754	6,207	10,563	0	65,374	0	0	0	82,898
Chlorine gas (Kg)	45,991	25,918	0	85,684	0	0	0	0	157,593
Chlorine powder (Kg)	0	0	9,040	0	0	2,560	954	1,460	14,014
Lime (Kg)	72,800	0	8,950	133,700	0	2,750	0	0	218,200
Electricity (kWh)	3,956,468	3,400,210	1,034,191	6,683,440	6,300,594	83,305	35,797	59,451	21,553,456

➤ 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	Mlech	Tbong Khmom	
Turbidity	NTU	≤5	≤5	0.38	0.13	0.18	0.27	0.09	0.49	0.16	0.13	0.35
pH Value	pH	6.5 - 8.5	6.5 - 8.5	7.5	7.97	7.87	7.39	7.76	7.25	7.44	7.57	7.65
Free Available Chlorine	mg/l	0.1 - 1.0	5	1.5	1.30	1.18	1.4	1.17	1.3	1.25	1.11	0.48
Total Available Chlorine	mg/l	-	-	1.73	1.43	1.35	1.59	1.28	1.5	1.4	1.29	0.50
Total coliforms	cfu/100ml	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

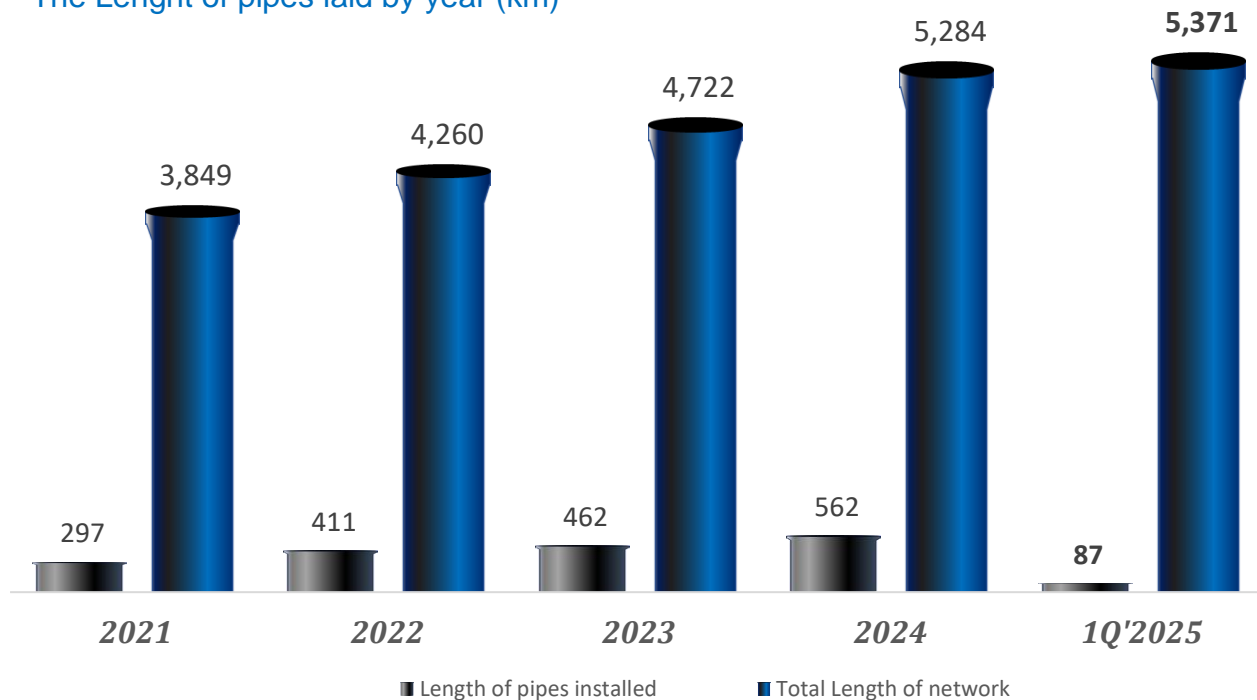
PART 2. Information on Business Operation Performance (Con't)

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

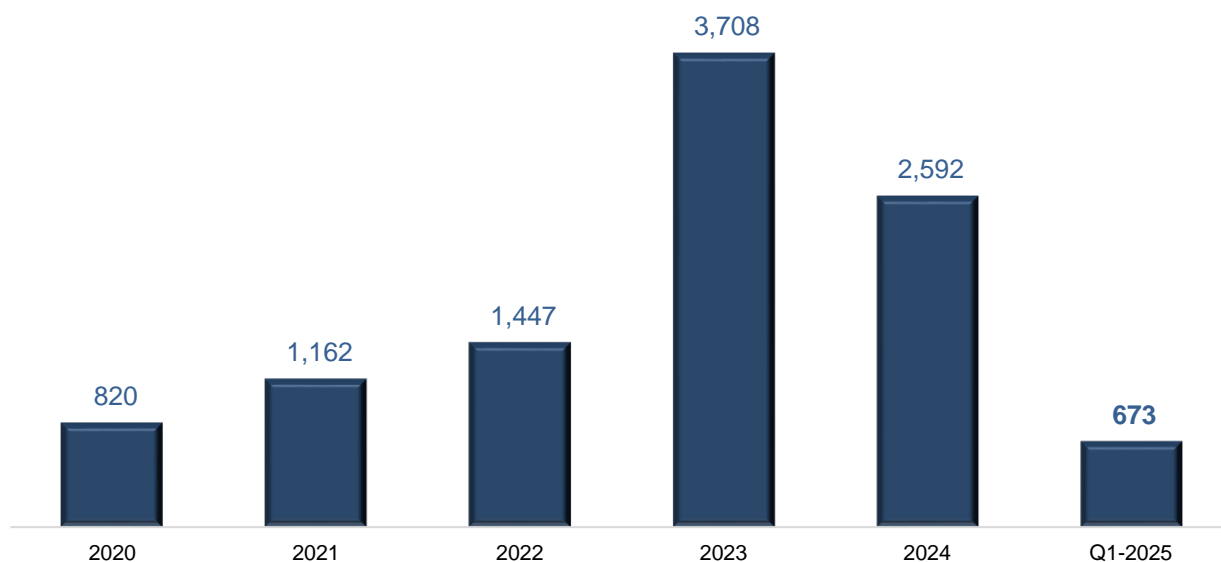
In the first quarter of 2025, PPWSA's non-revenue water rate was kept as following:

- Phnom Penh Capital and Takmao City: 26.95%.
- Kompot Province, Mlech WTP: 0.98%
- Tbong Khmom Province, Tbong Khmom WTP: 14.29%

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)

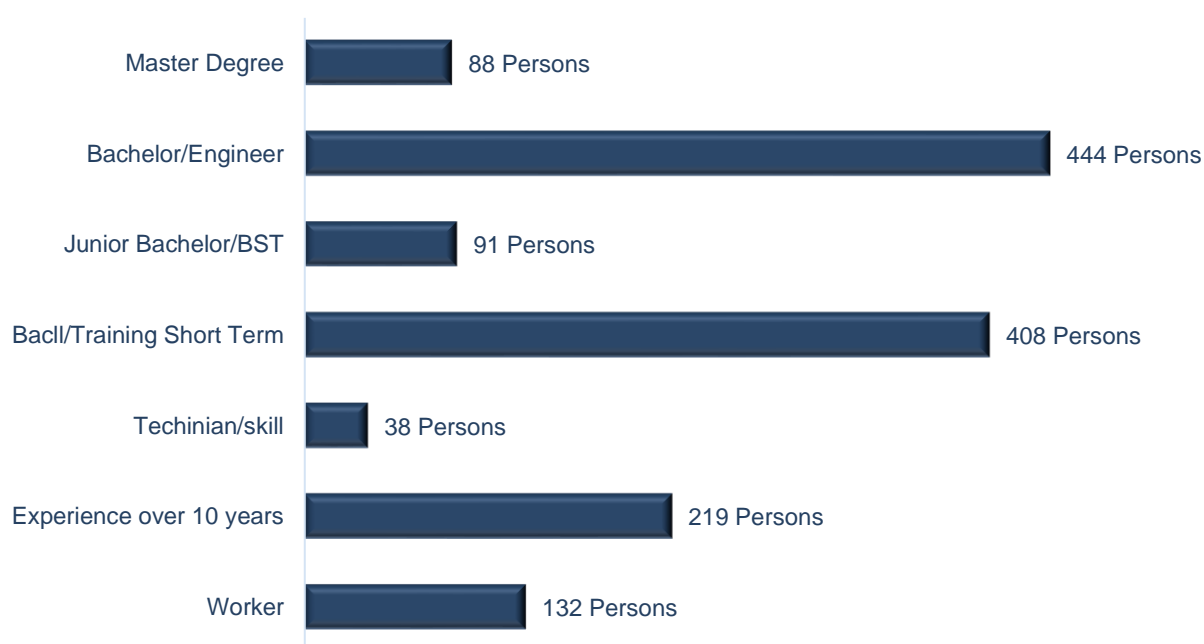
A. Business Operation Performance including business segments information (con't)

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

A.2.2. House Connection and Customer Management

Type of Customers	2021	2022	2023	2024	Q1-2025	
	(Connections)	(Connections)	(Connections)	(Connections)	(Connections)	(%)
Domestic	350,463	360,948	381,752	397,479	399,524	79.0154
Commercial	74,344	83,874	89,702	97,234	99,647	19.7076
Administrative	823	913	918	840	841	0.1663
Wholesalers	11	9	6	6	6	0.0012
RDE Representative	16	5	3	3	4	0.0008
Standpipe	16	16	14	13	9	0.0018
Room rental	5,728	5,789	5,746	5,714	5,597	1.1069
TOTAL	<u>431,401</u>	<u>451,554</u>	<u>478,141</u>	<u>501,289</u>	<u>505,628</u>	

A.3- Human Resource Management



Total staff of PPWSA in Q1-2025: 1,420 persons (248 females)

B- Revenue Structure

No	Source of Revenue	First Quarter of 2025		First Quarter of 2024		First Quarter of 2023	
		(KHR'000)	%	(KHR'000)	%	(KHR'000)	%
1	Sales	75,962,517	91.93%	94,663,252	88.63%	73,742,555	88.83%
2	Construction Service fees	3,093,401	3.74%	2,194,827	2.05%	6,825,219	8.22%
3	Foreign exchange gains-net	3,370	0.01%	1,050,670	0.98%	-	-
4	Other income	3,566,953	4.32%	8,902,764	8.34%	2,443,839	2.95%
	Total revenue	82,626,241		106,811,513		83,011,613	

PART 3:
FINANCIAL STATEMENT
REVIEWED BY
THE EXTERNAL AUDITOR

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025**

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 2025 compared to the period of 31 March 2024

Description	First Quarter of 2025 (KHR'000)	First Quarter of 2024 (KHR'000)	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total Revenues	82,626,241	106,811,513	(24,185,272)	(22.64)

PPWSA had a total revenue of KHR82,626,241,000 for the period ended 31 March 2025 and KHR106,811,513,000 for the period ended 31 March 2024. The revenue decreased by KHR24,185,272,000 or 22.64%. The main reason of this decrease in revenue is due to is mainly due to NRW rate increased by 17.20% from 9.75% to 26.95%, which is why sale revenues decreased by KHR18,700,735,000 or 19.76% quarter on quarter.

2. Revenue analysis by segment

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

Description	First Quarter of 2025 (KHR'000)	%	First Quarter of 2024 (KHR'000)	%
Sales	75,962,513	91.93	94,663,252	88.63
Construction Service fees	6,093,401	3.74	2,194,827	2.05
Foreign exchange gains - net	3,370	0.01	1,050,670	0.98
Other income	3,566,953	4.32	8,902,764	8.34
Total revenue	82,626,241		106,811,513	

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 31 March 2025 compared to the period of 31 March 2024

Description	First Quarter of 2025		First Quarter of 2024		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	27,191,800	26,419,976	35,329,185	35,195,777	(8,137,385)	(8,775,801)	(24.93%)
Commercial	23,840,318	38,868,876	26,886,340	45,386,323	(3,046,022)	(6,517,447)	(14.36%)
Public administrative and autonomy	2,481,371	6,073,788	2,722,856	6,807,140	(241,485)	(733,352)	(10.77%)
Representative and room rental	3,114,815	2,220,400	4,226,660	3,004,418	(1,111,845)	(784,018)	(26.10%)

◆ Revenue from domestic/household water sales

Revenue from domestic water sales amounted to KHR26,419,976,000 for the period ended 31 March 2025 and KHR35,195,777,000 for the period ended 31 March 2024, that is prompting an decrease of KHR 8,775,801,000 or 24.93%. The reason of the decrease is that the monthly consumption per connection decreased by 5.52m³ (from 30.33m³ to 24.81m³) and the average tariff descended by KHR 24.60/m³ (from KHR 996.22/m³ to KHR 971.62/m³).

◆ Revenue from commercial water sales

Revenue from commercial water sales amounted to KHR38,868,876,000 for the period ended of 31 March 2025 and KHR45,386,323,000 for the period ended of 31 March 2024, that is prompting an decrease of KHR6,517,447,000 or 14.36%.The reason of the decrease is that the monthly consumption per connection descended by 16.62m³ (from 99.93m³ to 83.31m³) and the average tariff descended by KHR 57.70/m³ (from KHR 1,688.08/m³ to KHR 1,630.38/m³).

◆ Revenue from public administrative water sales

Revenue from public administrative water sales amounted to KHR6,073,788,000 for the period ended of 31 March 2025 and KHR6,807,140,000 for the period ended of 31 March 2024, that is prompting an decrease of KHR733,352,000 or 10.77%. Although the monthly consumption per connection ascended by 97.89m³ (from 862.76m³ to 960.65m³), the average tariff KHR 2,500/m³.

◆ Revenue from water sales for representatives and rented rooms

Revenue from representative and rent rooms water sales amounted of KHR 2,220,400,000 for the period ended of 31 March 2025 and KHR3,004,418,000 for the period ended of 31 March 2024, that is prompting an decrease of KHR784,018,000 or 26.10%. Although the monthly consumption per connection descended by 58.43m³ (from 244.60m³ to 186.17m³), the average tariff ascended by KHR 2.02m³ (from KHR 710.83/m³ to KHR 712.85/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 31 March 2025 compared to the period ended 31 March 2024

Description	First Quarter of 2025 (KHR'000)	First Quarter of 2024 (KHR'000)	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total revenues	82,626,241	106,811,513	(24,185,272)	(22.64%)
Salaries,Wages and related expenses	(19,445,487)	(19,846,454)	400,967	(2.02%)
Depreciation and amortisation charges	(15,110,888)	(14,765,031)	(345,857)	2.34%
Electricity costs	(11,297,423)	(12,409,018)	1,111,595	(8.96%)
Raw materials for water treatment	(3,923,705)	(4,244,997)	321,292	(7.57%)
Construction service expenses	(2,496,226)	(1,826,362)	(669,864)	36.68%
Finance income	9,633,887	19,444,954	(9,811,067)	(50.46%)
Finance costs	(6,276,246)	(1,841,625)	(4,434,621)	240.80%
Profit before tax	27,461,849	62,821,339	(35,359,490)	(56.29%)

PPWSA earned profit before tax of KHR27,461,849,000 for the period ended 31 March 2025 and profit before tax of KHR62,821,339,000 for the period ended 31 March 2024, decreased by KHR35,359,490,000 or 56.29%. The main reason of this decrease is due to the decrease of total revenues KHR24,185,272,000 or 22.64% and decrease of KHR9,811,067,000 or 50.46% in finance income.

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 31 March 2025 compared to the period ended 31 March 2024

Description	First Quarter of 2025 (KHR'000)	First Quarter of 2024 (KHR'000)	Changes	
			(KHR'000)	Percentage
	c	d	c - d	(c-d)/d*100
Profit before tax (a)	27,461,849	62,821,339	(35,359,490)	(56.29%)
Tax expense (b)	(2,609,854)	(10,728,910)	8,119,056	(75.67%)
Profit for the financial year	24,851,995	52,092,429	(27,240,434)	(52.29%)
Total comprehensive income for the financial year	24,851,995	52,092,429	(27,240,434)	(52.29%)
Effective tax reate (b)/(a)	9.50%	17.08%		

PPWSA earned profit for the financial period of KHR24,851,995,000 for the period ended 31 March 2025 and KHR52,092,429,000 for the period ended 31 March 2024, decreased by KHR27,240,434,000 or 52.29%. The main reason of this decrease is due the decrease of total revenues KHR24,185,272,000 or 22.64% and decrease of KHR35,359,490,000 or 56.29% in profit before tax, even though KHR8,119,490,000 or 75.67% decrease in tax expense.

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 2025. 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 First Quarter of 2025. 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 Takhmao WTP with a production capacity of 30,000m³/day which are scheduled to complete at the first quarter of 2025, and Bakheng WTP - Phase 3 with the production capacity of 195,000 m³/day which is scheduled to be completed in the First 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 March 31, 2025, 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 sales revenues (water sales and connection fees) which is a basic need of Phnom Penh residents. The water sales represented about 91.93% of gross revenue in First Quarter of 2025. 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 March 1996, on the Establishment of PPWSA.

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

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 សំណៅ.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 សំណៅ.អញ្ជើញ, dated 18 May 2011.

PART 5: Other Necessary Information for Investor Protection

In the first quarter of 2025, Phnom Penh Water Supply Authority had no other necessary information to disclose.

SIGNATURE OF DIRECTORS OF PHNOM PENH WATER SUPPLY AUTHORITY

Phnom Penh, July 17, 2025

Read and Approved

Signature

EK SONNCHAN

Chairman of the Board

Phnom Penh, July 15, 2025

Read and Approved

Signature

Long Naro

Director

APPENDIX I

CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025

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 2025**

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

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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 2025, 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, 



Ek SonnChan
Chairman of the Board of Directors



Long Naro
Director General



Deng Polyden
Deputy Director General
in charge of Finance

Phnom Penh, Cambodia
Date: 14 JUL 2025

**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 2025, 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: 14 July 2025

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	Unaudited 31.3.2025 KHR'000	Audited 31.12.2024 KHR'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,936,048,818	2,939,664,426
Intangible assets		9,026,842	9,080,507
		<u>2,945,075,660</u>	<u>2,948,744,933</u>
Current assets			
Inventories		115,453,349	144,235,770
Trade and other receivables		110,103,724	27,537,927
Contract assets	10	26,437,424	37,586,190
Loan to employees		3,706,581	3,894,589
Short-term investments	5	95,283,075	94,961,360
Current tax assets		7,787,973	3,797,846
Cash and bank balances		18,689,900	18,406,666
		<u>377,462,026</u>	<u>330,420,348</u>
TOTAL ASSETS		<u>3,322,537,686</u>	<u>3,279,165,281</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		620,759,107	620,759,107
Reserves	6	713,236,157	713,236,157
Retained earnings		55,929,344	31,077,349
TOTAL EQUITY		<u>1,389,924,608</u>	<u>1,365,072,613</u>
LIABILITIES			
Non-current liabilities			
Borrowings	7	444,633,431	443,727,099
Deferred government and other grants	8	72,123,484	72,625,961
Deferred tax liabilities		106,012,959	105,146,861
Other payables	9	90,369,697	88,950,566
		<u>713,139,571</u>	<u>710,450,487</u>
Current liabilities			
Trade and other payables	9	207,756,361	213,224,225
Borrowings	7	1,008,415,684	986,892,283
Contract liabilities	10	3,301,462	3,525,673
		<u>1,219,473,507</u>	<u>1,203,642,181</u>
TOTAL LIABILITIES		<u>1,932,613,078</u>	<u>1,914,092,668</u>
TOTAL EQUITY AND LIABILITIES		<u>3,322,537,686</u>	<u>3,279,165,281</u>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 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 2025

		Unaudited	
	Note	Three-month period ended	31.3.2024⁽²⁾
		31.3.2025⁽¹⁾	31.3.2024⁽²⁾
		KHR'000	KHR'000
Revenue:			
Sales	11	75,962,517	94,663,252
Construction service fee		3,093,401	2,194,827
Foreign exchange gains - net		3,370	1,050,670
Other income		3,566,953	8,902,764
		<u>82,626,241</u>	<u>106,811,513</u>
Expenses:			
Depreciation and amortisation charges		(15,110,888)	(14,765,031)
Electricity costs		(11,297,423)	(12,409,018)
Salaries, wages and related expenses		(19,445,487)	(19,846,454)
Raw materials for water treatment		(3,923,705)	(4,244,997)
Raw materials for household water connections		(1,434,221)	(1,390,207)
Repairs and maintenance		(3,065,397)	(3,820,639)
Construction service expense		(2,496,226)	(1,826,362)
Reversal of impairment on loan to employees		-	260,874
Other operating expenses		(1,748,686)	(3,551,669)
		<u>(58,522,033)</u>	<u>(61,593,503)</u>
Operating profit		24,104,208	45,218,010
Finance income	12	9,633,887	19,444,954
Finance costs	12	(6,276,246)	(1,841,625)
Profit before tax		27,461,849	62,821,339
Tax expense	13	(2,609,854)	(10,728,910)
Profit for the financial period		24,851,995	52,092,429
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial period		<u>24,851,995</u>	<u>52,092,429</u>
Earnings per share attributable to equity holders:			
Basic earnings per share (KHR)	14	285.74	598.95
Diluted earnings per share (KHR)	14	285.74	598.95

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 2024 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 2025

	Note	Share capital KHR'000	Reserves KHR'000	Retained earnings KHR'000	Total KHR'000
Unaudited					
Balance as at 1 January 2025		620,759,107	713,236,157	31,077,349	1,365,072,613
Profit for the financial period, representing total comprehensive income		-	-	24,851,995	24,851,995
Balance as at 31 March 2025⁽¹⁾		<u>620,759,107</u>	<u>713,236,157</u>	<u>55,929,344</u>	<u>1,389,924,608</u>
Unaudited					
Balance as at 1 January 2024		620,759,107	647,148,782	126,609,582	1,394,517,471
Profit for the financial period, representing total comprehensive income		-	-	52,092,429	52,092,429
Transactions with owners					
Transfer to reserves	6	-	122,043,620	(122,043,620)	-
Dividends		-	-	(4,565,962)	(4,565,962)
Total transactions with owners		<u>-</u>	<u>122,043,620</u>	<u>(126,609,582)</u>	<u>(4,565,962)</u>
Balance as at 31 March 2024⁽²⁾		<u>620,759,107</u>	<u>769,192,402</u>	<u>52,092,429</u>	<u>1,442,043,938</u>

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 2024 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 2025

		Unaudited	
		Three-month period ended	
	Note	31.3.2025⁽¹⁾	31.3.2024⁽²⁾
		KHR'000	KHR'000
Cash flows from operating activities			
Profit before tax		27,461,849	62,821,339
Adjustments for:			
Amortisation of intangible assets		293,332	421,573
Amortisation of deferred government and other grants	8	(502,477)	(502,478)
Depreciation of property, plant and equipment	4	14,817,556	14,343,460
Finance income	12	(9,633,887)	(19,444,954)
Finance costs	12	6,276,246	1,841,625
Property, plant and equipment written-off	4	311,624	284,307
Reversal of impairment on loans to employees		-	(260,874)
Operating profit before changes working capital		39,024,243	59,503,998
Changes in working capital:			
Inventories		28,782,421	28,058,738
Trade and other receivables		(82,288,311)	(20,045,559)
Trade and other payables		39,042,018	11,639,712
Contract assets		11,148,766	(11,095,338)
Contract liabilities		(224,211)	1,324,730
Cash generated from operations		35,484,926	69,386,281
Income tax paid		(5,733,883)	(20,115,412)
Net cash from operating activities		29,751,043	49,270,869
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(54,074,689)	(89,298,595)
Purchase of intangible assets		(239,667)	-
Interest received		830,115	1,989,115
(Placement)/Withdrawal of short-term investments		(321,715)	5,290,190
Net cash used in investing activities		(53,805,956)	(82,019,290)
Cash flows from financing activities			
Dividend paid		-	129
Drawdown of borrowings		41,483,550	44,657,084
Interest paid		(1,680,961)	(1,739,933)
Repayments of borrowings		(15,652,450)	(10,918,873)
Proceed from settlement of loan to employee		188,008	-
Net cash from financing activities		24,338,147	31,998,407

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025 (continued)

	Note	Unaudited	
		Three-month period ended 31.3.2025 ⁽¹⁾ KHR'000	31.3.2024 ⁽²⁾ KHR'000
Net increase/(decrease) cash and cash equivalents		283,234	(750,014)
Cash and cash equivalents at the beginning of financial period		<u>18,406,666</u>	<u>15,660,200</u>
Cash and cash equivalents at the end of financial period		<u>18,689,900</u>	<u>14,910,186</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 2024 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 2025

1. CORPORATE INFORMATION

The Phnom Penh Water Supply Authority (“PPWSA”) is under the technical supervision of the Ministry of Industry, Science, Technology and Innovation (“MISTP”) 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 14 July 2025.

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*. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 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 2024.

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 2024 except for the adoption of the following amendments:

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

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

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

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

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

	Effective Date
Amendments to CIFRS 7 and CIFRS 9 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to CIFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to CIFRS 9 and CIFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
CIFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
CIFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to CIFRS 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.

3. BASIS OF PREPARATION (continued)

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

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

These amendments clarify:

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

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

Annual Improvements to CIFRS Accounting Standards - Volume 11

The annual improvements address the following:

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

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

These amendments include:

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

3. BASIS OF PREPARATION (continued)

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

CIFRS 18 Presentation and Disclosures in Financial Statements

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

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

- Required categories and sub-totals in the statement of profit or loss: items of income and expense will be classified into operating, financing, investing, income tax or discontinued operations categories. This classification will depend on a combination of an assessment of the entity's main business activities and certain accounting policy choices;
- Required sub-totals in the statement of profit or loss: based on an entity's application of the classification requirements as described in above, certain sub-totals will be required to be presented in financial statements, such as operating profit. The operating profit sub-total is now defined in CIFRS 18;
- Labelling, aggregation and disaggregation: expanded requirements for labelling, aggregation and disaggregation of information in financial statements;
- Narrow scope changes to the statement of cash flows: revised requirements for how the statement of cash flow will be presented, including the classification of interest and dividend cash flows; and
- Management-defined performance measures: the requirement for certain entities to include "management-defined performance measures" (i.e. alternative performance measures, "non-GAAP measures", etc.) in their financial statement notes, with reconciliations to the nearest CIFRS-compliant sub-total. For example, "adjusted profit or loss" reconciled to profit or loss.

CIFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 31.3.2025 KHR'000	Audited 31.12.2024 KHR'000
<i>Cost</i>		
Balance at the beginning of financial period/year	3,651,415,105	3,152,425,521
Additions	33,776,308	459,149,122
Transfers (to)/from inventories	(22,262,736)	44,487,370
Written-off	<u>(311,624)</u>	<u>(4,646,908)</u>
Balance at the end of financial period/year	<u>3,662,617,053</u>	<u>3,651,415,105</u>
<i>Accumulated depreciation</i>		
Balance at the beginning of financial period/year	711,750,679	657,923,807
Depreciation for financial period/year	14,817,556	58,107,873
Written-off	<u>-</u>	<u>(4,281,001)</u>
Balance at the end of financial period/year	<u>726,568,235</u>	<u>717,750,679</u>
<i>Carrying amounts</i>		
Balance at the end of financial period/year	<u>2,936,048,818</u>	<u>2,939,664,426</u>

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

	Unaudited 31.3.2025 KHR'000	Unaudited 31.3.2024 KHR'000
Additions	11,513,572	86,332,649
Decrease in payables and performance guarantee	43,090,751	5,804,225
Interest capitalised on qualifying assets	<u>(529,634)</u>	<u>(2,838,279)</u>
Cash payment for purchase of property, plant and equipment	<u>54,074,689</u>	<u>89,298,595</u>

5. SHORT-TERM INVESTMENTS

These represent fixed deposits placed with financial institutions for a period of twelve months (2024: nine and twelve months) and earn interest at rates 3.50% to 5.25% (2024: 3.50% to 5.25%) per annum.

Short-term investments include deposits amounting to KHR95.2 billion (2024: KHR94.9 billion) set up specifically for the purpose of receiving the interest and for precautionary measures and speculative activities.

6. RESERVES

	Capital reserve KHR'000	Legal reserve KHR'000	General reserve KHR'000	Development reserve KHR'000	Total KHR'000
As at 1.1.2025	1,648,435	50,321,444	50,321,444	610,944,834	713,236,157
Transfer from retained earnings	-	-	-	-	-
As at 31.3.2025 (Unaudited)	<u>1,648,435</u>	<u>50,321,444</u>	<u>50,321,444</u>	<u>610,944,834</u>	<u>713,236,157</u>
As at 1.1.2024 (restated)	1,648,435	43,990,965	43,990,965	501,562,301	591,192,666
Transfer from retained earnings	-	6,330,479	6,330,479	109,382,533	122,043,491
As at 31.12.2024 (Audited)	<u>1,648,435</u>	<u>50,321,444</u>	<u>50,321,444</u>	<u>610,944,834</u>	<u>713,236,157</u>

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 31.3.2025 KHR'000	Audited 31.12.2024 KHR'000
Non-current		
MoEF - Japanese International Cooperation Agency ("JICA")	28,951,382	27,748,910
MoEF - Asian Development Bank ("ADB")	25,098,311	24,830,029
European Investment Bank ("EIB")	<u>390,583,738</u>	<u>391,148,159</u>
	<u>444,633,431</u>	<u>443,727,099</u>
Current		
MoEF - JICA	621,868	1,234,163
MoEF - ADB	1,077,594	2,267,990
AfD - Credit No. 1121 01F	-	8,425,878
AfD - Credit No. 1174 01 P	138,530,914	145,661,453
AfD - Credit No. 1176 01 S	336,959,493	337,198,657
AfD - Credit No. 1244 01 M	410,488,130	411,982,858
AfD - Credit No. 1273 01P	110,423,927	72,043,646
EIB	<u>10,313,758</u>	<u>8,077,639</u>
	<u>1,008,415,684</u>	<u>986,892,283</u>
	<u>1,453,049,115</u>	<u>1,430,619,382</u>

7. BORROWINGS (continued)

The maturity dates of these borrowings are as follows:

	Unaudited 31.3.2025 KHR'000	Audited 31.12.2024 KHR'000
Current		
- Not later than one year	<u>1,008,415,684</u>	<u>986,892,283</u>
Non-current		
- Later than one year but not later than two years	15,741,334	15,743,879
- Later than two years but not later than five years	65,943,323	65,880,283
- Later than five years	<u>362,948,774</u>	<u>362,102,937</u>
	<u>444,633,431</u>	<u>443,727,099</u>
	<u>1,453,049,115</u>	<u>1,430,619,382</u>

8. DEFERRED GOVERNMENT AND OTHER GRANTS

	EU grant KHR'000	Government grant KHR'000	JICA grant KHR'000	Other grants KHR'000	Total KHR'000
Balance at 1.1.2025	54,436,199	12,643,315	3,705,926	1,840,521	72,625,961
Amortisation charges	<u>-</u>	<u>(463,251)</u>	<u>(33,127)</u>	<u>(6,099)</u>	<u>(502,477)</u>
Balance at 31.3.2025 (Unaudited)	<u>54,436,199</u>	<u>12,180,064</u>	<u>3,672,799</u>	<u>1,834,422</u>	<u>72,123,484</u>
Balance at 1.1.2024	54,436,199	14,496,321	3,838,433	1,391,793	74,162,746
Addition	-	-	-	473,123	473,123
Amortisation charges	<u>-</u>	<u>(1,853,006)</u>	<u>(132,507)</u>	<u>(24,395)</u>	<u>(2,009,908)</u>
Balance at 31.12.2024 (Audited)	<u>54,436,199</u>	<u>12,643,315</u>	<u>3,705,926</u>	<u>1,840,521</u>	<u>72,625,961</u>

9. TRADE AND OTHER PAYABLES

	Unaudited 31.3.2025 KHR'000	Audited 31.12.2024 KHR'000
Other payables - non-current		
Refundable water deposits	<u>90,369,697</u>	<u>88,950,566</u>
Trade payable - current		
Third parties	<u>113,535,726</u>	<u>126,157,814</u>
Other payables - current		
Accrued staff incentive	15,231,415	11,950,764
Amount due to Phnom Penh Municipality	66,112,459	64,642,768
Amount due to employees	727,772	731,516
Performance guarantee	67,292	67,292
Other tax payable	164,531	75,184
Other payables	<u>11,917,822</u>	<u>9,598,887</u>
	<u>94,221,291</u>	<u>87,066,411</u>
	<u>207,757,017</u>	<u>213,224,225</u>
	<u>298,126,714</u>	<u>302,174,791</u>

10. CONTRACT ASSETS AND LIABILITIES

	Unaudited 31.3.2025 KHR'000	Audited 31.12.2024 KHR'000
Contract assets		
Construction service receivable	4,329,348	4,398,564
Accrued water revenue	<u>22,108,076</u>	<u>33,187,626</u>
	<u>26,437,424</u>	<u>37,586,190</u>
Contract liabilities		
Deferred income	(5,277)	(5,278)
Unearned income	<u>(3,296,185)</u>	<u>(3,520,395)</u>
	<u>(3,301,462)</u>	<u>(3,525,673)</u>

11. SALES

	Unaudited	
	Three-month period ended	
	31.3.2025	31.3.2024
	KHR'000	KHR'000
Water sales:		
- households	26,419,976	35,195,777
- commercial	38,868,876	45,386,323
- public administration institution	5,787,611	6,541,637
- autonomous state authorities	286,177	265,503
- wholesalers	2,220,400	3,004,418
Rounding difference on water sales revenue	18,000	22,224
Less: Invoice cancellations	(266,543)	(75,596)
	<u>73,334,497</u>	<u>90,340,286</u>
Water connection revenue	1,168,717	3,006,915
Water meter replacement charges	1,390,718	1,271,514
Spare parts and meter sales	<u>68,585</u>	<u>44,537</u>
	<u>75,962,517</u>	<u>94,663,252</u>

12. FINANCE INCOME/(COSTS)

	Unaudited	
	Three-month period ended	
	31.3.2025	31.3.2024
	KHR'000	KHR'000
Finance income:		
- Interest income on bank deposits (a)	1,107,601	1,860,417
- Net foreign exchange gains on borrowings	<u>8,526,286</u>	<u>17,584,537</u>
	<u>9,633,887</u>	<u>19,444,954</u>
Finance costs:		
- Interest expense on borrowings (b)	(5,297,881)	(4,679,904)
- Net foreign exchange losses on borrowings	(1,507,999)	-
- Interest expense capitalised on qualifying assets	<u>529,634</u>	<u>2,838,279</u>
	<u>(6,276,246)</u>	<u>(1,841,625)</u>
	<u>3,357,641</u>	<u>17,603,329</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.

13. TAX EXPENSE

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

14. 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	
	31.3.2025	31.3.2024
	KHR'000	KHR'000
Profit attributable to equity holders (KHR'000)	24,851,995	52,092,429
Weighted average number of shares	86,973,162	86,973,162
Basic earnings per share (KHR)	285.74	598.95

(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.

15. RELATED PARTY TRANSACTIONS

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

	Unaudited	
	Three-month period ended	
	31.3.2025	31.3.2024
	KHR'000	KHR'000
<u>Common control</u>		
MoEF		
Interest on borrowings paid	4,768,247	4,679,904

(b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited	
	Three-month period ended	
	31.3.2025	31.3.2024
	KHR'000	KHR'000
Salaries and other expenses	635,862	616,914

16. 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.

17. CAPITAL COMMITMENTS

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

	Unaudited 31.3.2025 KHR'000	Audited 31.12.2024 KHR'000
Construction of water treatment plant	302,044,332	283,057,881
Consultation services	3,473,052	2,669,794
Purchase of iron pipes, fitting and accessories	1,083,679	1,054,176
	<u>306,601,063</u>	<u>286,781,851</u>

18. TAXATION CONTINGENCIES

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

19. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 29 May 2025, the Board of Directors approved the transfer of retained earnings to reserves amounting to KHR80,476,821,750.
- (b) On 29 May 2025, the Board of Directors of PPWSA proposed and the shareholders subsequently approved, a dividend of KHR350 per share in respect of the financial year ended 31 December 2024. The total dividend declared amounting to KHR4,566,091,250. This approval was made following the conclusion of the reporting period and reflects PPWSA's financial performance and commitment to shareholder returns.
- (c) On 30 June 2025, the MoEF increased its capital contribution to PPWSA through the transfer of two plots of land. These plots are intended for the construction of the Mlech Water Treatment Plant in Kampot Province and the Boeng Thom Water Treatment Plant in Phnom Penh. The total value of the land granted amounting to KHR1,380,927,351,000. This capital increase was made without the issuance of additional shares in PPWSA.



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