

Registration No:  
Co.0839 Et/2012

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

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

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

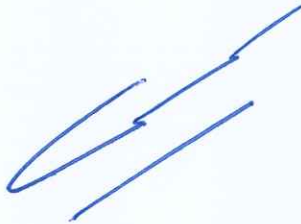
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**PHNOM PENH WATER SUPPLY AUTHORITY**  
**(Incorporated in Cambodia)**

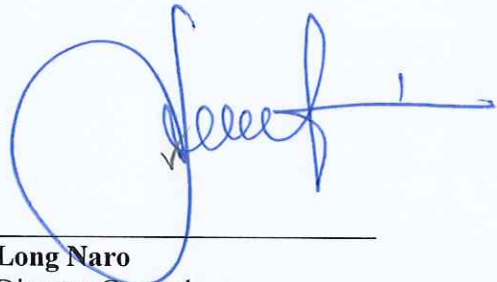
**STATEMENT BY THE DIRECTORS**

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

Signed on behalf of the Board of Directors, 



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



**Long Naro**  
Director General



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

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

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

**Introduction**

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

**Scope of review**

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

**Conclusion**

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

   
BDO (Cambodia) Limited

Phnom Penh, Cambodia  
Date: 15 May 2024

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

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

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

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

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

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

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

*Notes:*

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

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

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

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

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

*Notes:*

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

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

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

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

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



**PHNOM PENH WATER SUPPLY AUTHORITY**  
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**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (continued)**

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

*Notes:*

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

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

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

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

**1. CORPORATE INFORMATION**

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

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

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

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

**2. PRINCIPAL ACTIVITIES**

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

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

**3. BASIS OF PREPARATION**

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

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

### 3. BASIS OF PREPARATION (continued)

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

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

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

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

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

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

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

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

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

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

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

### 3. BASIS OF PREPARATION (continued)

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

	<b>Effective Date</b>
Amendments to CIAS 21 <i>Lack of Exchangeability</i>	1 January 2025
CIFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
Amendments to CIFRS 10 and CIAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

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

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

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

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

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

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

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

- Required categories and sub-totals in the statement of profit or loss: items of income and expense will be classified into operating, financing, investing, income tax or discontinued operations categories. This classification will depend on a combination of an assessment of the entity's main business activities and certain accounting policy choices;
- Required sub-totals in the statement of profit or loss: based on an entity's application of the classification requirements as described in #1, certain sub-totals will be required to be presented in financial statements, such as operating profit. The operating profit sub-total is now defined in CIFRS 18;
- Labelling, aggregation and disaggregation: expanded requirements for labelling, aggregation and disaggregation of information in financial statements;

### 3. BASIS OF PREPARATION (continued)

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

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

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

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

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

### 4. PROPERTY, PLANT AND EQUIPMENT

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

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

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

## 5. SHORT-TERM INVESTMENTS

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

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

## 6. RESERVES

	Capital reserve KHR'000	Legal reserve KHR'000	General reserve KHR'000	Development reserve KHR'000	Total KHR'000
As at 1.1.2024	1,648,435	43,990,965	43,990,965	557,518,417	647,148,782
Transfer from retained earnings	-	6,330,479	6,330,479	109,382,662	122,043,620
<b>As at 31.3.2024 (Unaudited)</b>	<b>1,648,435</b>	<b>50,321,444</b>	<b>50,321,444</b>	<b>666,901,079</b>	<b>769,192,402</b>
As at 1.1.2023	1,648,435	38,581,671	38,581,671	464,456,298	543,268,075
Transfer from retained earnings	-	5,409,294	5,409,294	93,062,119	103,880,707
<b>As at 31.12.2023 (Audited)</b>	<b>1,648,435</b>	<b>43,990,965</b>	<b>43,990,965</b>	<b>557,518,417</b>	<b>647,148,782</b>

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

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

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

## 7. BORROWINGS

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

7. **BORROWINGS (continued)**

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

The maturity dates of these borrowings are as follows:

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

8. **DEFERRED GOVERNMENT AND OTHER GRANTS**

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

**9. TRADE AND OTHER PAYABLES**

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

**10. CONTRACT ASSETS AND LIABILITIES**

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

**11. DIVIDEND**

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



**12. SALES**

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

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

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

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

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

#### 14. TAX EXPENSE

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

#### 15. EARNINGS PER SHARE

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

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

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

##### (b) Diluted earnings per share

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

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

#### 16. RELATED PARTY TRANSACTIONS

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

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

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

Key management compensation during the financial period is as follows:

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

## 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### (a) Credit risk

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

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

### (b) Liquidity and cash flow risk

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

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

### (c) Interest rate risk

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

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

## 18. CAPITAL COMMITMENTS

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

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

## 19. TAXATION CONTINGENCIES

Law on taxation in Cambodia including Sub Decree, Prakas, Circular and Notification is frequently changing based on the amendment of tax authorities and subject to interpretation. Often, differing interpretations on law of taxation exist among relevant parties and this could result in higher tax risks. Taxes are subject to review and investigation by a number of authorities who are enabled by law to impose severe fines, penalties and interest charges. Management believes that it has adequately provided tax liabilities based on its interpretation of tax legislation.

## 20. COMPARATIVE FIGURES

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

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

## 21. PRIOR YEAR ADJUSTMENTS

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

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