



PHNOM PENH WATER SUPPLY AUTHORITY

KINGDOM OF CAMBODIA

NATION RELIGION KING

THIRD 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.



#45, Street 106, Sangkat Srah Chork,
Khan Daun Penh, Phnom Penh, Cambodia



Tel: (855) 31 935 08 08
Tel: (855) 31 625 07 07



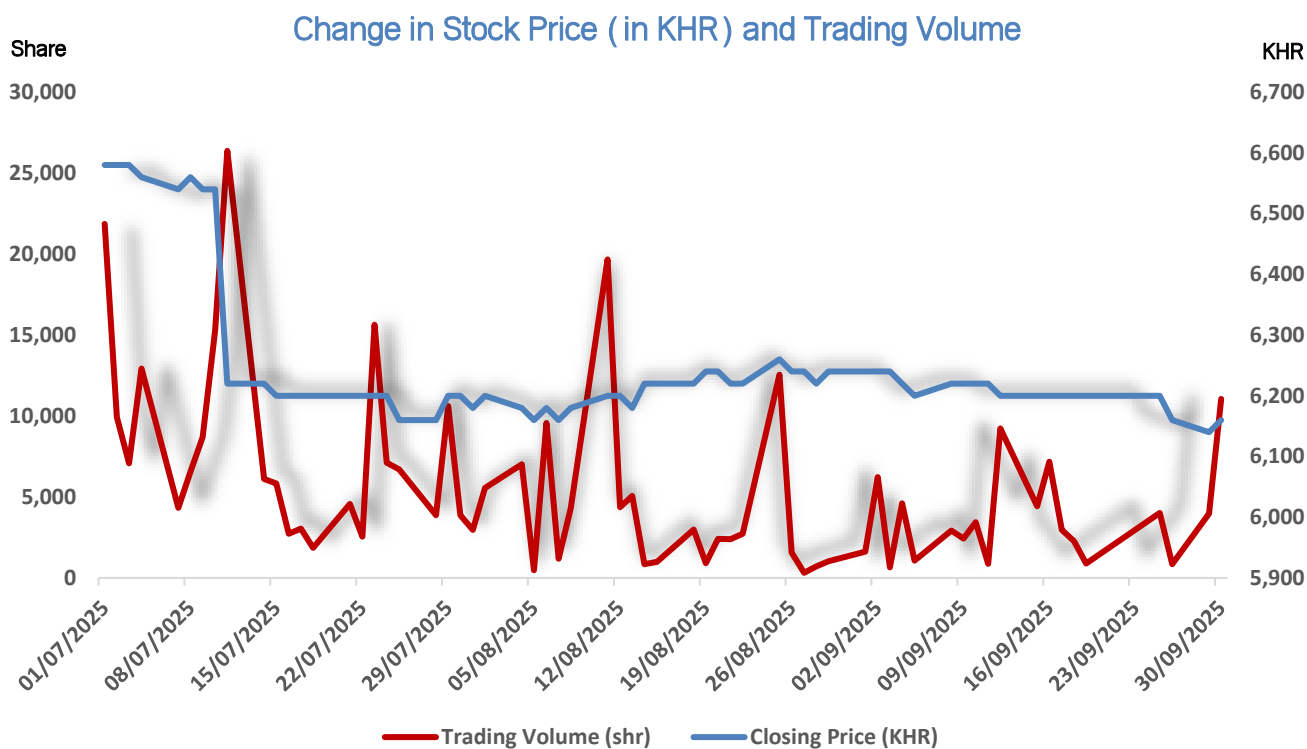
E-mail:
ir@ppwsa.com.kh



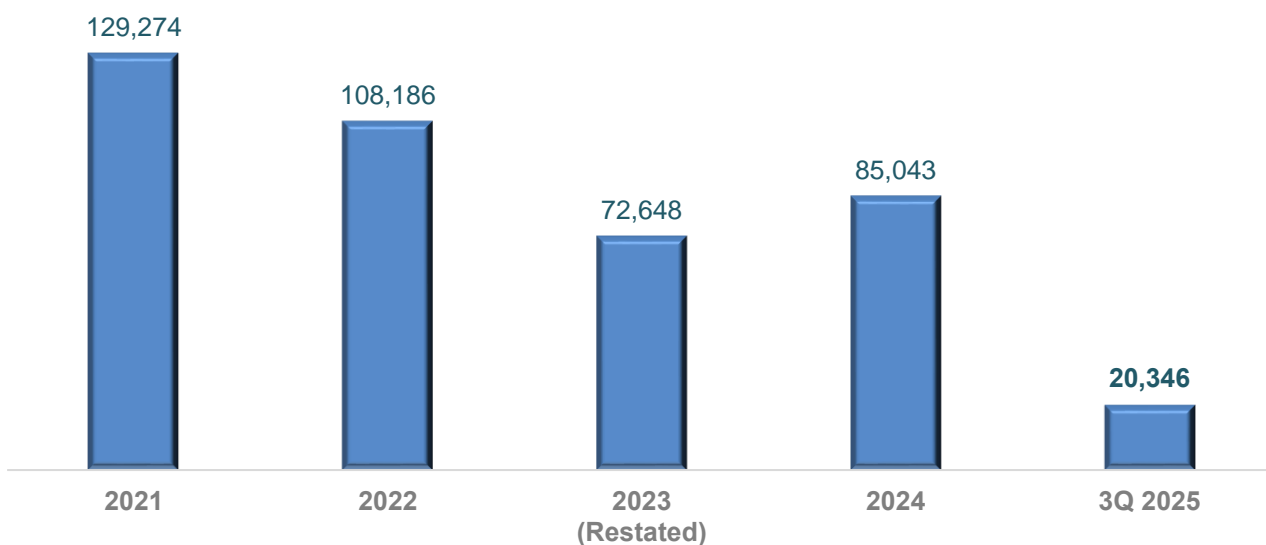
FINANCIAL HIGHLIGHTS

Financial Position		Third Quarter of 2025	2024	2023 (restated)
Total assets (KHR'000)		3,457,807,706	3,279,165,281	3,038,365,177
Total liabilities (KHR'000)		2,019,687,947	1,914,092,668	1,753,769,386
Total shareholders' equity (KHR'000)		1,438,119,759	1,365,072,613	1,284,595,791
Profit/(Loss)		Third Quarter of 2025	Third Quarter of 2024	Third Quarter of 2023
Total Revenue (KHR'000)		92,530,688	88,276,052	104,446,514
Profit/(Loss) before tax (KHR'000)		25,467,180	32,001,607	48,363,478
Profit/(Loss) after tax (KHR'000)		20,346,115	21,550,872	39,773,814
Total comprehensive income (KHR'000)		20,346,115	21,550,872	39,773,814
Financial Ratios		Third Quarter of 2025	2024	2023 (restated)
Solvency ratio				
Liquidity Ratio	Current Ratio (Times)	0.28	0.38	0.76
	Quick Ratio(Times)	0.20	0.18	0.38
		Third Quarter of 2025	Third Quarter of 2024	Third Quarter of 2023
Profitabilities Ratio	Return on Assets (%)	0.60	0.65	1.35
	Return on Equity (%)	1.43	1.48	2.97
	Gross Profit margin (%)	30.33	26.10	41.13
	Profit Margin (%)	21.99	24.41	38.08
	Earning Per Share (KHR)	233.94	247.79	457.31
Interest Coverage Ratio (Times)		5.88	2.91	48.36

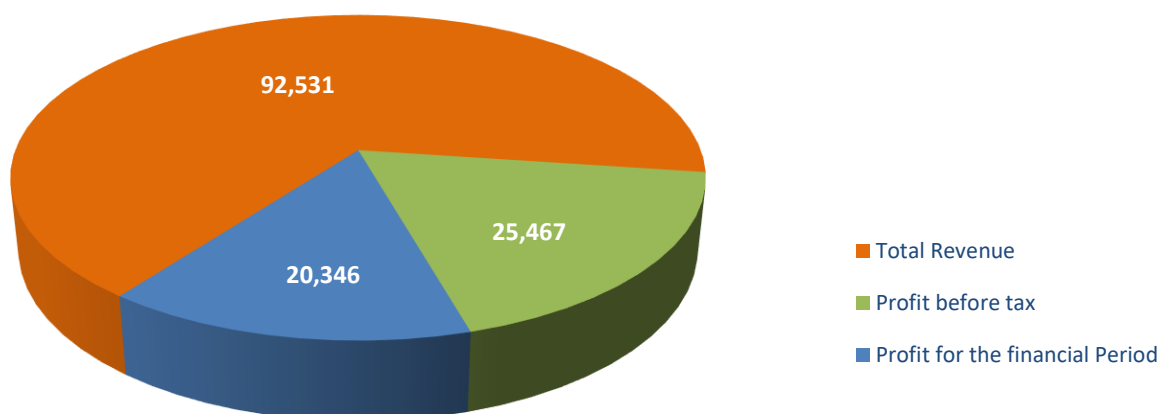
FINANCIAL SUMMARY CHARTS



PROFIT BY YEAR (in million KHR)



PROFIT FOR THIRD 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

For the 3rd Quarter of 2025

Dear Valued Shareholders,

On Behalf of the Phnom Penh Water Supply Authority (PPWSA) and the Board of Directors, I am deeply honored and delighted to share with you the key achievements and major developments of our company within the third quarter of 2025. During this period, PPWSA has continued to make remarkable progress in expanding the clean water supply network, improving operational efficiency, and strengthening our commitment to good governance as well as customer satisfaction. A new and proud achievement is the Takmao Water Treatment Plant, officially inaugurated on August 14, 2025. This milestone stands as clear evidence of PPWSA's dedication and effort to contribute to achieving Goal 6 "Clean Water and Sanitation" of Cambodian Sustainable Development Goals (SDGs), as well as the goals of Pentagonal Strategy Phase 1 of the Royal Government of Cambodia of the 7th Legislature of Nation Assembly in term of clean water supply by 2030.

Reducing Non-Revenue Water (NRW)

PPWSA has paid strong attention to the NRW management and reduction. Through proactive leak detection, regular maintenance, and strengthened monitoring systems, we have achieved continued improvements in water loss management. The technical teams' concerted efforts have contributed to minimizing wastage, optimizing production efficiency, and ensuring sustainable resource utilization.

Revising the Personnel Statute

Recognizing that staff are the backbone of the institution, PPWSA plans to update the personnel statute to make it broader and more comprehensive. We will focus on fairness, accountability, and motivation, so that it aligns with the Authority's strategic objectives and modern management practices. The purpose of this revision is to foster a culture of professionalism, integrity, and continuous improvement across the Authority's departments and units.

Strengthening Cooperate Governance

During this quarter, the Board has intensified its oversight to further strengthen corporate governance. Policies and procedures have been reviewed and refined to ensure transparency, compliance, and ethical conduct in all operations. The Authority remains committed to upholding high standards of governance, reinforcing trust among stakeholders, and ensuring that decisions are made in the best interest of the public and the Aughority's long-term sustainability.

Enhancing Service Delivery with Quality and Transparency

Delivering safe, reliable, and high-quality water service remains our top priority. PPWSA has continued to improve customer engagement through digital platforms, efficient complaint resolution mechanisms, and transparency in service delivery. These initiatives not only enhance public confidence but also reflect our core value of serving with integrity and accountability.

Establishing Key Performance Indicators (KPIs)

In pursuit of higher organizational performance, PPWSA has begun developing and establishing Key Performance Indicators (KPIs) for all departments and operational units. These KPIs will serve as measurable benchmarks to monitor efficiency, guide strategic decision-making, and drive continuous improvement throughout the Authority.

A Call to Our Employee

To my fellow colleagues across the Authority – from the field teams repairing leaks under the midday sun to the staff in our offices serving customers with a smile – your hard work is the heartbeat of our success. I urge each of you to keep pushing forward, knowing that every improvement we make not only strengthens our company but also improves the lives of families, our customers and our nation.

Looking ahead, we will continue to embrace innovation, strengthen our governance, and uphold our commitment to deliver quality, safe, reliable and affordable water. Together, with unity of purpose, we can achieve even greater milestones in the months to come.

Finally, on behalf of the Board, I wish to express my deepest gratitude to our parent ministries – the Ministry of Industry, Science, Technology and Innovation and Ministry of Economy and Finance –for their consistent attention in providing guidance, policy direction, and unwavering support, which has been a fundamental for our prosperity. Similarly, I extend our thanks to all our shareholders, customers, employees, partners, and stakeholders for your trust and dedicated efforts in fulfilling duties with a high responsibility, which has driven us to achieve significant success. With your continued support, we will attain even more resounding victories.

Phnom Penh, December 12, 2025

CHAIRMAN

EK SONNCHAN

Content

Financial Highlights	i
Financial Summary Charts	ii
Board of Directors	iii
Chairman's Statement	v
Part 1: General Information of Phnom Penh Water Supply Authority	1
A- Identity of Phnom Penh Water Supply Authority	1
B- Nature of Business	1
C- Phnom Penh Water Supply Authority's Key Events	1
Part 2: Information on Business Operating Performance	5
A-Business Operating Performance Including Business Segments Information	5
B-Revenue Structure	7
Part 3- Financial Statement reviewed by the external auditor	8
Part 4- Management's Discussion and Analysis	10
A- Overview of Operations	10
B- Significant Factors Affecting Profit	14
C- Material Changes in Sales and Revenue	15
D- Impact of Foreign Exchange, Interest Rates and Commodity Prices	15
E- Impact from Inflation	15
F- Economic, Fiscal and Monetary Policies of the Royal Government	15
Part 5- Other Necessary Information for Investor Protection	16
Signature of Directors of Phnom Penh Water Supply Authority	17
Appendix I: Condensed Interim Financial Information For The Quarter and Nine-Month Period Ended 30 September 2025	

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 Thursday, 14th August 2025 – **H.E. Vongsey Vissoth, Permanent Deputy Prime Minister and Minister in Charge of the Office of the Council of Ministers of Cambodia and H.E. UENO Atsushi Japanese Ambassador to Kingdom of Cambodia** presided over the official inauguration ceremony of Phnom Penh Water Supply Authority's Ta Khmau Water Treatment Plant and Koh Norea Replacement Intake. This water treatment plant has a production capacity of 30,000 cubic meters per day, which makes the total production capacity of the Phnom Penh Water Supply Authority increase to 1,018 thousand cubic meters per day, supplying to the residents living in Phnom Penh capital city and Takmau city of Kandal province with the quality, safety, sustainability and reasonable prices. Furthermore,

Phnom Penh Water Supply Authority is committed to ensuring a stable supply of clean water to each water treatment plant. This effort will contribute to the creation of employment opportunities and enhance the quality of life for residents. Prompted by a significant increase in the demand for clean water, which has been a direct result of economic growth since the early 2010s, the Phnom Penh Autonomous Water Supply Authority expedited the implementation of its second master plan, covering the period from 2005 to 2020. The detailed plan included a key objective to double treated water production capacity during the period from 2012 to 2017. Furthermore, the updated third master plan (2021-2030) projects demand a daily clean water of up to 1.8 million cubic meters by 2030. To achieve this goal, a grant financing agreement for the Ta Khmau Water Treatment Plant Project was executed on May 29, 2022. This agreement, implemented as an SPC, was concluded between the Royal Government of Cambodia and the Japan International Cooperation Agency (JICA) to ensure a stable supply of clean water for the Phnom Penh Water Supply Authority (PPWSA) and support the achievement of the Sustainable Development Goals (SDGs) from 2030 onwards.

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

The infrastructure of the project:

- 💧 The daily capacity of the raw pumping station is 31,500 cubic meter per day.
 - Water Source: Bassac River
 - Construction type: Floating Intake Pump Station
 - Pumps & Motors: 3 units (2 Operation and 1 Standby)
 - Normal flow = 690 cubic meters per hour
 - Electrical power = 110 kWh
 - Installation Electrical System: MV, Transformer & LV Switchgear
 - Automatic control system equipped with SCADA for monitor and control the flow
 - 2 Main Raw Water Transmission Pipes (DN350 mm), Steel Pipe with Lining
- 💧 Water treatment plant with a production capacity of 30,000 cubic meter per day
 - Receiving Well: 1 basin of 92.73 cubic meters
 - Pre-settle Basin: 4 basins of 112.25 cubic meters
 - Mixing Tank: 1 tank of 133.99 cubic meters
 - Flocculation basin: 4 basins of 263.52 cubic meters
 - Sedimentation basin: 4 basins of 441.6 cubic meters
 - Filter tank: 6 tanks of 227.97 cubic meters
 - Treated Water Tank: 2 tanks of total capacity 5,000 cubic meters

- Pumping Station: 3 units (2 Operation and 1 Standby)
 - Normal Flow = 720 m³/hour per pump
 - Electrical Power = 160 kW/h
- PAC Solution Tank: 2 tanks each tank contains 15 cubic meters
- Hypo Generation System = 2 Hypo Solution tanks each tank contains 15 cubic meters

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

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

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

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

H.E. UENO Atsushi, Ambassador Extraordinary and Plenipotentiary of Japan to the Kingdom of Cambodia, expressed his satisfaction and stated: “This is a very great honor for me, as the Ambassador of Japan, to attend today’s completion ceremony for the “Ta Khmau Water Supply Expansion Project”, implemented through Japan’s Grant Aid, together with **H.E. Mr. VONGSEY Vissoth, Permanent Deputy Prime Minister and Minister in charge of the Council of Ministers**, and **H.E. Mr. Hem Vandy, Minister of Industry, Science, Technology and Innovation**. It shall be noted that the Government of Japan has placed great emphasis on supporting the water supply sector in the country since the end of the civil war in Cambodia. As a result of Japan’s consistent ODA support for Phnom Penh’s water treatment plants since the 1990s, water supply services have dramatically improved, a success widely known both inside and outside Cambodia as the “Miracle of Phnom Penh”. Upon completion, the facility will be able to provide safe and sustainable water at low cost to Ta Khmau City and the rapidly expanding surrounding areas. Cooperation in the water sector is positioned as one of the priority projects under the pillar of “social infrastructure development” in the “Three New Approaches for Cooperation with Cambodia” announced by the Government of Japan in July last year. The “Miracle of Phnom Penh” will continue to be replicated in other locations in the years to come. In conclusion, I sincerely hope that the Takhmau Water Treatment Plant will continue to support the development of the local community and the healthy lives of the Cambodian people for decades to come. I also wish all those present today good health and happiness, and the continued development of Japan-Cambodia relations.”.

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 third quarter of 2025:

Water Treatment Plant	Water Source	Planned (m ³)	Actual (m ³)	Rate (%)
Phum Prek	Tonle Sap	13,570,000	13,810,873	102
Chroy Changvar	Upper Mekong River	9,200,000	10,518,850	114
Chamkar Mon	Tonle Bassac	4,600,000	4,158,952	90
Nirodh	Lower Mekong River	23,920,000	20,426,681	85
Bakheng	Upper Mekong River	25,324,500	23,868,071	94
Boeung Thom	Boeung Thom	552,000	309,457	56
Takhmao	Tonle Bassac	2,944,000	3,172,477	108
Mlech	Mlech Dam	126,650	95,322	75
Tbong Khmom	Boeung Tavan	172,554	133,585	77
TOTAL		80,409,704	76,494,268	95

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

Description	Water Treatment Plant									Total
	Phum Prek	Chroy Changvar	Chamkar Mon	Nirodh	Bakheng	Boeung Thom	Takhmao	Mlech	Tbong Khmom	
PAC (Kg)	162,400	137,075	71,000	322,900	416,975	15,500	29,325	1,175	2,931	1,159,281
Salt (Kg)	0	61,400	82,900	0	270,400	0	39,100	0	0	453,800
Liquid chlorine (Kg)	0	9,135	17,567	0	76,922	0	9,332	0	0	112,956
Chlorine gas (Kg)	36,244	20,955	0	52,908	0	0	0	0	0	110,107
Chlorine powder (Kg)	0	0	0	560	0	3,760	0	736	1,216	6,272
Lime (Kg)	73,600	0	19,250	163,275	163,825	6,525	0	0	0	426,475
Electricity (kWh)	3,279,094	2,439,010	899,407	4,336,300	4,551,156	69,249	733,266	28,279	50,486	16,386,250

➤ 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	0.33	0.24	0.16	0.22	0.10	0.55	0.03	0.18	0.32	0.39
pH Value	pH	6.5 - 8.5	6.5 - 8.5	7.57	7.46	7.64	7.50	7.63	7.27	7.52	7.16	7.76	7.49
Free Available Chlorine	mg/l	0.1 - 1.0	5	1.25	1.18	0.91	1.23	1.15	1.18	1.21	1.37	0.10	0.39
Total Available Chlorine	mg/l	-	-	1.47	1.29	1.04	1.34	1.28	1.34	1.34	1.53	1.30	0.51
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

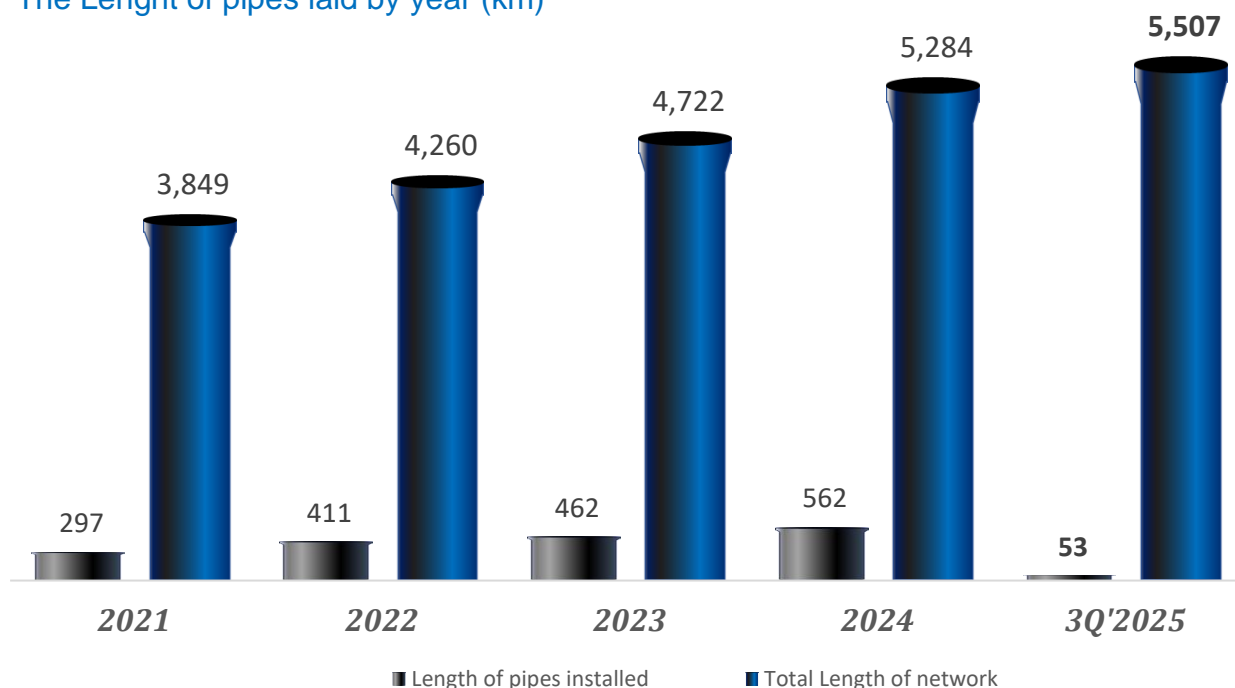
PART 2. Information on Business Operation Performance (Con't)

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

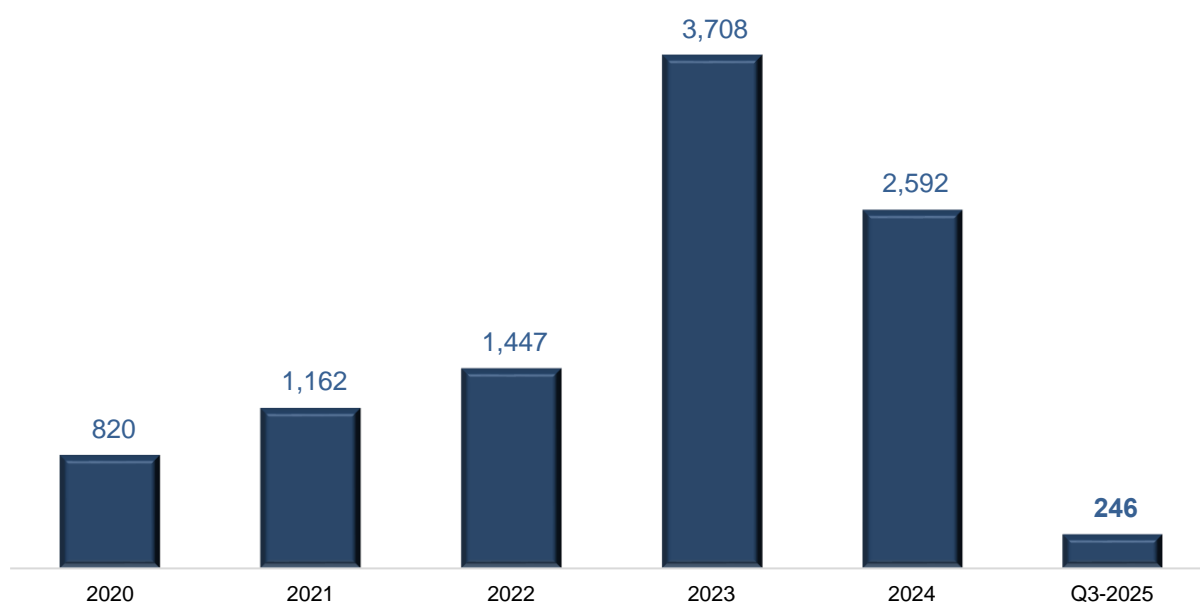
In the third quarter of 2025, PPWSA's non-revenue water rate was kept as following:

- Phnom Penh Capital and Takmao City: 24.26%.
- Kompot Province, Mlech WTP: 0.98%
- Tbong Khmom Province, Tbong Khmom WTP: 19.90%

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)

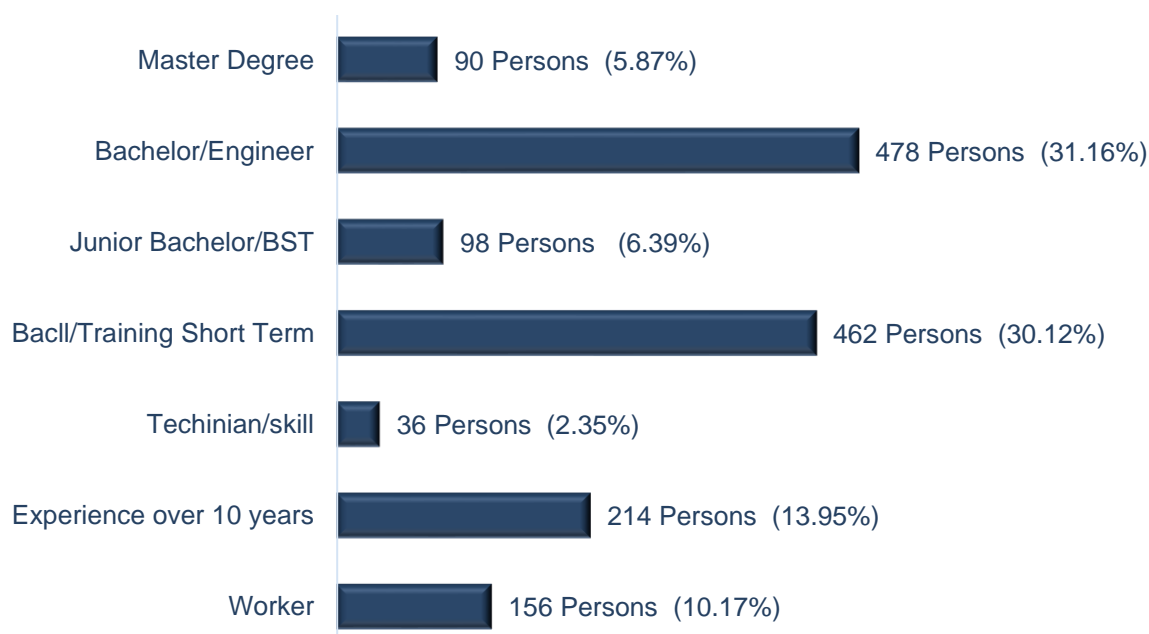
A. Business Operation Performance including business segments information (con't)

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

A.2.2. House Connection and Customer Management

Type of Customers	2021	2022	2023	2024	Q2-2025	
	(Connections)	(Connections)	(Connections)	(Connections)	(Connections)	(%)
Domestic	350,463	360,948	381,752	397,479	407,173	78.7016
Commercial	74,344	83,874	89,702	97,234	103,901	20.0828
Administrative	823	913	918	840	851	0.1645
Wholesalers	11	9	6	6	4	0.0008
RDE Respresentative	16	5	3	3	4	0.0008
Standpipe	16	16	14	13	8	0.0015
Room rental	5,728	5,789	5,746	5,714	5,422	1.0480
TOTAL	<u>431,401</u>	<u>451,554</u>	<u>478,141</u>	<u>501,289</u>	<u>517,363</u>	

A.3- Human Resource Management



Total staff of PPWSA in Q3-2025: 1,534 persons (251 females)

B- Revenue Structure

No	Source of Revenue	Third Quarter of 2025		Third Quarter of 2024		Third Quarter of 2023	
		(KHR'000)	%	(KHR'000)	%	(KHR'000)	%
1	Sales	79,411,100	85.82%	86,167,694	97.61%	99,202,498	94.98%
2	Construction Service fees	7,743,145	8.37%	3,794,524	4.30%	2,790,852	2.67%
3	Foreign exchange gains-net	-	-	-	-	-	-
4	Other income	5,376,443	5.81%	(1,686,166)	(1.91%)	2,453,164	2.35%
	Total revenue	92,530,688		88,276,052		104,446,514	

PART 3:
FINANCIAL STATEMENT
REVIEWED BY
THE EXTERNAL AUDITOR

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 30 September 2025 compared to the period of 30 September 2024

Description	Third Quarter of 2025 (KHR'000)	Third Quarter of 2024 (KHR'000)	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total Revenues	92,530,688	88,276,052	4,254,636	4.82

PPWSA had a total revenue of KHR92,530,688,000 for the period ended 30 September 2025 and KHR88,276,052,000 for the period ended 30 September 2024. The revenue increased by KHR4,254,636,000 or 4.82%. The main reason of this increase in revenue is due to is mainly due to construction service fees increased by KHR3,948,621,000 or 104.06% and other income increased by KHR7,062,609,000 or 418.86%.

2. Revenue analysis by segment

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

Description	Third Quarter of 2025 (KHR'000)	%	Third Quarter of 2024 (KHR'000)	%
Sales	79,411,100	85.82	86,167,694	97.61
Construction Service fees	7,743,145	8.37	3,794,524	4.30
Foreign exchange gains - net	-	-	-	-
Other income	5,376,443	5.81	(1,686,166)	(1.91)
Total revenue	92,530,688		88,276,052	

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 September 2025 compared to the period of 30 September 2024

Description	Third Quarter of 2025		Third 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	27,634,076	26,719,546	31,359,126	31,234,577	(3,725,050)	(4,515,031)	(14.46%)
Commercial	24,819,587	40,719,647	25,170,697	41,498,494	(351,110)	(778,847)	(1.88%)
Public administrative and autonomy	2,301,666	5,845,195	2,591,975	6,393,616	(290,309)	(548,421)	(8.58%)
Representative and room rental	3,208,484	2,257,337	3,710,145	2,792,664	(501,661)	(535,327)	(19.17%)

💧 Revenue from domestic/household water sales

Revenue from domestic water sales amounted to KHR26,719,546,000 for the period ended 30 September 2025 and KHR31,234,577,000 for the period ended 30 September 2024, that is prompting a decrease of KHR4,515,031,000 or 14.46%. The reason of the decrease is that the monthly consumption per connection decreased by 4.16m³ (from 28.30m³ to 24.13m³) and the average tariff descended by KHR 29.12/m³ (from KHR996.03/m³ to KHR966.91/m³).

💧 Revenue from commercial water sales

Revenue from commercial water sales amounted to KHR40,719,647,000 for the period ended of 30 September 2025 and KHR41,498,494,000 for the year ended of 30 September 2024, that is prompting a decrease of KHR778,847,000 or 1.88%. The reason of the decrease is that the monthly consumption per connection descended by 10.19m³ (from 91.46m³ to 81.27m³) and the average tariff decreased by KHR 8.06/m³ (from KHR1,648.68/m³ to KHR1,640.63/m³).

💧 Revenue from public administrative water sales

Revenue from public administrative water sales amounted to KHR5,845,195,000 for the period ended of 30 September 2025 and KHR6,393,616,000 for the period ended of 30 September 2024, that is prompting a decrease of KHR548,421,000 or 8.58%. The reason of the decrease is that the monthly consumption per connection decreased by 147.49m³ (from 999.41m³ to 851.92m³) and the average tariff remained fixed KHR2,500/m³.

💧 Revenue from water sales for representatives and rented rooms

Revenue from representative and rent rooms water sales amounted of KHR2,257,337,000 for the period ended of 30 September 2025 and KHR2,792,664,000 for the period ended of 30 September 2024, that is prompting a decrease of KHR535,327,000 or 19.17%. The reason of the decrease is that the monthly consumption per connection ascended by 18.56m³ (from 211.92m³ to 193.36m³) and the average tariff decreased by KHR49.16m³ (from KHR752.71/m³ to KHR703.55/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 September 2025 compared to the period ended 30 September 2024

Description	Third Quarter of 2025 (KHR'000)	Third Quarter of 2024 (KHR'000)	Changes	
			(KHR'000)	Percentage
	a	b	a - b	(a-b)/b*100
Total revenues	92,530,688	88,276,052	4,254,646	4.82
Salaries,Wages and related expenses	(20,112,064)	(20,881,055)	768,991	(3.68)
Depreciation and amortisation charges	(16,824,931)	(15,010,825)	(1,814,106)	12.09
Electricity costs	(8,580,426)	(11,995,421)	3,414,995	(28.47)
Raw materials for water treatment	(4,896,884)	(5,893,061)	996,177	(16.90)
Construction service expenses	(6,191,128)	(3,009,384)	(3,181,744)	105.73
Finance income	2,171,621	16,873,335	(14,701,714)	(87.13)
Finance costs	(4,771,536)	(7,916,179)	3,144,643	(39.72)
Profit before tax	25,467,180	32,001,607	(6,534,427)	(20.42)

PPWSA earned profit before tax of KHR25,467,180,000 for the period ended 30 September 2025 and profit before tax of KHR32,001,607,000 for the period ended 30 September 2024, decreased by KHR6,534,427,000 or 20.42%. The main reason of this decrease is due to the increase of construction service expenses KHR3,181,744,000 or 105.73% and decrease of KHR14,701,714,000 or 87.13% 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 30 September 2025 compared to the period ended 30 September 2024

Description	Third Quarter of 2025 (KHR'000)	Third Quarter of 2024 (KHR'000)	Changes	
			(KHR'000)	Percentage
	c	d	c - d	(c-d)/d*100
Profit before tax (a)	25,467,180	32,001,607	(6,534,427)	(20.42)
Tax expense (b)	(5,121,065)	(10,450,735)	5,329,670	(51.00)
Profit for the financial period	20,346,115	21,550,872	(1,204,757)	(5.59)
Total comprehensive income for the financial year	20,346,115	21,550,872	(1,204,757)	(5.59)
Effective tax rate (b)/(a)	20.11%	32.66%		

PPWSA earned profit for the financial period of KHR20,346,115,000 for the period ended 30 September 2025 and KHR21,550,872,000 for the period ended 30 September 2024, decreased by KHR1,204,757,000 or 5.59%. The main reason of this decrease is due the increase of construction service expenses KHR3,181,744,000 or 105.73% and decrease of KHR14,701,714,000 or 87.13% in finance income.

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 Third 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 Third 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 Bakheng WTP - Phase 3 with the production capacity of 195,000 m³/day which is scheduled to be completed in the Third 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 September 30, 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 85.82% of gross revenue in Third 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 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.

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 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 Third 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, December 12, 2025

Read and Approved

Signature

EK SONNCHAN

Chairman of the Board

Phnom Penh, December 12, 2025

Read and Approved

Signature

Long Naro

Director

APPENDIX I

CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

Registration No:
Co.0839 Et/2012

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

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CONTENTS	PAGE
STATEMENT BY THE DIRECTORS	1
REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION	2
CONDENSED STATEMENT OF FINANCIAL POSITION	3
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
CONDENSED STATEMENT OF CHANGES IN EQUITY	5
CONDENSED STATEMENT OF CASH FLOWS	6 - 7
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION	8 - 20

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

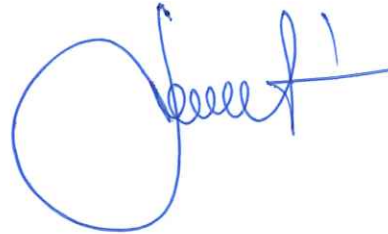
STATEMENT BY THE DIRECTORS

In the opinion of Directors, the accompanying condensed statement of financial position of Phnom Penh Water Supply Authority ("PPWSA") as at 30 September 2025, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and nine-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*.

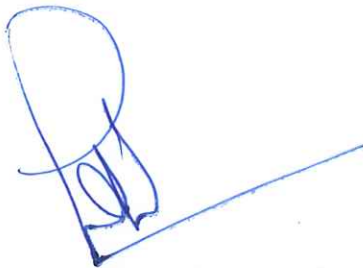
Signed on behalf of the Board of Directors, ✓



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: 12th December 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 30 September 2025, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and nine-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: 12 December 2025

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

	Note	Unaudited 30.9.2025 KHR'000	Audited 31.12.2024 KHR'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,092,134,921	2,939,664,426
Intangible assets		8,577,188	9,080,507
		<u>3,100,712,109</u>	<u>2,948,744,933</u>
Current assets			
Inventories		101,145,557	144,235,770
Trade and other receivables		107,146,952	27,537,927
Contract assets	11	27,394,722	37,586,190
Loan to employees		3,497,653	3,894,589
Short-term investments	5	95,509,048	94,961,360
Current tax assets		972,030	3,797,846
Cash and bank balances		21,429,635	18,406,666
		<u>357,095,597</u>	<u>330,420,348</u>
TOTAL ASSETS		<u>3,457,807,706</u>	<u>3,279,165,281</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	636,601,984	620,759,107
Reserves	7	739,747,415	713,236,157
Retained earnings		61,770,360	31,077,349
TOTAL EQUITY		<u>1,438,119,759</u>	<u>1,365,072,613</u>
LIABILITIES			
Non-current liabilities			
Borrowings	8	432,117,143	443,727,099
Deferred government and other grants	9	71,465,814	72,625,961
Deferred tax liabilities		110,554,236	105,146,861
Other payables	10	94,176,084	88,950,566
		<u>708,313,277</u>	<u>710,450,487</u>
Current liabilities			
Trade and other payables	10	184,184,148	213,224,225
Borrowings	8	1,127,072,079	986,892,283
Contract liabilities	11	118,443	3,525,673
		<u>1,311,374,670</u>	<u>1,203,642,181</u>
TOTAL LIABILITIES		<u>2,019,687,947</u>	<u>1,914,092,668</u>
TOTAL EQUITY AND LIABILITIES		<u>3,457,807,706</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 QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

		Unaudited		Unaudited	
	Note	Three-month period ended 30.9.2025 ⁽¹⁾ KHR'000	30.9.2024 ⁽²⁾ KHR'000	Nine-month period ended 30.9.2025 ⁽¹⁾ KHR'000	30.9.2024 ⁽²⁾ KHR'000
Revenue:					
Sales	13	79,411,100	86,167,694	237,029,878	264,963,608
Construction service fee		7,743,145	3,794,524	10,247,132	7,063,114
Foreign exchange gains - net		-	-	1,615,830	-
Other income		5,376,443	(1,686,166)	13,803,507	14,608,890
		<u>92,530,688</u>	<u>88,276,052</u>	<u>262,696,347</u>	<u>286,635,612</u>
Expenses:					
Depreciation and amortisation charges		(16,824,931)	(15,010,825)	(47,156,819)	(44,431,848)
Electricity costs		(8,580,426)	(11,995,421)	(29,624,329)	(38,448,357)
Salaries, wages and related expenses		(20,112,064)	(20,881,055)	(60,939,996)	(63,902,335)
Raw materials for water treatment		(4,896,884)	(5,893,061)	(12,392,171)	(14,273,881)
Raw materials for household water connections		(3,358,329)	(1,677,581)	(5,988,247)	(4,538,335)
Repairs and maintenance		(2,763,565)	(3,138,981)	(8,338,518)	(10,656,223)
Construction service expense		(6,191,128)	(3,009,384)	(6,390,555)	(5,523,407)
Reversal of impairment on loan to employees		-	-	-	260,874
Other operating expenses		(1,559,609)	(2,640,436)	(6,323,282)	(10,913,580)
Foreign exchange losses - net		(176,657)	(984,857)	-	(112,660)
		<u>(64,463,593)</u>	<u>(65,231,601)</u>	<u>(177,153,917)</u>	<u>(192,539,752)</u>
Operating profit		28,067,095	23,044,451	85,542,430	94,095,860
Finance income	14	2,171,621	16,873,335	12,941,719	38,363,451
Finance costs	14	(4,771,536)	(7,916,179)	(21,148,003)	(34,468,988)
Profit before tax		25,467,180	32,001,607	77,336,146	97,990,323
Tax expense	15	(5,121,065)	(10,450,735)	(15,565,786)	(21,921,094)
Profit for the financial period		20,346,115	21,550,872	61,770,360	76,069,229
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the financial period		<u>20,346,115</u>	<u>21,550,872</u>	<u>61,770,360</u>	<u>76,069,229</u>
Earnings per share attributable to equity holders:					
Basic earnings per share (KHR)	16	233.94	247.79	710.22	874.63
Diluted earnings per share (KHR)	16	233.94	247.79	710.22	874.63

Notes:

(1) The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 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 QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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		-	-	61,770,360	61,770,360
Transactions with owners					
Capital contribution	6	15,842,877	-	-	15,842,877
Transfer to reserves	7	-	26,511,258	(26,511,258)	-
Dividends	12	-	-	(4,566,091)	(4,566,091)
Total transactions with owners		15,842,877	26,511,258	(31,077,349)	11,276,786
Balance as at 30 September 2025⁽¹⁾		636,601,984	739,747,415	61,770,360	1,438,119,759
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		-	-	76,069,229	76,069,229
Transactions with owners					
Transfer to reserves	6	-	122,043,491	(122,043,491)	-
Dividends		-	-	(4,566,091)	(4,566,091)
Total transactions with owners		-	122,043,491	(126,609,582)	(4,566,091)
Balance as at 30 September 2024⁽²⁾		620,759,107	769,192,273	76,069,229	1,466,020,609

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 QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

		Unaudited	
		Nine-month period ended	
	Note	30.9.2025⁽¹⁾	30.9.2024⁽²⁾
		KHR'000	KHR'000
Cash flows from operating activities			
Profit before tax		77,336,146	97,990,323
Adjustments for:			
Amortisation of intangible assets		900,538	1,116,724
Amortisation of deferred government and other grants	9	(1,507,431)	(1,507,431)
Depreciation of property, plant and equipment	4	46,256,281	43,315,124
Finance income	14	(12,941,719)	(38,363,451)
Finance costs	14	21,148,003	34,468,988
Property, plant and equipment written-off	4	350,875	2,378,872
Operating profit before changes working capital		131,542,693	139,399,149
Changes in working capital:			
Inventories		43,090,213	(123,879,086)
Trade and other receivables		(77,824,284)	(97,524,591)
Trade and other payables		34,504,222	3,081,211
Contract assets		10,191,468	(16,671,326)
Contract liabilities		(3,407,230)	901,732
Cash generated from/(used in) operations		138,097,082	(94,692,911)
Income tax paid		(7,332,595)	(21,841,926)
Net cash from/(used in) operating activities		130,764,487	(116,534,837)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(239,909,061)	(31,793,809)
Purchase of intangible assets		(397,219)	(25,474)
Interest received		1,595,615	3,569,585
(Placement)/Withdrawal of short-term investments		(547,688)	33,192,966
Net cash (used in)/from investing activities		(239,258,353)	4,943,268
Cash flows from financing activities			
Dividend paid	12	(4,566,091)	(4,566,091)
Drawdown of borrowings		155,879,703	149,833,016
Interest paid		(11,709,155)	(13,770,720)
Repayments of borrowings		(28,831,842)	(21,361,435)
Proceed from government grant		347,284	-
Proceed from settlement of loan to employee		396,936	3,743,879
Net cash from financing activities		111,516,835	113,878,649

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CONDENSED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025 (continued)

	Unaudited	
	Nine-month period ended	
Note	30.9.2025⁽¹⁾	30.9.2024⁽²⁾
	KHR'000	KHR'000
Net increase cash and cash equivalents	3,022,969	2,287,080
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>21,429,635</u>	<u>17,947,280</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
30 SEPTEMBER 2025

1. CORPORATE INFORMATION

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

The registered office of the PPWSA is 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 12 December 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

Amendments to CIAS 21 *Lack of Exchangeability*

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

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

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

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

	Effective Date
Amendments to CIFRS 7 and CIFRS 9 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to CIFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to CIFRS 9 and CIFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
CIFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
CIFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to CIFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to CIAS 21 <i>The Effects of Changes in Foreign Exchange Rates</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.

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;

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 (continued)

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

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

CIFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

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

Amendments to CIFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

Amendments to CIAS 21 The Effects of Changes in Foreign Exchange Rates

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 30.9.2025 KHR'000	Audited 31.12.2024 KHR'000
Cost		
Balance at the beginning of financial period/year	3,651,415,105	3,152,425,521
Additions	166,064,835	459,149,122
Transfers from inventories	33,012,816	44,487,370
Written-off	(350,875)	(4,646,908)
Balance at the end of financial period/year	3,850,141,881	3,651,415,105
Accumulated depreciation		
Balance at the beginning of financial period/year	711,750,679	657,923,807
Depreciation for financial period/year	46,256,281	58,107,873
Written-off	-	(4,281,001)
Balance at the end of financial period/year	758,006,960	717,750,679
Carrying amounts		
Balance at the end of financial period/year	3,092,134,921	2,939,664,426

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

	Unaudited 30.9.2025 KHR'000	Unaudited 30.9.2024 KHR'000
Additions	166,064,835	40,480,700
Transfers from inventories	33,012,816	7,225,662
Capital contribution from MoEF	(15,842,877)	-
Decrease/(Increase) in payables and performance guarantee	58,318,781	(8,686,891)
Interest capitalised on qualifying assets	(1,644,494)	(7,225,662)
Cash payment for purchase of property, plant and equipment	239,909,061	31,793,809

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 3.25% to 5.25% (2024: 3.50% to 5.25%) per annum.

Short-term investments include deposits amounting to KHR95.5 billion (2024: KHR94.9 billion) set up specifically for the purpose of receiving the interest and for precautionary measures and speculative activities.

6. SHARE CAPITAL

	Ordinary shares Number	KHR'000	Class A shares Number	KHR'000	Share premium KHR'000	Capital contribution KHR'000	Total KHR'000
As at 30.9.25							
(Unaudited)	86,973,162	86,973,162	391,100,942	391,100,942	63,153,178	95,374,702	636,601,984
As at 31.12.24							
(Audited)	86,973,162	86,973,162	391,100,942	391,100,942	63,153,178	79,531,825	620,759,107

6. SHARE CAPITAL (continued)

(a) Movement of the capital contribution are as follows:

	Unaudited 30.9.2025 KHR'000	Audited 31.12.2024 KHR'000
Balance at the beginning of financial period/year	79,531,825	79,531,825
Addition	<u>15,842,877</u>	<u>-</u>
Balance at the end of financial period/year	<u>95,374,702</u>	<u>79,531,825</u>

On 30 June 2025, the MoEF increased its capital contribution to PPWSA through the transfer of two plots of land. These plots are intended for the construction of the Mlech Water Treatment Plant in Kampot Province and the Boeng Thom Water Treatment Plant in Phnom Penh. The total value of the land granted amounting to KHR15,842,877,000. This capital increase was made without the issuance of additional shares in PPWSA.

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

7. 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	<u>-</u>	<u>4,252,146</u>	<u>4,252,146</u>	<u>18,006,966</u>	<u>26,511,258</u>
As at 30.9.2025 (Unaudited)	<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>
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	<u>-</u>	<u>6,330,479</u>	<u>6,330,479</u>	<u>109,382,533</u>	<u>122,043,491</u>
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>

On 29 May 2025, the Board of Directors approved the transfer of retained earnings to reserves amounting to KHR26 billion.

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

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

8. BORROWINGS

	Unaudited 30.9.2025 KHR'000	Audited 31.12.2024 KHR'000
Non-current		
MoEF - Japanese International Cooperation Agency ("JICA")	28,134,292	27,748,910
MoEF - Asian Development Bank ("ADB")	24,776,927	24,830,029
European Investment Bank ("EIB")	379,205,924	391,148,159
	<u>432,117,143</u>	<u>443,727,099</u>
Current		
MoEF - JICA	1,255,726	1,234,163
MoEF - ADB	1,110,883	2,267,990
Agence Francaise De Developement ("Afd") - Credit No. 1121 01 F	-	8,425,878
Afd - Credit No. 1174 01 P	133,328,118	145,661,453
Afd - Credit No. 1176 01 S	338,223,876	337,198,657
Afd - Credit No. 1244 01 M	445,889,993	411,982,858
Afd - Credit No. 1273 01P	190,240,130	72,043,646
EIB	17,023,353	8,077,639
	<u>1,127,072,079</u>	<u>986,892,283</u>
	<u>1,559,189,222</u>	<u>1,430,619,382</u>

The maturity dates of these borrowings are as follows:

	Unaudited 30.9.2025 KHR'000	Audited 31.12.2024 KHR'000
Current		
- Not later than one year	<u>1,127,072,079</u>	<u>986,892,283</u>
Non-current		
- Later than one year but not later than two years	18,118,397	15,743,879
- Later than two years but not later than five years	69,081,723	65,880,283
- Later than five years	344,917,023	362,102,937
	<u>432,117,143</u>	<u>443,727,099</u>
	<u>1,559,189,222</u>	<u>1,430,619,382</u>

9. 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
Addition	-	-	-	347,284	347,284
Amortisation charges	-	(1,389,754)	(99,380)	(18,297)	(1,507,431)
Balance at 30.9.2025 (Unaudited)	<u>54,436,199</u>	<u>11,253,561</u>	<u>3,606,546</u>	<u>2,169,508</u>	<u>71,465,814</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	-	(1,853,006)	(132,507)	(24,395)	(2,009,908)
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>

10. TRADE AND OTHER PAYABLES

	Unaudited 30.9.2025 KHR'000	Audited 31.12.2024 KHR'000
Other payables - non-current		
Refundable water deposits	<u>94,176,084</u>	<u>88,950,566</u>
Trade payable - current		
Third parties	<u>90,826,354</u>	<u>126,157,814</u>
Other payables - current		
Accrued staff incentive	9,627,360	11,950,764
Amount due to Phnom Penh Municipality	69,651,599	64,642,768
Amount due to employees	726,748	731,516
Performance guarantee	67,276	67,292
Other tax payable	43,690	75,184
Other payables	<u>13,241,121</u>	<u>9,598,887</u>
	<u>93,357,794</u>	<u>87,066,411</u>
	<u>184,184,148</u>	<u>213,224,225</u>
	<u>278,360,232</u>	<u>302,174,791</u>

11. CONTRACT ASSETS AND LIABILITIES

	Unaudited 30.9.2025 KHR'000	Audited 31.12.2024 KHR'000
Contract assets		
Construction service receivable	591,343	4,398,564
Accrued water revenue	26,803,379	33,187,626
	<u>27,394,722</u>	<u>37,586,190</u>
Contract liabilities		
Deferred income	(5,278)	(5,278)
Unearned income	(113,165)	(3,520,395)
	<u>(118,443)</u>	<u>(3,525,673)</u>

12. DIVIDEND

On 29 May 2025, the Board of Directors proposed and approved the dividend in respect of the financial year ended 31 December 2024 of KHR350 per share, amounting to a total dividend of KHR4,566,091,250.

13. SALES

	Unaudited Three-month period ended		Unaudited Nine-month period ended	
	30.9.2025 KHR'000	30.9.2024 KHR'000	30.9.2025 KHR'000	30.9.2024 KHR'000
Water sales:				
- households	26,719,546	31,234,577	81,196,844	95,648,418
- commercial	40,719,647	41,498,494	122,224,794	130,692,182
- public administration institution	5,455,063	6,067,979	16,591,511	18,347,035
- autonomous state authorities	390,132	325,637	975,516	792,387
- wholesalers	2,257,337	2,792,664	7,054,476	8,388,514
Rounding difference on water sales revenue	18,436	20,133	55,748	62,086
Less: Invoice cancellations	<u>(161,756)</u>	<u>(48,733)</u>	<u>(472,425)</u>	<u>(1,528,248)</u>
	75,398,405	81,890,751	227,626,464	252,402,374
Water connection revenue	2,495,698	2,929,633	5,373,649	8,874,066
Water meter replacement charges	1,387,508	1,320,477	3,765,992	3,592,230
Spare parts and meter sales	<u>129,489</u>	<u>26,833</u>	<u>263,773</u>	<u>94,938</u>
	<u>79,411,100</u>	<u>86,167,694</u>	<u>237,029,878</u>	<u>264,963,608</u>

14. FINANCE INCOME/(COSTS)

	Unaudited Three-month period ended		Unaudited Nine-month period ended	
	30.9.2025	30.9.2024	30.9.2025	30.9.2024
	KHR'000	KHR'000	KHR'000	KHR'000
Finance income:				
- Interest income on bank deposits (a)	1,136,545	1,291,944	3,380,356	5,197,523
- Net foreign exchange gains on borrowings	1,035,076	15,581,391	9,561,363	33,165,928
	<u>2,171,621</u>	<u>16,873,335</u>	<u>12,941,719</u>	<u>38,363,451</u>
Finance costs:				
- Interest expense on borrowings (b)	(5,196,206)	(4,921,015)	(15,423,464)	(17,114,198)
- Net foreign exchange losses on borrowings	(16,996)	(3,919,707)	(7,369,033)	(24,580,452)
- Interest expense capitalised on qualifying assets	441,666	924,543	1,644,494	7,225,662
	<u>(4,771,536)</u>	<u>(7,916,179)</u>	<u>(21,148,003)</u>	<u>(34,468,988)</u>
	<u>(2,599,915)</u>	<u>8,957,156</u>	<u>(8,206,284)</u>	<u>3,894,463</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.

15. 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.

16. 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		Unaudited Nine-month period ended	
	30.9.2025	30.9.2024	30.9.2025	30.9.2024
	KHR'000	KHR'000	KHR'000	KHR'000
Profit attributable to equity holders (KHR'000)	20,346,115	21,550,872	61,770,360	76,069,229
Weighted average number of shares	<u>86,973,162</u>	<u>86,973,162</u>	<u>86,973,162</u>	<u>86,973,162</u>
Basic earnings per share (KHR)	<u>233.94</u>	<u>247.79</u>	<u>710.22</u>	<u>874.63</u>

(b) Diluted earnings per share

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

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

17. RELATED PARTY TRANSACTIONS

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

	Unaudited Three-month period ended		Unaudited Nine-month period ended	
	30.9.2025	30.9.2024	30.9.2025	30.9.2024
	KHR'000	KHR'000	KHR'000	KHR'000
<u>Common control</u>				
MoEF				
Interest on borrowings paid	<u>2,564,053</u>	<u>7,486,237</u>	<u>11,709,155</u>	<u>17,114,198</u>

(b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited Three-month period ended		Unaudited Nine-month period ended	
	30.9.2025	30.9.2024	30.9.2025	30.9.2024
	KHR'000	KHR'000	KHR'000	KHR'000
Salaries and other expenses	<u>627,296</u>	<u>726,371</u>	<u>1,870,626</u>	<u>1,890,765</u>

18. 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.

19. CAPITAL COMMITMENTS

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

	Unaudited 30.9.2025 KHR'000	Audited 31.12.2024 KHR'000
Construction of water treatment plant	364,082,120	283,057,881
Consultation services	3,351,171	2,669,794
Purchase of iron pipes, fitting and accessories	16,179,975	1,054,176
	<u>383,613,266</u>	<u>286,781,851</u>

20. 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.

21. SIGNIFICANT EVENT DURING THE FINANCIAL 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 KHR15,842,877,000. This capital increase was made without the issuance of additional shares in PPWSA.
- (d) On 5 July 2025, the MoEF issued an approval letter in response to the Board of Directors' request for the determination of the land price to be recognised as capital contribution to PPWSA.



PHNOM PENH WATER SUPPLY AUTHORITY (PPWSA)



: + 855(31) 935 08 08



: ir@ppwsa.com.kh



: www.ppwsa.com.kh

#45, st 106, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Cambodia