

KINGDOM OF CAMBODIA
NATION RELIGION KING



PHNOM PENH WATER SUPPLY AUTHORITY



ANNUAL REPORT 2024

MAJOR STRATEGIC GOALS OF THE PHNOM PENH WATER SUPPLY AUTHORITY

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



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VISION & MISSION

VISION

PPWSA has committed to continue to grow its water supply services in a sustainable manner and to act as a consultant as a facilitator for people who are living in towns, provinces, and the cities throughout the Kingdom of Cambodia and residents in the developing countries of the world, there is access to clean water.

MISSION

PPWSA mission is keep supplying of clean water 24 hours a day, 7 days a week with sufficient pressure and at a reasonable price to the people in Phnom Penh and the town of Kandal province adjacent to Phnom Penh, and low-income residents. In addition, PPWSA has been sharing its work experiences to a number of provincial and municipal water utilities in the Kingdom of Cambodia, as well as regional and global water to achieve the Cambodia's Sustainable Development Goals (CSDGs).

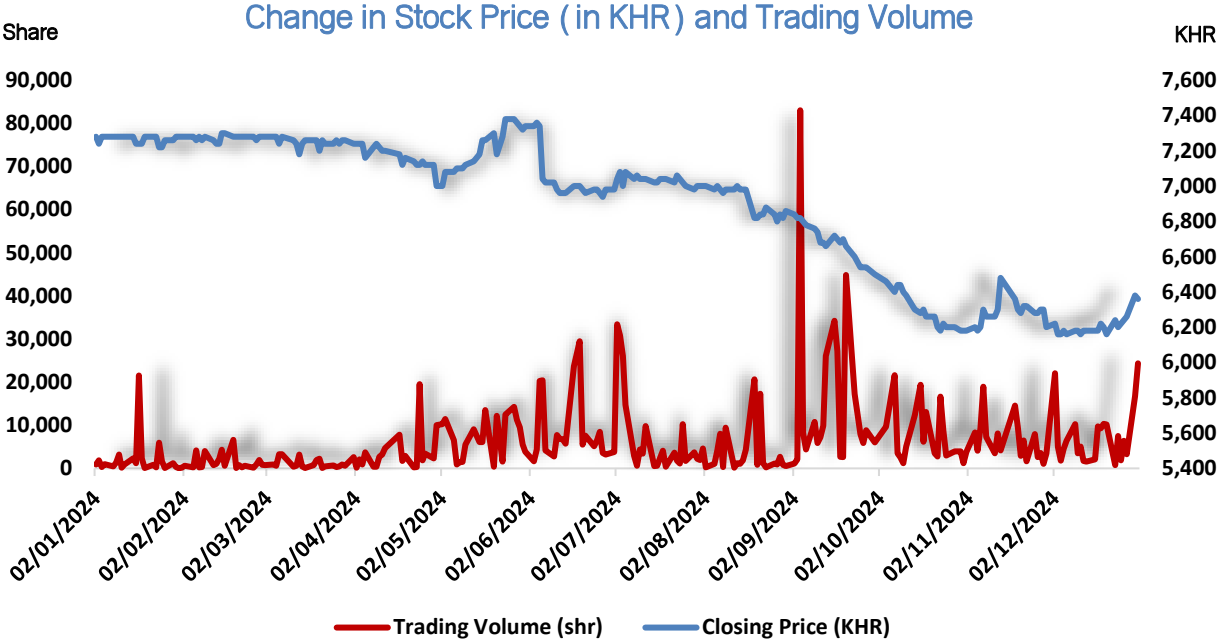
FINANCIAL HIGHLIGHTS

Financial Position	2024	2023 (restated)	2022 (restated)
Total assets (KHR'000)	3,279,165,281	3,038,365,177	2,623,405,198
Total liabilities (KHR'000)	1,914,092,668	1,753,769,386	1,407,151,821
Total shareholders'equity (KHR'000)	1,365,072,613	1,284,595,791	1,216,253,377

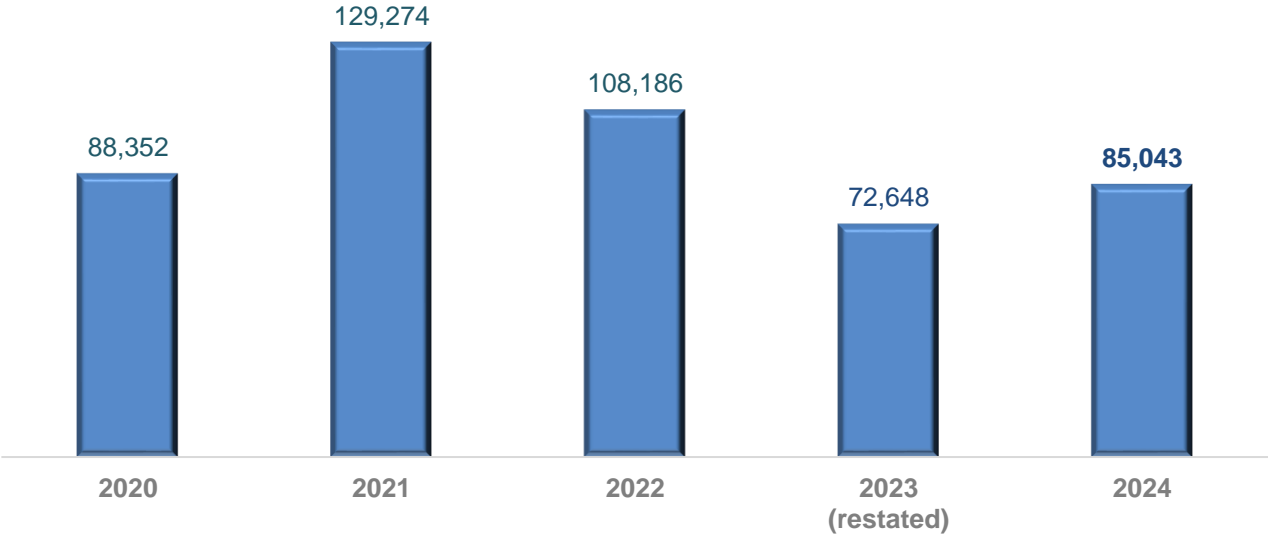
Profit/(Loss)	2024	2023 (restated)	2022
Total Revenue (KHR'000)	347,697,778	333,408,830	347,283,856
Profit/(Loss) before tax (KHR'000)	107,174,361	98,938,047	130,515,892
Profit/(Loss) after tax (KHR'000)	85,042,913	72,647,572	108,185,865
Total comprehensive income (KHR'000)	85,042,913	72,647,572	108,185,865

Financial Ratio	2024	2023 (restated)	2022 (restated)	
Solvency Ratio				
Liquidity Ratio	Current Ratio (Times)	0.38	0.76	2.08
	Quick Ratio (Times)	0.18	0.38	1.32
Profitabilities Ratio	Return on Assets (%)	2.69	2.57	4.39
	Return on Equity (%)	6.42	5.81	9.08
	Gross Profit margin (%)	25.60	25.72	37.28
	Profit Margin (%)	24.46	21.79	31.15
	Earning Per Share (KHR)	977.81	835.29	1,243.90
Interest Coverage Ratio (Times)	2.28	3.32	35.86	

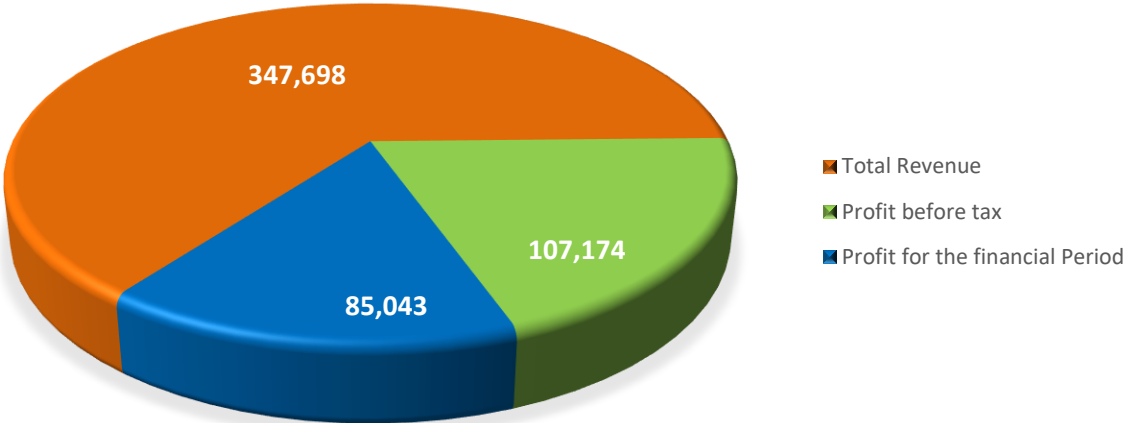
FINANCIAL SUMMARY CHARTS



Profit for each year (In Million KHR)



Profit for the year ended of 2024 (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 Employee

Member



Mr. Nam Chantry

Non-Executive Director
Representing Private Shareholders

Member



Mr. Sreng Samork

Independent Director

Member



CHAIRMAN'S STATEMENT

In 2024

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

In 2024, PPWSA produced 312,951,862m³ of clean water, installed 28,899 new house connections including 2,592 connections for the low-income households whereas the total volume of water sold was 227,813,348m³. Furthermore, total revenue increased by KHR14,288,948,000 or 4.29%, and a net profit rose by KHR12,395,341,000 or 17.06%, compared to 2023.

In parallel, based on the 3rd Master Plan (2021-2030), PPWSA plans to increase its clean water production capacity to 1,488,000 m³/day by 2030, while the current capacity is only 1,000,000 m³/day. This will be achieved through investments in the construction of 4 additional clean water treatment plants, along with the expansion of its water network by 2,130km, in addition to the existing network length of 5,284km.

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

In 2025, PPWSA plans to produce 317,050,000m³ of clean water, install 30,000 new house connections, and sell 253,639,800m³ of water as well as forecasts a total revenue of KHR430,705,831,000 and total expenditures of KHR329,213,479,000.

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

Phnom Penh, June 2, 2025

**For and on behalf of the CHAIRMAN
DIRECTOR GENERAL**

LONG NARO

MESSAGE FROM DIRECTOR GENERAL



H.E. LONG NARO
DIRECTOR GENERAL

In 2024

“ On behalf of PPWSA, I am honored and pleased to present the Annual Report 2024 and the financial statements of PPWSA. For the year ended December 31, 2024. PPWSA earned total revenue by KHR348 billion and profit before tax by KHR107 billion and total comprehensive income for the financial year by KHR85 billion. ”

The significant activities in 2024

With the support of the Royal Government, the Ministry of Guardians and the Board of Director during this year, PPWSA remains strong with better risk management, efficient use of financial resources and throughout management of expenditures, especially with a focus on reducing Non revenue water (NRW), despite road repair and widening activities. Across Phnom Penh, this is one of the many reasons for the leakage of water pipes, as shown in the financial report audited by an independent auditor in 2024. PPWSA earned total revenue by KHR347,697,778,000, the profit before tax by KHR107,174,361,000 and basic earning per share by KHR977.81. At the end of this period, the total assets increased up to KHR3,279,165,281,000, the capital increased up to KHR1,365,072,613,000. Reducing non revenue water (NRW) as a life-and-death factor for PPWSA in the course of its operations and business. At the same time, in order to adapt the fluctuations of inflation, we have adjusted the water tariff of clean water from January 1, 2020 to the present, which allows us to supply clean water to roughly ten thousands of families, including low-income residents, at a reasonable price to contribute to the government's poverty reduction policy. Phnom Penh Water Supply Authority has the capacity to supply water 24 hours/day and 7days/week, this year we can produce 312,951,862m³.

Water treatment practices are in line with National and World Health Organization (WHO) water quality standards, with 53 water quality laboratories analyzed from (Singapore and Shanghai laboratories). Paying attention to the water quality makes PPWSA guarantee customers to drink directly from the faucet to contribute to society responsibly in order to encourage people to have access to clean water, which is a clean water program (Water for All). Proper sanitation services for healthy living, a better life and environment.

The goal of expanding the water distribution network is to areas with economic potential, and low-income residents. In 2024, PPWSA were installed pipes 562,508.29m, making the total length of the main pipe and the current distribution pipe equal to about 5,284km, and maintaining an average pressure of 20

meters in the entire distribution network with the pipes size 90mm to 1,600mm were laid by PPWSA. We have been working to improve the quality of customer services to find and increase the number of large customers with high water demand to ensure efficient collection of water bills, which this year maintains maximum rates and network growth. The year ended 31 December 2024, the number of customers increased by 501,289 connections.

Expectations for 2025

For the year 2025, we will make more efforts to improve the corporate government of PPWSA, and still adhere to the vision and mission of the previous years. As a destination for next year, PPWSA estimated to earn profit for the financial year about KHR81,193,882,000 that was approved by the Board of Directors, and the two parent ministries.

PPWSA is still committed to providing quality and efficient water supply and serve to provide trust to the customers. In addition, PPWSA is still striving to provide water supply to low-income people. In the form of subsidizing the right to purchase water in accordance with the standard of living of each family from 30%, 50%, 70% and 100% to implement a special water distribution project for the poor communities using PPWSA funds for the benefit of the people.

Acknowledgement

We would like to express our deep gratitude to the Royal Government, the two tutelary ministries the Ministry of Industry, Science, Technology, and Innovation, and the Ministry of Economic and Finance, and the Board of Directors for their support and good leadership for 2024, and all the customers who made PPWSA succeed as today.

Phnom Penh, May 29, 2025

DIRECTOR GENERAL OF PPWSA

LONG NARO

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PART 1. GENERAL INFORMATION OF PPWSA

A. IDENTITY OF 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 : #45, St. 106, Sangkat Srah Chark, 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.០៨៣៩៩៤/២០១២ Date : 27 March 2012
- ◆ License number: Sub-decree No. 52 អនុក្រឹត្យ.បកី Issued by : Royal Government of Cambodia
Date : 19 December 1996
- ◆ Disclosure Document approved and registered by SECC's Resolution No.012/12គ.ម.ក/ស.ស.វ.
Date : 23 March 2012
- ◆ Representative of the listed entity: **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 and 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 penhs' surburban 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 procedure to reduce water costs.
- ◆ Strategically compare with the most efficient water utilities in the world.
- ◆ Strong commitment to social and environmental responsibility.

C. GROUP STRUCTURE OF THE PPWSA

The PPWSA neither had any subsidiary nor was owned by another group as of December 31, 2024.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES

1. Inauguration of the Bakheng Water Production Facilities Phase 2 and Ground Breaking of the Bakheng Water Production Facilities Phase 3 of Phnom Penh Water Supply Authority.

on June 25, 2024 – **H.E. Dr. Aun Porn Moniroth, Deputy Prime Minister, Minister of Economy and Finance Ministry** representing **Samdech Moha Borvor Thipadei HUN MANET Prime minister of Cambodia**, presided over the highly anticipated inauguration of the Bakheng Water Production Facilities Phase 2 and ground breaking of the Bakheng Water Production Facilities Phase 3 at Bakheng Water Treatment Plant located at Bakheng Commune, Chroy Changva District, Phnom Penh.

In accordance with policy of the Royal Government of Cambodia (RGC) to achieve the sustainable development goals (SDG) as it ensures access to safe and clean water for over 2 million residents in Phnom Penh Capital and Ta Khmau City in Kandal Province, the parent ministries, Board of Directors, have given approval for PPWSA to implement the investment project on the construction of the Bakheng water production facility phase II and phase III.

The construction of Bakheng WPFs phase I, II and III in constructed on the site area of 15 hectares which will produce the clean water in total 580,000m³/day. As of June 2024, the construction of Bakheng WPFs Phase I and II have been complete 100%, Bakheng WPFs phase I is going to be officially inauguration on June 2024. Bakheng WPFs phase II is going to be officially inauguration on June 25, 2024. Bakheng WPFs phase III is planning to finish the construction in quarter 3 of 2027. These projects are constructed by VINCI Construction Grand Projet from France with supervision by PPWSA and technical assistance by SAFEGE Consulting Engineer. These projects are contracted within the design-build contract standard.

Bakheng water supply project phase III is one among many other projects to be implemented in accordance to the update of the third Master plan 2021-2030 of PPWSA in order to response the increasing water demand of people living in Phnom Penh capital city and takmao city of Kandal Province which is expected to increase to around 1.8 million m³/day.

These three projects have main components as following:

1. Construction of Bakheng Water Treatment plant:
 - Phase I with a capacity of 195,000m³/day, which already finished for construction and officially launched for operation on June 19, 2023.
 - Phase II with a capacity of 195,000m³/day, which already finished for construction and officially launched for operation on June 25, 2024.
 - Phase III with a capacity of 195,000m³/day, which will be officially ground Breaking on June 25, 2024 and expects to finish in the third quarter of 2027. The supply and delivery of transmission main fir approximately 51km and distribution main for approximately 750km.
2. Consulting service for supervision of the construction of WTPs.

Bakheng WPFs phase I and II plan to produce 390,000m³/day of clean water and being able to give additional water supply to approximately 263,000 household. In addition, after the Bakheng WPFs phase III is finished construction, the facility will help to provide additional clean water for 195,000m³/day which will increase the supply to additional 147,000 households.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES (Con't)

Thus, PPWSA's total production capacity will be increasing to 1,177,000m³/day coming from Five WTPs with expected household to receive access of portable water about 587,000 household and network extension to 6,200 kilometers in 2027. Through the operation of the Bakheng WPFs Phase II, the people living in Phnom Penh and Takmao, especially those living at the outskirts of Phnom Penh will have clean water supply that ensure better water pressure than current condition.

2. **Kick-off ceremony on the project of establishing a smart water network management system between PPWSA and K-Water.**

On December 12, 2024 **H.E. Long Naro**, Delegation of the Royal Government of Cambodia in charge of Director General of Phnom Penh Water Supply Authority (PPWSA), and PPWSA's management were participated on the Official MOU Signing on the Kick-off Ceremony on the Project of establishing a Smart Water Network Management System Between PPWSA and The Korea Water Resources Corporation (K-Water), presided over the highly anticipated by **H.E. EK SONNCHAN, Minister Attached to The Prime Minister** and the Chairman of the Board of PPWSA and **Mr. AN-JUNG HO** Vice President of K-Water of the Republic of Korea.

3. **The Official Inauguration of Boeng Thum Water Treatment Plant of Phnom Penh Water Supply Authority, Under Non-Project Grant Aid of Japan 2009 (Japan XIII) and Counter Part Fund by Phnom Penh Water Supply Authority.**

On Monday, December 16, 2024 – **His Excellency HEM VANNDY, Minister of Industry, Science, Technology and Innovation Ministry**, and **His Excellency AMAKAWA HIROFUMI, Vice-Minister of Japan for Land, Infrastructure and Hokkaido Development, Ministry of Land , Infrastructure, Transport and Tourism** presided over the officially inauguration ceremony of Phnom Penh Water Supply Authority's Boeng Thum Water Treatment Plant located at Phum Boeng Thum 2, Sangkat Boeng Thum, Kambol District, Phnom Penh. This water treatment plant has a production capacity of 6,000m³/day, which makes the total production capacity of the Phnom Penh Water Supply Authority increases to 988,000m³/day supplying to the residents living in Phnom Penh capital city and Takmau city of Kandal province with the quality, safety, sustainability and affordable price. This new water treatment plant is planning to supply clean water to the residents who live in 10 villages located in Sangkat Boeng Thum, Sangkat Prateah Lang, and Sangkat Pong Teuk of Kamboul District, approximately equivalent to around 3,000 families. This is a significant achievement to achieve the Sustainable Development Goal of ensuring 100% clean water and sanitation for civilians from 2030 onwards. PPWSA currently covers around 96% of Phnom Penh Capital City and Takhmao City of Kandal Province.

The construction project of Boeng Thum Water Treatment Plant started in March 2023, and this project was constructed and supervised by Phnom Penh Water Supply Authority's technical team for a period of 22 months. Fund sources were provided by two institutions, A Grant from the Government of Japan through the Embassy of Japan in the Kingdom of Cambodia amount 1,494,000 USD and a contribution counterpart fund by Phnom Penh Water Supply Authority.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

D. THE PPWSA'S MILESTONES (Con't)

The infrastructure of the project:

- The raw water pumping station has a pumping capacity of 6,300m³/day by pumping the source from Stung Prek Tnaot with the design of a floating pumping station. The raw water pumping station is equipped with an automatic control system (SCADA) to monitor and determine the water flow.
- Raw water transmission main: Size OD315mm, Length 0.2km, Type HDPE
- Water treatment plant with a production capacity of 6,000 cubic meters per day
 - Chemical building: 6 Tanks size 2m³ and equipped with 12 Dosing Pumps
 - Clarifier tank: 4 Lamella Settlers are used, and each tank has a capacity of 1,500m³/day
 - Filter basin: 4 Auto-Siphon Filter are used, and each tank has a capacity of 1,500m³/day
 - Reservoir: 1,500m³/day
 - Sludge basin: 180m³
 - Treated water pumping station: 3 pumps were installed (1 for stand-by)
- Treated water transmission main: Length 91km in total and Using both Ductile Iron and HDPE pipes

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 of the development of 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, Board of Directors of Phnom Penh Water Supply Authority, Phnom Penh Capital Hall, Khan Kamboul Administration and authorities at all levels. This achievement will greatly benefit the civilians of the 10 villages living in Sangkat Prateah Lang, Sangkat Boeng Thum, and Sangkat Pong Teuk of Kamboul District approximately equivalent to around 3,000 families to access the treated water of Phnom Penh Water Supply Authority earlier than planned. In the case without the implementation of this project, following the master plan of Phnom Penh Water Supply Authority, the residents living in the mentioned geography are not yet able to access the treated water supplied by Phnom Penh Water Supply Authority at this time, and are required to wait for the next few years. Contributing to the Cambodian national development strategy, PPWSA remains committed to expanding, improving, and increasing the production and distribution capacity, especially to follow our the update of the third master plan 2021-2030 to ensure “Water for All” slogan and to provide the sustainable water supply.

E. MARKET SITUATION

Phnom Penh Water Supply Authority's clean water supply to the “14 Khan and Takhmao city service area” which provides residents of Phnom Penh and Takhmao City with clean water 24/7, with adequate water pressure, clean water quality that complies with WHO and national drinking water standard, and affordable water prices.

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

F. COMPETITIVE SITUATION

Phnom Penh Water Supply Authority is the sole public enterprise (monopoly) in the business of supplying clean water in Phnom Penh and Takhmao, which has technical and economic characteristics. Phnom Penh Water Supply Authority does not compete on water prices in the market and is not subject to political pressure at any stage.

G. FUTURE PLAN

- ◆ Encourage monitoring and execution of the third water plan for 2021-2030 in order to strengthen the potential and scope of clean water supply in Phnom Penh and Takhmao.
- ◆ In order to ensure sustainability in the efficient management of water production and distribution system, it is important to keep encouraging innovation in water sector techniques and technologies. This will align with the Pentagon Strategy Phase I on two of the five key priorities: water and technology, as well as the Cambodia digital government policy.
- ◆ Continue to reduce unnecessary expenses and increasing the efficiency of water bill collection, as well as strive to generate revenue from services and other income according to plan.
- ◆ Encourage and Further promote the benefits of using the organization's Mobile App to customers widely.
- ◆ Continue to improve efficiency in the repair and maintenance of treatment and supply systems in order to maintain their longevity and high efficiency to ensure a 24hour/ 7day supply of clean water to citizens.
- ◆ Study and prepare technical documents to standardize for better management of the water supply system.
- ◆ Continue to promote human resource management to implement stable and effective work, especially in the context of digital technology.
- ◆ Continue to collaborate with relevant authorities, especially Phnom Penh City Hall, in assisting with expedited interventions on requests for digging and laying pipes, including transmission and distribution pipes, at project sites in Phnom Penh.
- ◆ Promote and accelerate the installation of Transmission mains and strategic in order to ensure better management of water supply pressure in the future.
- ◆ Reducing non-revenue water was as low as possible.

H. RISK FACTORS “Analyst, Management Opinion and Risk Mitigation”

Phnom Penh Water Supply Authority is responsible for the production and distribution of water for general use for the public service in an administrative and technical manner, with the guarantee of both quantity and quality of clean, sterile water and drinking water directly from the network. However, there are still some risk factors that are facing and the following preventive measures:

PART 1. GENERAL INFORMATION OF PPWSA (Con't)

H. RISK FACTORS “Analyst, Management Opinion and Risk Mitigation” (Con't)

Risk Factors/Challenges	Risk Countermeasure and Actions
1- Planning and Project	
<ul style="list-style-type: none"> ▪ Despite the recent introduction of two new water treatment plants by the Phnom Penh Water Supply Authority (PPWSA), certain areas of Phnom Penh city continue to experience challenges related to imbalances in clean water supply pressure. 	<ul style="list-style-type: none"> ▪ To align with the Cambodian government's Digital Government Policy, it is essential to continue developing innovative techniques and technologies in the clean water sector to ensure sustainable management of water distribution systems and effectively reduce water loss rates. ▪ Continue to install the Transmission Main and Distribution networks. ▪ Encourage the implementation of a Smart Water Management System. ▪ Effective human resource management is essential for maintaining stability and efficiency in operations, particularly amid advancements in digital technology.
<ul style="list-style-type: none"> ▪ The rapid population growth in Phnom Penh, coupled with the expansion of urban infrastructure and the extension of the city's administrative service areas, has significantly increased the demand for clean water. 	<ul style="list-style-type: none"> ▪ Promote and continue to execute the implementation of PPWSA's Updated of the Third Master Plan for 2021–2030. ▪ Continue to collaborate effectively with development partners and relevant ministries to stimulate the momentum of all necessary foreign project procurement processes. ▪ Enhance the efficiency of maintenance and repair operations within the water distribution system to ensure the continuous provision of clean water to citizens 24 hours a day, seven days a week.
2- Water Production Management	
<ul style="list-style-type: none"> ▪ Even under the circumstances of climate change, PPWSA has to make a great effort to “produce potable water from its water treatment plant to the best of its ability for the people”. 	<ul style="list-style-type: none"> ▪ People (Operator): The production operations employees have effectively fulfilled their professional duties and minimized any inactivity in production operations. ▪ Facilities (Machine and Spare part): The equipment installed in water production facilities must operate continuously without interruption. Adequate spare parts must be available to address any unexpected malfunctions or maintenance needs that may arise." ▪ Raw Materials (PAC, Salt, Chlorine Reagent): The water produced by water treatment plants must meet the quality standards set by the National Drinking Water Standard and the WHO. Therefore, sufficient

Risk Factors/Challenges	Risk Countermeasure and Actions
	quantities of the required raw materials for purification must be stored in stock."
<ul style="list-style-type: none"> ▪ The management of maintenance and repairs for tools and facilities utilized in production operations has not yet demonstrated sufficient improvement. Furthermore, the Asset Management & Maintenance system, which was launched in the form of a trial Go Live at the Bakheng Water Treatment Plant at the end of 2024 and continues to have several shortcomings that must be resolved to ensure its proper and efficient use. 	<ul style="list-style-type: none"> ▪ Assign a qualified team to implement the Asset Management and Maintenance System with the aim of effectively inspecting and precisely identifying repairs and maintenance needs. Additionally, to ensure understanding before this system is requested to introduce at each water treatment plant. ▪ Provide feedback to the system setup company to make necessary adjustments, ensuring the system is more user-friendly and enabling the work to be carried out effectively.
<ul style="list-style-type: none"> ▪ The climate change and human factors have exerted adverse impacts on raw water quality and water levels. 	<ul style="list-style-type: none"> ▪ Increase expense in water treatment process: <ul style="list-style-type: none"> ➢ Increase the consumption of raw materials to enhance water quality in compliance with national drinking water standards and WHO. ➢ Increase the raw water pump capacity to siphon raw water from its source to a greater extent, ensuring it is brought into the treatment process effectively to meet the demand.
3- Water Supply Network Management	
<ul style="list-style-type: none"> ▪ The development of infrastructure in various fields across Phnom Penh, includes: modifications to drainage systems, road construction and expansion, and the installation of underground cables that are being carried out without timely notifications. This lack of communication has adversely impacted the clean water supply system. 	<ul style="list-style-type: none"> ▪ Form up working groups to collaborate with local authorities and conduct physical visits to infrastructure development sites. This will ensure timely information dissemination and mitigate impacts. Additionally, enforce strict penalties for those who damage the water supply system.
4- Pipes Installation	
<ul style="list-style-type: none"> ▪ Based on the experience gained in 2024, in particular, the location for the installation of water transmission and distribution mains confronted the critical complexity due to the presence of underground systems like electrical power lines, optical cables, and sewer systems, among others. 	<ul style="list-style-type: none"> ▪ To address the complexities within the underground system during excavation work, the relevant professional officers must collaborate, exercise caution, and conduct thorough studies before implementation.
5- Commercial	

Risk Factors/Challenges	Risk Countermeasure and Actions
<ul style="list-style-type: none"> The average tariff is expected to decrease due to the stagnation in real estate development and the gradual or even inactive activities in the industrial, handicraft, and commercial sectors from 2023 to 2024. 	<ul style="list-style-type: none"> Put into action the plan for finding the potential customer who has a requirement for high water consumption. Reinforce the contract implementation for any customer-installed big water meter in commercial categories.
6- Finance Management	
<ul style="list-style-type: none"> There has been a significant increase in the cost of repairing water leaks and maintaining water production facilities. The cost of water leakage repair and maintenance has significantly increased following the operation of the Bakheng water treatment plant, Phases 1 and 2. The imbalance of water pressure has exacerbated the leaks, necessitating extensive repair work. Additionally, physical infrastructure developments, such as modifications to the drainage system across Phnom Penh, have impacted the water production and distribution system. This also has led to higher costs for removing and reinstalling pipelines. 	<ul style="list-style-type: none"> Assign the workforce and manage water pressure effectively to address water leakage issues and reduce repair and maintenance costs. Additionally, collaborate with local authorities to secure permission for inspections at infrastructure development project sites in Phnom Penh, aiming to minimize the impact on water supply systems as much as possible.
7- Human Resource Management	
<ul style="list-style-type: none"> Technical skill is requiring the additional training 	<ul style="list-style-type: none"> PPWSA has arranged the employees for further study and training at the Office International de l'Eau (OiEau) in France.
<ul style="list-style-type: none"> Lack of Office building for employees to perform their duties. 	<ul style="list-style-type: none"> Developing partner AFD has agreed to allow the use of fund from the loan of Bak Kheng Water Supply Project Phase 3 with counterpart of PPWSA, to be used for the construction of new Institutional Building.
8- Information Technology	
<ul style="list-style-type: none"> The development of information technology is becoming increasingly sophisticated, leading to growing cybersecurity threats. These threats include phishing, ransomware scams, data breaches, and internal risks, all of which can cause severe damage to finances, reputation, and operations. 	<ul style="list-style-type: none"> Implement Strong Security Protocols: <ul style="list-style-type: none"> Use firewalls, intrusion detection/prevention systems (IDS/IPS), and antivirus software. Deploy end-to-end encryption for data storage and transmission. Enforce multi-factor authentication (MFA) for all critical systems. Conduct Regular Security Audits: <ul style="list-style-type: none"> Assess vulnerabilities through penetration testing.

Risk Factors/Challenges	Risk Countermeasure and Actions
	<ul style="list-style-type: none"> - Regularly update and patch software to mitigate exploits. ▪ Educate and Train Staff: <ul style="list-style-type: none"> - Conduct mandatory security awareness training for employees. - Train staff to recognize phishing attempts and handle sensitive information responsibly. ▪ Access Control: <ul style="list-style-type: none"> - Implement the principle of least privilege (POLP) to restrict access to sensitive data. - Regularly review and update user access permissions. ▪ Backup and Disaster Recovery: <ul style="list-style-type: none"> - Schedule automated backups of critical data. - Test disaster recovery plans periodically to ensure effectiveness. ▪ Monitor and Respond to Threats: <ul style="list-style-type: none"> - Use Security Information and Event Management (SIEM) systems to monitor real-time security events. - Establish an incident response team to handle breaches quickly and effectively.

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 Reduction

A.1.1. Water Treatment

The water treatment in 2024 as follows:

WATER TREATMENT PLANT	WATER SOURCE	PLAN (m ³)	ACTUAL (m ³)	RATE (%)
Phum Prek	Tonle Sap	59,441,000	56,393,140	95
Chroy Changvar	Upper Mekong River	41,420,000	50,585,002	122
Chamkar Mon	Tonle Bassac	19,639,000	17,943,384	91
Nirodh	Lower Mekong River	96,921,000	98,505,384	102
Bakheng	Upper Mekong River	91,902,000	88,120,832	96
Boeung Thom	Boeung Thom	797,000	306,445	38
Mlech	Mlech Dam	558,000	524,896	94
Tbong Khmom	Boeung Tavan	546,300	572,817	105
TOTAL		311,224,300	312,951,862	101

Actual raw material and electricity usage for water production in 2024:

Description	Water Treatment Plant								Total
	Phum Prek	Chroy Changvar	Chamkar Mon	Nirodh	Bakheng	Boeung Thom	Mlech	Tbong Khmom	
PAC (Kg)	732,000	370,800	244,700	1,114,500	1,355,130	10,825	8,300	22,221	3,858,476
Salt (Kg)	137,300	255,450	134,575	0	890,650	0	0	0	1,417,975
Liquid chlorine (Kg)	29,384	46,516	24,489	0	216,617	0	0	0	317,006
Chlorine gas (Kg)	156,370	103,737	0	318,209	0	0	0	0	578,316
Chlorine powder (Kg)	0	0	63,910	0	0	2,960	3,308	6,294	76,472
Lime (Kg)	457,820	0	36,600	650,200	342,608	6,500	0	0	1,493,728
Electricity (kWh)	17,062,300	15,403,370	4,331,366	28,299,020	18,673,000	81,140	119,067	203,246	84,172,509

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

Parameters	Unit	CNDWQS	WHO	Water Treatment Plant								Distribution Pipes
				Phum Prek	Chroy Changvar	Chamkar Mon	Nirodh	Bakheng	Boeung Thom	Mlech	Tbong Khmom	
Turbidity	NTU	≤5	≤5	0.27	0.19	0.18	0.37	0.08	0.80	0.31	0.24	0.30
pH Value	pH	6.5 - 8.5	6.5 - 8.5	7.58	7.62	7.64	7.50	7.73	7.08	7.31	7.35	7.55
Free Available Chlorine	mg/l	0.1 - 1.0	5	1.62	1.29	1.15	1.42	1.22	1.23	1.26	1.06	0.46
Total Available Chlorine	mg/l	-	-	1.84	1.43	1.30	1.75	1.34	1.46	1.69	1.22	0.59
Total coliforms	cfu/100ml	0	0	0	0	0	0	0	0	0	0	0
E. Coli	cfu/100ml	0	0	0	0	0	0	0	0	0	0	0

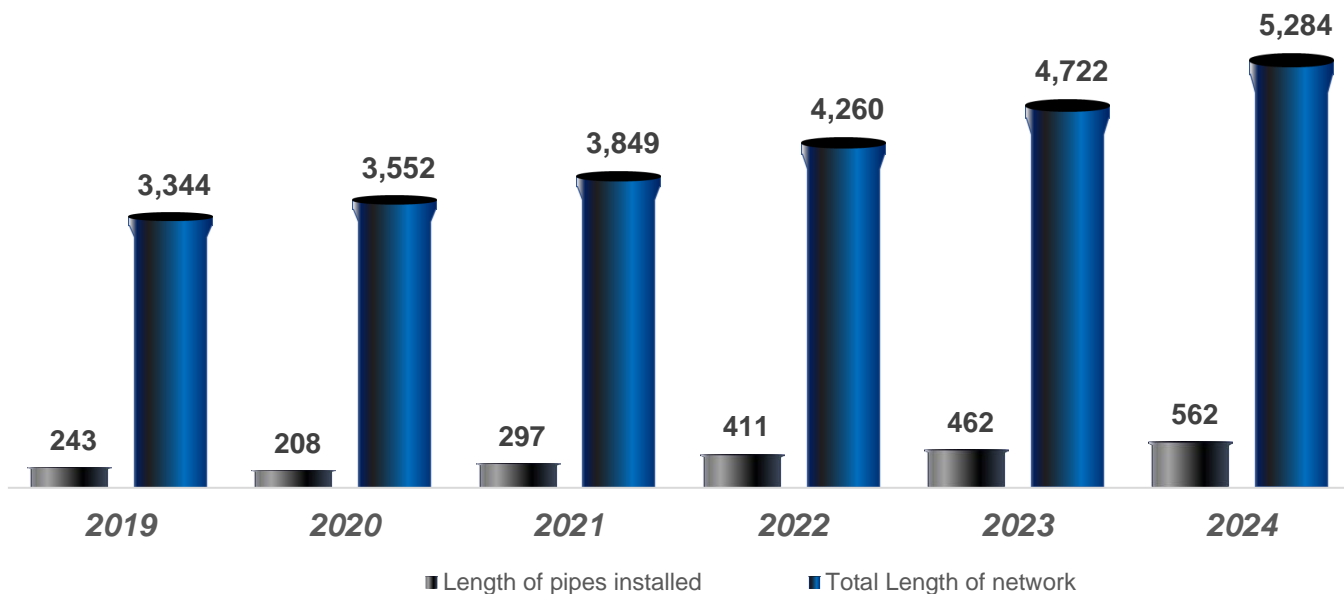
PART 2. Information on Business Operation Performance (Con't)

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

A.1. Water Treatment and Distribution System and Non Revenue Water Reduction (con't)

A.1.2. Pipes Laying

Length of pipes installed annually (Km)



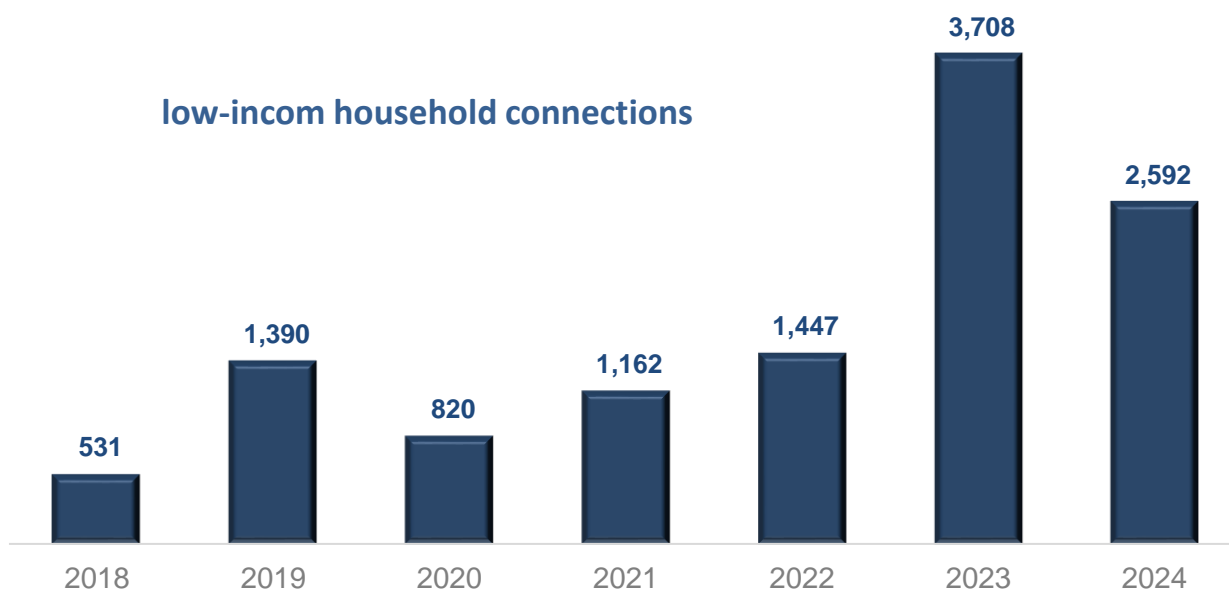
A.1.3. Non Revenue Water Reduction

In 2024, PPWSA's non-revenue water rate was kept as following :

- ◆ Phnom Penh Capital and Takmao City : 27.27%
- ◆ Kompot Province, Mlech WTP : 0.29%
- ◆ Tbong Khmom Province, Tbong Khmom WTP : 14.59%

A.2. Business Activities and Results

A.2.1. Water for All Program



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

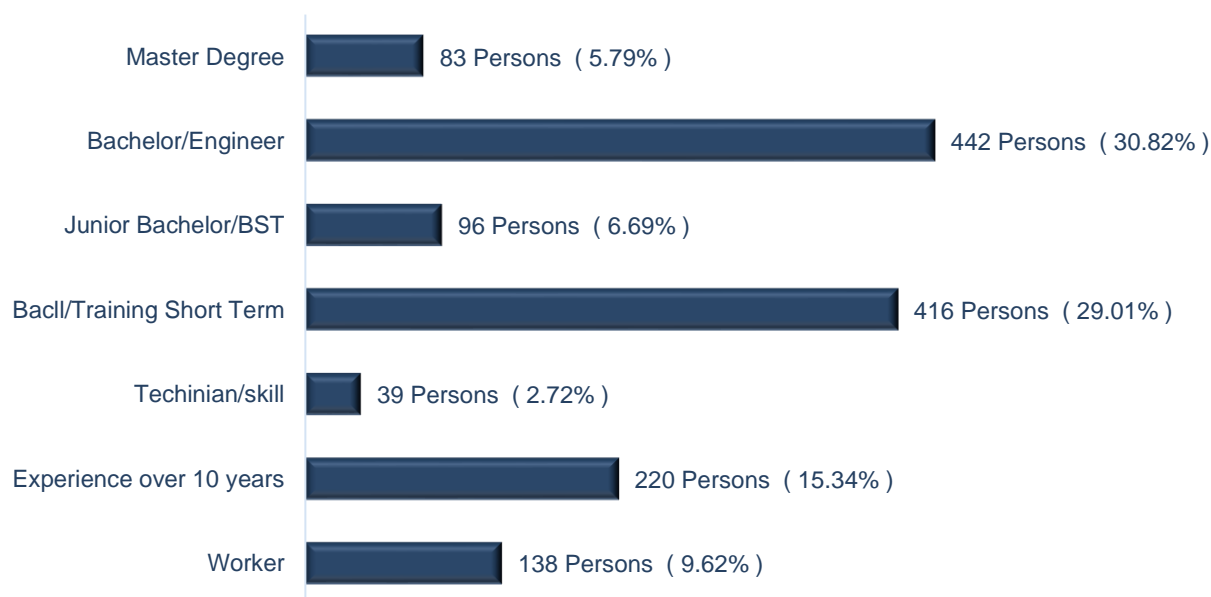
A. Business Operation Performance including business segments information (con't)

A.2. Business Activities and Results

A.2.2. House Connection and Customer Management

Type of Customers	2019	2020	2021	2022	2023	2024	
	(connection)	(connection)	(connection)	(connection)	(connection)	(connection)	(%)
Domestic	321,212	333,099	350,463	360,948	381,752	397,479	79.2914
Commercial	62,366	68,136	74,344	83,874	89,702	97,234	19.3968
Administrative	696	744	823	913	918	840	0.1676
Wholesalers	07	10	11	09	06	06	0.0012
RDE Representative	17	14	16	05	03	03	0.0006
Standpipe	17	17	16	16	14	13	0.0026
Room rental	5,752	5,759	5,728	5,789	5,746	5,714	1.1399
Total	390,067	407,779	431,401	451,554	478,141	501,289	

A.3- Human Resource Management



Total staff of PPWSA in 2024: 1,434 persons (248 females)

B. Revenue Structure

N°	Source of Revenue	2024		2023 (Restated)		2022	
		(KHR'000)	%	(KHR'000)	%	(KHR'000)	%
1	Sales	317,778,996	91.40	297,416,141	89.20	299,723,507	86.31
2	Construction service fees	11,392,112	3.28	14,854,539	4.46	24,976,316	7.19
3	Foreign exchange gain – net	-	-	-	-	1,105,700	0.32
4	Other income	18,526,670	5.33	21,138,150	6.34	21,478,333	6.18
Total revenues		347,697,778		333,408,830		347,283,856	

PART 3. Information on Corporate Governance

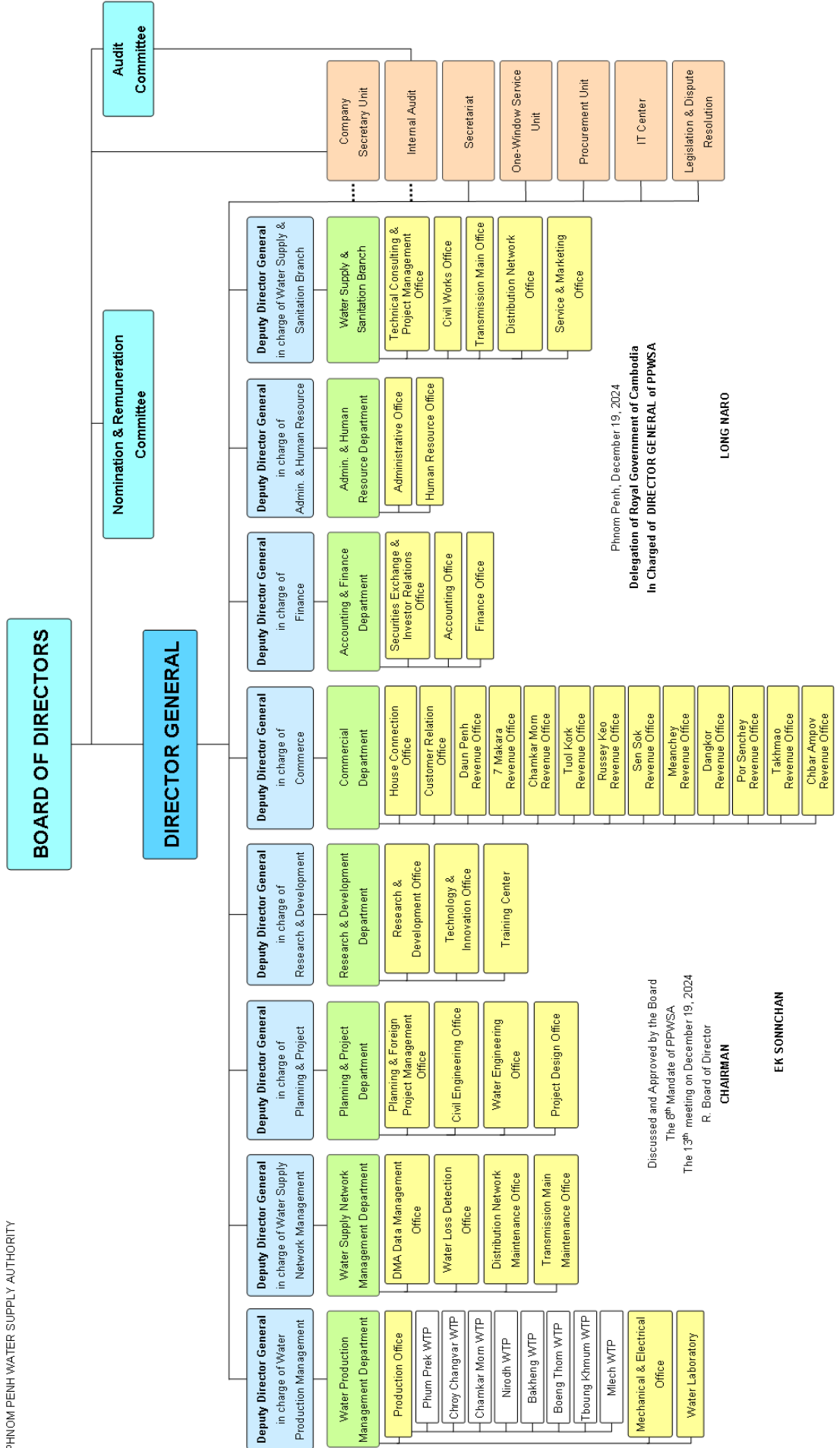
A. Organization Structure

KINGDOM OF CAMBODIA
NATION RELIGION KING

ORGANIZATIONAL CHART OF PHNOM PENH WATER SUPPLY AUTHORITY



PHNOM PENH WATER SUPPLY AUTHORITY



Phnom Penh, December 19, 2024
 Delegation of Royal Government of Cambodia
 In Charge of DIRECTOR GENERAL of PPWSA
LONG NARO

Discussed and Approved by the Board
 The 8th Mandate of PPWSA
 R. Board of Director
CHAIRMAN

EK SONNCHAN

PART3. Information on Corporate Governance (con't)

B. Board of Directors

No.	Name	Position	Date of being a governor	Deadline of current mandate
1	H.E. EK Sonnchan	Chairman	May 21, 2024	January 06, 2026
2	H.E. MEY Vann	Member	January 06, 2023	January 06, 2026
3	H.E. LONG Naro	Member	January 06, 2023	January 06, 2026
4	H.E. CHHAY Vireak	Member	September 17, 2024	January 06, 2026
5	Mr. MA Noravin	Member	February 27, 2023	February 27, 2026
6	Mr. SRENG Samork	Independent Director	May 13, 2022	May 13, 2025
7	Mr. NAM Chantry	Non-Executive Director Representing Private Shareholders	May 13, 2022	May 13, 2025

- PPWSA Secretary
- Mr. HUOT SokHeng

C. Senior Officers

Senior Officer Composition

No.	Name	Sex	Position at PPWSA
1	H.E. Long Naro	Male	Director General
2	H.E. Neth Mony	Male	State Controller attached to PPWSA
3	Mr. Ma Noravin	Male	Deputy Director General
4	Mrs. Roeun Nary	Female	Deputy Director General
5	Mr. Chea Setephoat	Male	Deputy Director General
6	Mr. Pheng Ty	Female	Deputy Director General
7	Mr. Deng Polyden	Male	Deputy Director General and Disclosure Officer
8	Mr. Chou Phalla	Male	Deputy Director General and Disclosure Officer
9	Mr. Ou Kunavath	Male	Deputy Director General
10	Mr. Kaing Sorphyna	Male	Assistant of Director General
11	Mr. Huot Sokheng	Male	Company Secretary
12	Mr. Sok Nareth	Male	Director of Accounting and Finance Department
13	Mr. Tuy Bunsereyrieth	Male	Director of Water Supply Network Management Department
14	Mr. Kem Kanvicheth	Male	Director of Production System Management Department
15	Mr. Raing Chanphirom	Male	Director of Water and Sanitation Service Subsidiary
16	Mr. Khem Vichhainin	Male	Director of Planning and Project Department
17	Mr. Samaun Serey Somanuh	Male	Director of Research and Development Department
18	Mr. Oeur Luxe	Male	Director of Admin and Human Resource Department
19	Mrs. Chhim Kakada	Female	Director of Commercial Department
20	Mrs. Seng Keadara	Female	Director of Internal Audit
21	Mr. Savuth Vathana	Male	Director of Information Technology Center
22	Mr. Chhim Sereyvuth	Male	Director of Legislation and Depute Resolution Unit.
23	Mrs. Prak Chanmakara	Female	Assistant of Deputy Director General in charge of Administration and Human Resources
24	Mrs. Sim Voleka	Female	Director of Procurement Unit

PART3. Information on Corporate Governance (con't)

C. Senior Officers (con't)

Senior Officer Composition (con't)

No.	Name	Sex	Position at PPWSA
25	Mr. Meas Kosal	Male	Assistant of Deputy Director General in charge of Planning and Project
26	Mr. Ros Borin	Male	Assistant of Director General
27	Mr. Par Samvathanak	Male	Assistant of Director General
28	Mr. Yeap Buntha	Male	Assistant of Director General
29	Mrs. Seng Putheavy	Female	Head of Secretary of Company Secretary Unit
30	Mr. Som Sovann	Male	Director of One-Window Service Unit

Note: Details related to Corporate Governance are attached in appendix I.

PART4. Information on Securities' Trading and Shareholder

A. Information on Securities

1. Information on Equity Securities

- ◆ Name of equity securities: Ordinary Share
- ◆ Equity securities' symbol: PWSA
- ◆ Class of equity securities: Voting Share
- ◆ Par value per equity securities: KHR 1,000
- ◆ IPO Price: KHR 6,300
- ◆ The total number of outstanding Shares: 13,045,975 shares
- ◆ Market capitalization: KHR553,149,310,320 (as at December 31, 2024)
- ◆ Permitted Securities Market: Cambodia Securities Exchange (CSX)
- ◆ Listing Date: April 18, 2012

B. Securities' Price and Trading Volume

Share		January	February	March	April	May	June
Trading Price (KHR)	Maximum	7,280	7,300	7,280	7,240	7,380	7,360
	Average	7,265	7,274	7,251	7,171	7,215	7,040
	Minimum	7,220	7,240	7,180	7,000	7,000	6,940
Trading Volume (Share)	Maximum	21,553	6,654	3,310	19,561	14,282	29,501
	Average	2,171	1,469	1,111	3,560	7,182	9,147
	Minimum	28	88	87	197	411	1,616

Share		July	August	September	October	November	December
Trading Price (KHR)	Maximum	7,080	7,000	6,840	6,460	6,480	6,380
	Average	7,030	6,917	6,688	6,293	6,279	6,209
	Minimum	6,980	6,800	6,500	6,180	6,180	6,160
Trading Volume (Share)	Maximum	33,422	20,677	83,052	21,585	18,933	24,389
	Average	7,143	3,771	15,818	7,682	6,377	7,475
	Minimum	400	182	1,117	1,171	1,041	776

PART4. Information on Securities' Trading and Shareholder (cont')

C. Controlling Shareholder

No.	Name	Nationality	Number of Shares	Percentage
1	The State represented by the Ministry of Economy and Finance	Khmer	73,927,187	85%
Total :			73,927,187	85%

D. Substantial Shareholder

As of December 31, 2024, there were no substantial shareholders who held PPWSA's shares.

E. Information on Dividend Distribution in the last 3 (three) years

Details of dividend distribution	2023	2022	2021
Net comprehensive income (KHR'000)	126,609,582	108,185,865	129,273,917
Total cash dividend (KHR'000)	30,440,606	28,701,143	26,961,680
Total share dividend	N/A	N/A	N/A
Other dividend	N/A	N/A	N/A
Dividend payout ratio	24.04%	26.53%	20.86%
Dividend yield	*4.81%	**4.37%	***4.33%
Dividend per share	KHR 350	KHR 330	KHR 310

*Closing price as at December 29, 2023: KHR7,280

**Closing price as at December 30, 2022: KHR7,560

***Closing price as at December 31, 2021: KHR7,160

PART 5:
INTERNAL CONTROL
AUDITOR REPORT BY
INTERNAL AUDITOR

Internal Audit Report
On Compliance and Operation Monitoring
In 2024

Attached as APPENDIX II

PART 6:
FINANCIAL STATEMENT
AUDITED BY THE
EXTERNAL AUDITOR

**Audited Financial Statements and
Independent Auditors' Report
31 December 2024**

Attached as APPENDIX III

PART 7. Information on Related Party Transactions and Conflict of Interest

- A. Material Transactions with Shareholder(s) who hold at least 5% or more shares of outstanding equity securities

There are no such transactions.

- B. Material Transactions with Director(s) and Senior Officer(s)

There are no such transactions.

- C. Transactions with Director(s) and Shareholder(s) related to buy/sell asset and service

There are no such transactions.

- D. Material Transactions with Immediate Family Members of the Director(s), Senior Officer(s) and Shareholder(s) who hold at least 5% or more shares

There are no such transactions.

- E. Material Transactions with the Person, who associated with Director(s) of the Listed Entity, its Subsidiary or Holding Company

There are no such transactions.

- F. Material Transactions with Former Director(s) or a Person who involved with Former Director(s)

There are no such transactions.

- G. Material Transactions with Director(s) who is holding any position in a non-profit organization or in any other company other than the listed entity

There are no such transactions.

- H. Material Transactions with Director(s) who get benefit whether finance or non-financial from the listed entity

There are no such transactions.

PART 8. Management’s Discussion and Analysis

A. Overview of operations

1. Revenue analysis

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

- Water sales revenue is sourced 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 sourced from the fees of construction services related to the expansion of the distribution network that PPWSA constructs for a construction company.
- Other revenues/incomes are sourced from water meter maintenance charges, sales of water connection materials, penalty charges for unauthorized water use, and others.
 - ◆ 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.
 - ◆ Other revenues are generated from contributions by commercial and industrial customers for installing special network connections into their properties and fees earned for collection of sewerage maintenance charges on behalf of Phnom Penh Municipality.

➤ Year ended 31 December 2024 compared to year ended 31 December 2023

Description	2024	2023	Changes	
	KHR’000	KHR’000 (Restated)	(KHR’000)	Percentage
	a	b	a - b	(a-b)/b*100
Total Revenues	347,697,778	333,408,830	14,288,948	4.29%

PPWSA has a total revenue KHR347,697,778,000 for 31 December 2024 and KHR333,408,830,000 at 31 December 2023. The revenue increased by KHR14,288,948,000 or 4.29%. The increase in total revenue FY2024 was due to sales revenue increased by KHR20,362,855,000 or 6.85%.

2. Revenue analysis by segment

The analysis of PPWSA’s revenues by segment are shown as below:

Description	2024	%	2023	%
	KHR’000		KHR’000 (Restated)	
Sale	317,778,996	91.40%	297,416,141	89.20%
Construction service fee	11,392,112	3.28%	14,854,539	4.46%
Other income	18,526,670	5.33%	21,138,150	6.34%
Total Revenues	347,697,778		333,408,830	

PART 8. 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:

➤ Year ended 31 December 2024 compared to year ended 31 December 2023

Description	2024		2023		Changes		
	Volume	Amount	Volume	Amount (Restated)	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	110,615,615	110,620,320	129,309,534	105,156,032	(18,693,919)	5,464,288	5.20%
Commercial	94,804,908	160,128,367	92,973,454	145,874,812	1,831,454	14,253,555	9.77%
Public administrative and autonomy	9,291,015	23,054,270	10,213,861	21,586,240	(922,846)	1,468,030	6.80%
Representative and room rental	13,101,810	9,910,587	16,683,547	9,679,895	(3,581,737)	230,692	2.38%

💧 Revenue from household water sales (Domestic)

Revenue from domestic water sales amounted to KHR110,620,320,000 for the year ended 31 December 2024 and KHR105,156,032,000 for the year ended 31 December 2023, that is prompting an increased by KHR5,464,288,000 or 5.20%. Although the monthly consumption per connection decreased by 5.33m³ (from 30.46m³ to 25.13m³), the average tariff ascended by KHR186.83/m³ (from KHR813.21/m³ to KHR1,000.04/m³).

💧 Revenue from commercial and industrial water sales (Commerce)

Revenue from commercial water sales amounted to KHR160,128,367,000 for the year ended 31 December 2024 and KHR145,874,812,000 for the year ended of 31 December 2023, that is prompting an increased by KHR14,253,555,000 or 9.77%. Although the monthly consumption per connection descended by 5.60m³ (from 89.33m³ to 83.73m³), the average tariff ascended by KHR120.04/m³ (from KHR1,568.99/m³ to KHR1,689.03/m³).

💧 Revenue from public administrative water sales

Revenue from public administrative water sales amounted to KHR23,054,270,000 for the year ended of 31 December 2024 and KHR21,586,240,000 for the year ended of 31 December 2023, that is prompting an increased by KHR1,468,030,000 or 6.80%. Although the monthly consumption per connection decended by 140.84m³ (from 1,032.59m³ to 891.75m³), the average tariff KHR2,500/m³.

💧 Revenue from representative and rental rooms water sales

Revenue from representative and rent rooms water sales amounted of KHR9,910,587,000 for the year ended of 31 December 2024 and KHR9,679,895,000 for the year ended of 31 December 2023, that is prompting an increase by KHR230,692,000 or 2.38%. Although the monthly consumption per connection descended by 50.98m³ (from 239.35m³ to 188.37m³), the average tariff ascended by KHR176.22m³ (from KHR580.21/m³ to KHR756.43/m³).

PART 8. 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 analyzes 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 analyzing the operating expenses, we considered the total expenses as follows.

➤ Year ended 31 December 2024 compared to year ended 31 December 2023

Description	2024 KHR'000	2023 KHR'000 (Restated)	Changes	
			KHR'000	Percentage
	a	b	a - b	(a-b)/b*100
Total revenues	347,697,778	333,408,830	14,288,948	4.29%
Depreciation and amortisation charges	(59,515,914)	(61,978,134)	2,462,220	(3.97%)
Electricity costs	(48,653,063)	(42,291,446)	(6,361,617)	15.04%
Salaries, wages and related expense	(85,552,510)	(80,292,438)	(5,260,072)	6.55%
Raw materials for water treatment	(18,976,590)	(15,875,313)	(3,101,277)	19.54%
Construction service expenses	(8,961,596)	(9,731,518)	769,922	(7.91%)
Finance income	57,169,387	39,038,591	18,130,796	46.44%
Finance costs	(39,001,476)	(25,860,597)	(13,140,879)	50.81%
Profit before tax	107,174,361	98,938,047	8,236,314	8.32%

PPWSA earned profit before tax of KHR107,174,361,000 at 31 December 2024 and KHR 98,938,047,000 at 31 December 2023, representing an increase of KHR8,236,314,000 or 8.32%. The increase in profit before tax was primarily due to sales revenue increased by KHR14,288,948,000 or 4.29% and finance income increased by KHR18,130,796,000 or 46.44%, however finance income increased by KHR13,140,879,000 or 50.81%.

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 8. Management's Discussion and Analysis (Con't)

A. Overview of operations (Con't)

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

➤ Year ended 31 December 2024 compared to year ended 31 December 2023

Description	2024	2023	Changes	
	KHR'000	KHR'000 (Restated)	KHR'000	Percentage
	c	d	c - d	(c-d)/d*100
Profit before tax (a)	107,174,361	98,938,047	8,236,314	8.32%
Tax expense (b)	(22,131,448)	(26,290,475)	4,159,027	(15.82%)
Profit for the financial year	85,042,913	72,647,572	12,395,341	17.06%
Total comprehensive income for the financial year	85,042,913	72,647,572	12,395,341	17.06%
Effective tax rate (b)/(a)	20.65%	26.57%		

PPWSA earned profit for the financial year of KHR85,042,913,000 at 31 December 2024 and KHR72,647,572,000 at 31 December 2023, representing an increases of KHR12,395,341,000 or 17.06%. The increase in profit for the financial year was due to sales revenue increased by KHR 14,288,948,000 or 4.29% and finance income increased by KHR18,130,796,000 or 46.44% and tax expense decrease by KHR4,159,027,000 or 15.82%.

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

The protracted situation of the war between Russia and Ukraine, as well as the uncertain state of the world economy continues to affect the progress of the global economy and in the region as well, however. PPWSA continues to operate daily and remains profitable in the Annual 2024. Continuing to maintain this profit as sales revenue continues to grow year-on-year due to the following supporting factors:

- **Increase in 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 consumption cost which is huge and significant in the water treatment process, through the introduction of new technologies such as variable speed distribution pumps. PPWSA Managed the efficient and economical use of raw materials in water treatment.

For operating expenses, PPWSA try to reduce unimportant expenditures such as general administration, maintenance by controlling and maintaining general tools and usage material regularly to ensure the quality and reduce others expenses.

PART 8. 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-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:** Although the war between Russia and Ukraine, as well as the war between Israel and Palestine, has continued to affect the global economy as well as Cambodia, PPWSA's average water prices have not been significantly affected.

B. Significant Factors Affecting Profit

1. Demand and supply conditions analysis

According to a study of water demand compared to population growth in Phnom Penh due to the expansion of the area around Phnom Penh, PPWSA has built the first phase of Bak Kheng water treatment plant with a production capacity of 195. It was announced to be operational on June 19, 2024 and is continuing to build the second phase of Bak Kheng Water Treatment Plant with the same production capacity of 195,000 m³ / day, which is scheduled to be put into operation at The beginning of 2024 and the Boeung Thom water treatment plant with a capacity of 5,000 m³ / day is scheduled to be operational in mid-2024 to meet current and future water needs.

2. Variations in prices of raw materials analysis

Variation 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 December 31, 2024, the management believes that PPWSA does not have any unusual and extraordinary elements.

PART 8. Management's Discussion and Analysis (Con't)

C. Material changes in sales and revenues

PPWSA's main revenues are the sales of safe water and house connection which is a basic need of Phnom Penh residents. The water sales represented about 91.40% of gross revenue on 31 December 2024. PPWSA is also the monopoly water supplier in Phnom Penh and its outskirts. Revenues may grow, subject to the demography including the enlargement of Phnom Penh capital and the Takhmao city.

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

D.1. Impact of exchange rate

PPWSA records the accounting using the base currency, the riel, 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. Most of PPWSA's payments are made in KHR, 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 month 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%. The interest rate must range from 0.25% to 5.21% per annum.

D.3. Impact of raw materials prices

Through PPWSA's procurement process in accordance with applicable laws and regulations, as well as other guidelines that require PPWSA to contract with suppliers of materials and raw materials. Competitive price or negotiable price. The protracted war between Russia and Ukraine and the war between Israel and Palestine have pushed up the prices of materials and raw materials in domestic and foreign markets. 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 need for raw materials to ensure the timely and affordable use of public procurement laws effective.

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 / Monetary Policies of the Royal Government

PPWSA's business was influenced by a number of the government policies such as:

- **Service coverage expansion:** Further expansion of the water service coverage is restricted due to PPWSA's mission that allows water production and distribution to the public in Phnom Penh only. This restriction is stipulated in Sub-decree No. 52 ANKR.BK, dated 19 December 1996, on the Establishment of PPWSA.

PART 8. Management’s Discussion and Analysis (Con’t)

F. Economic / Fiscal / 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.អំណាច, dated 18 May 2011.

PART 9: Other Necessary Information for Investor Protection

PPWSA has been striving to produce quality and safe water to supply to its customers. To gain more trust its customers, in the fourth quarter of 2024, PPWSA has sent the sample of water taken from Bakheng Water Treatment Plant of PPWSA, to TUV SUD PSB Pte Ltd., Singapore’s independent laboratory for the water’s quality analysis by testing **126 parameters** as bellows:

1. Microbiological Parameter	1 test
2. Physical Parameter	6 tests
3. Radiological Parameters	2 tests
4. Chemical Parameter	117 tests

As a result, clean water which produced by Bakheng Water Treatment plant of PPWSA is complied with National Drinking Water Quality Standard (NDWQS) and WHO Drinking Water Quality 2022 as detailed in the appendix TEST REPORT: 7191347954-CHM25-PN.

SIGNATURE OF DIRECTORES OF PHNOM PENH WATER SUPPLY AUTHORITY

Phnom Penh, June 2, 2025
Read and Approved
For and on behalf of the **CHAIRMAN**

Signature

Long Naro
Director

Phnom Penh, May 29, 2025
Read and Approved

Phnom Penh, May 30, 2025
Read and Approved

Phnom Penh, June 2, 2025
Read and Approved

Signature

Long Naro
Director

Signature

Mey Vann
Director

Signature

Chhay Vireak
Director

Phnom Penh, May 30, 2025
Read and Approved

Phnom Penh, May 30, 2025
Read and Approved

Phnom Penh, May 30, 2025
Read and Approved

Signature

Ma Noravin
Director

Signature

Nam Chantry
Director

Signature

Sreng Samork
Director

APPENDIX I
ANNUAL CORPORATE
GOVERNANCE REPORT 2024

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ANNAUL REPORT APPENDIX

FOR 2024

ANNUAL CORPORATE GOVERNANCE REPORT

Part 1. Shareholders

A. Shareholders Structure (by 31 December 2024)

1. Shareholder Information

Description	Nationality	Types of Shareholder	Number of Shareholders	Number of Shares	Percentage
Less Than 5%	Cambodian	Individual	4,535	5,210,140	5.991 %
		Legal Person	6	2,084,546	2.397 %
	Non-Cambodian	Individual	623	5,295,148	6.088 %
		Legal Person	6	456,141	0.524 %
From 5% to 30%	Cambodian	Individual	N/A	N/A	N/A
		Legal Person	N/A	N/A	N/A
	Non-Cambodian	Individual	N/A	N/A	N/A
		Legal Person	N/A	N/A	N/A
From 30%	Cambodian	Individual	N/A	N/A	N/A
		Legal Person	1	73,927,187	85%
	Non-Cambodian	Individual	N/A	N/A	N/A
		Legal Person	N/A	N/A	N/A

2. Shareholders who are directors, senior officers, and employees of the PPWSA

Shareholders	Number of Shareholders	Number of Shares	Percentage
Directors	4	46,564	0.054 %
Senior officers	23	133,097	0.153 %
Employees	291	548,994	0.631 %
Total:	318	728,655	0.838 %

Part 1. Shareholders (Con't)

B. Shareholders' and Protection of Shareholders' Rights

1. Shareholders' rights

PPWSA's ordinary shareholders have been had equal rights as follow:

- The rights in receiving information disclosed by the PPWSA in compliance with the applicable Laws and Regulations.
- The rights for participating in the PPWSA's general shareholder meeting according to the instruction of participating in the general shareholder meeting.
- The voting rights in the general shareholder meeting according to the instruction of participating in the general shareholder meeting.
- The rights in receiving the dividend declared by the PPWSA according to the shareholding proportion of shareholders.
- The rights in receiving the remaining assets from the PPWSA's dissolution according to the shareholders' shareholding proportion.
- Other rights are determined by the applicable Laws and Regulations.

2. The rights prevention of shareholders and minority shareholders

The rights of Shareholders of PPWSA are protected by the Article of Incorporation of Phnom Penh Water Supply Authority dated June 27, 2012 and through establishing the Code of Conduct for Directors and Senior officers.

In 2024 Phnom Penh Water Supply Authority had prepared the 12th General Meeting of Shareholders at May 24, 2024. PPWSA had passed the announcement to all PPWSA's shareholder and eligible to join the meeting through the process of meeting procedure prepared by PPWSA. Moreover, all shareholders were able to vote on the subjects raised by PPWSA in the 12th GMS. In addition to this, PPWSA had distributed the dividend for the year 2023 to PPWSA's shareholders by payment was made in June 19, 2024.

3. The Protection of Minority Shareholders' Rights and the Practice in 2024

PPWSA has no restricted to the rights of minority shareholders by protected equally and had practiced in 2024 the same way to othe shareholders as mentioned above.

C. General Shareholder Meeting

1. Procedures of General Shareholder Meeting and Voting

General Shareholder Meeting and Voting may be made in compliance with the applicable Laws and Regulations.

Part 1. Shareholders (Con't)

C. General Shareholder Meeting (Con't)

2. Information of the 12th General Shareholder Meeting and voting

No.	Date	Type of Meeting	Quorums	Agendas	Resolutions
1	26 May 2024	Ordinary	198 Shareholders (75,204,086 shares) Equal to 99.63%	1. Report of the Annual Business Performance for 2023 and The Annual Business Plan for 2024 2. Q & A 3. The voting program: <ul style="list-style-type: none">➢ Approval of the dividend distribution to shareholders for 2023.➢ Approval of the remuneration of the Board of Directors for 2024.	The voting results: <ul style="list-style-type: none">➢ Approved the distribution of the aggregate cash dividend of KHR 30,440,606,700 for the fiscal year 2023:<ul style="list-style-type: none">▪ Dividend per share: KHR 350▪ Record date: June 07, 2024▪ Payment date: June 19-25, 2024➢ Approved the remuneration of KHR1,107,979,000 for 7 members of the BOD members and one State Controller in 2024.

D. Dividend Distribution

1. Dividend Policy

After approving the accounting, if having profit, the Board of Directors of the PPWSA may decide to transfer money for:

1.1 Settlement of loss of the previous year;

1.2 After the settlement of loss of the previous year, if there is still any profit left, the board of Directors may use the profit for:

(a) Allocating the Management and employees as follows:

- In case the profit is from 5% to 10% of the total annual operating expenses of the PPWSA, the allocation shall be equal to one (1) month of net salary to Management and each employee.
- In case the profit is from 10% to 20% of the total annual operating expenses of the PPWSA, the allocation shall be equal to two (2) months of net salary to Management and each employee.
- In case the profit is more than 20% of the total annual operating expenses of the PPWSA, the allocation shall be equal to three (3) months of net salary to Management and each employee.

(b) 2% of retirement benefit for the professional disabilities.

(c) Creating mandatory reserve: 5%

(d) Creating voluntary reserve: 5%

(e) 5% for the social fund shall be recorded as expenses in the year of the transaction.

1.3 After the above allocation, the remaining profits shall be:

(a) Kept for investment reserve as approved by the Board of Directors.

(b) The remainder of the investment reserve shall be distributed 85% to the Ministry of Economy and Finance and 15% to shareholders who are public investors.

2. Historical information of dividend distribution for the last three years

No.	Detail of Dividend Distribution	2023	2022	2021
1	Announcement date of dividend distribution	May 24, 2024	May 26, 2023	May 13, 2022
2	Record date	June 07, 2024	June 09, 2023	May 30, 2022
3	Dividend payment date	June 19, 2024	June 20, 2023	June 08, 2022

Part 2. Board of Director

A. Board of Director

1. Board Composition

No.	Name	Position	Date of being a governor	Deadline of current mandate
1	H.E. EK Sonnchan	Chairman	May 21, 2024	January 06, 2026
2	H.E. MEY Vann	Member	January 06, 2023	January 06, 2026
3	H.E. LONG Naro	Member	January 06, 2023	January 06, 2026
4	H.E. CHHAY Vireak	Member	September 17, 2024	January 06, 2026
5	Mr. MA Noravin	Member	February 27, 2023	February 27, 2026
6	Mr. SRENG Samork	Independent Director	May 13, 2022	May 13, 2025
7	Mr. NAM Chantry	Non-Executive Director Representing Private Shareholders	May 13, 2022	May 13, 2025

- ◆ PPWSA's Secretary
 - Mr. HUOT SokHeng

2. Short biography of directors

H.E. EK SONNCHAN

Khmer, Khmer nationality, His Excellency was born on 10 March 1950, and earned a degree in professional engineering from Institute Technology Superior of Cambodia-Soviet Friendship in 1975 (Electrical Engineering). He was the director of Phnom Penh Water Supply from 1993 to 1996, and then director general of PPWSA from 1997 to 2012. In 2012, he became an Undersecretary of State of Ministry of Industry, Mines and Energy, and a Secretary of State of Ministry of Industry and Handicraft in 2013. Since 2018, He has been appointed as Minister Delegate attached to the Prime Minister, Vice-Chairman of council for Agricultural and Rural Development, Vice-Chairman of National Council for Social Protection. In May 2024, he was appointed as Chairman of PPWSA's Board of Director for the 8th mandate.

H.E. MEY VANN

Khmer, Khmer nationality, His Excellency was born on October 6, 1969 and graduated with a Master of Economic Policy from the University of D'Auvergne, France in 1999. He graduated with a PhD in Business Economics from PRESTON University, USA in 2009. His Excellency is the Director General of the General Department of Financial Industry at the Ministry of Economy and Finance Since 2013 and in 2017 He was appointed as delegate of the Royal Government in Charge as Director General of general department of financial industry of Ministry of Economy and Finance (with the rank of under secretary of state). From 2019 to 2020 He was the advisor at Supreme National Economic Council (with the rank of Secretary of State). From 2020 till present he is a Secretary of State of Ministry of Economy and Finance. From 2021 till Present he is a Board Member of Secretary General of General Secretary of Non-Bank Financial Service Authority. His Excellency Mey Van is a member of the Board of Directors of the 5th Mandate of Phnom Penh Water Supply Authority from February 24, 2013 to the present.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

2. Short biography of directors (Con't)

H.E. LONG NARO

Khmer, Khmer nationality, His Excellency was born on February 24, 1966. From 1984 to 1988 He was studied at Engineering School for Plan and Construction “ Georgi Dimitroff ” Glauchau (East Germany) and received Mechanical Engineer certificate. In 2004 he was graduated with Master degree of Business administration from the Charles Sturt University (Australia University). H.E LONG NARO, started working at PPWSA in 1989 and was promoted as the Director of Technical Production and Distribution Department in 1997. From 2002 to 2006 was promoted as Deputy Director in charge of Controlling and Managing the Chroy Changva and Nirodh water treatment plant construction. From 2012 to August 12 , 2021 was a Deputy director general in charge of Sanitation and Branch, and from August 12, 2021 to the present is Director General of PPWSA. He was also appointed as a delegate of the Royal Government of Cambodia in charge of the Director General of the Phnom Penh Water Supply Authority from **His Majesty King Norodom Sihamoni** on July 13, 2023 to the present.

H.E. CHHAY VIREAK

Khmer, Khmer nationality, His Excellency was born on February 20, 1983. He earned Bachelor Degree of law from Royal University of law and Economics and Bachelor Degree of Economics from Norton University in 2004, and Master Dgree of Finance from Pannasastra University in 2008. He started working ar Phnom Penh Municipality as an officer of Local Administration Unit in 2007, and was promoted to Vice Chief Officer of Planning Office in 2010, to Office Manager of law and Resolve Local issues in 2015, and then to Vice-Director of Law and Human Rights in 2018. From 2023 to 2024, he became Vice-Administrator of Phnom Penh Municipality. Since July 2024, he has been appointed as Vice-Governor of Phnom Penh Municipality. In September 2024, He was appointed as member of Phnom Penh Water Supply Authority’s Board of Directors for the 8th mandate.

Mr. MA NORAVIN

Khmer, Khmer nationality, born on June 15, 1973. In 1996, he graduated with a bachelor's degree in hydrology from the Institute of Technology of Cambodia. Then in 2008 he received a master's degree in Socio-Environmental Engineering in Japan. He joined the PPWSA. In 1997, he was appointed Director of the Office of Project Studies in 2003. In 2008, he was appointed deputy director of the department of Production and Water Supply, and from 2012 to 2018 became the Director of the department. From 2018 to 2021 He promoted to Deputy Director General of the department of Production and Water Supply and from 2021 to 2024, he became the Deputy Director General of Water Production Management Department. From 2024 till present he is a Deputy Director General of Commercial Department and also became a member of the Board of Directors of the 7th mandate of PPWSA from February 24, 2020 to the present.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

2. Short biography of directors (Con't)

Mr. SRENG SAMORK

Khmer, Khmer Nationality, born on March 13, 1962 earned a degree in Bachelor of Science, Electrical Engineering (BSEE) from California State of University of Long Beach (USA) in 1988 and Master of International Business Administration (MIBA) from West Coast University (USA) in 1994. After master degree he started his first career as a country sale manager at Cambodia Beverage Company, Coca-Cola from 1995 to 2002. After that, in 2002, He became an Investment officer in MPDF project at International Finance Corporation. In 2003, He was a Senior manager at ANZ Royal Bank. From 2010 to 2011, He was Commercial Director of Cambodia Airports (Phnom Penh, Seim Reap, Sihanouk ville). From 2012 to 2016 was a Head of Retail Banking at Foreign Trade Bank of Camodia. From 2015 to 2021 he became Independent director of Amret Plc and became a chair of Audit Committee of Amret from 2016 to 2020. Presently, he is a Business advisor at Axis Investment Consulting since 2016, Independent Director of Credit Guarantee Corporation of Cambodia since 2023, and also from May 13, 2022 onwards, he has been elected as Independent Director for PPWSA's Board of Directors.

Mr. NAM CHANTRY

Khmer, Khmer Nationality, born on July 17, 1986 earned a degree in Bachelor of Business Administration in Accounting and Finance from Build Bright University in 2009 and Master of Business Administration specialized in Financial Management from Royal University of Law and Economics in 2013. From 2008 to 2013, He worked as Head of Administration and Fincance at Cambodian Red Cross and Swiss Red Cross for Water and Sanitation Project. From 2013 to 2015 He was a financial advisor at national AIDs Authority (Global Fund) and MAGNA children at risk. At 2015 he worked as Financial advisor at project for agricultural Development and economic Empowerment at the ministry of agriculture forestry, Fisheries. From 2016 to 2019 he was a Head of Administration Accounting Finance and Taxes at KC JSM service Co Ltd in the project of Real estate development and investment. Presently, He is a chief of finance officer at AXS Ventures Co Ltd and private fund management representative at OBOR Management Co Ltd from 2019, Founder and CEO at PRINCE Labore bureau from 2022, Co-founder and CEO at ADMIT GROUP from 2022, Co-founder of Xperts Business Center from 2024, and from May 13, 2022 onwards, he has been elected as Non-Executive Director Representing Private Shareholders for PPWSA's Board of Directors.

Part 2. Board of Director (Con't)

A. Board of Director (Con't)

3. If Any Director is Director, Shareholders or Co-owner of Other Company

N.	Name	Related Company Name	Director, Shareholders, or Co-owner
1	H.E. Mey Vann	Credit Guarantee Corporation of Cambodia	Member of BoD
2	Mr. Sreng Samork	Credit Guarantee Corporation of Cambodia	Independent Director
3	Mr. Nam Chantry	1. ADMIT GROUP 2. PRINCE Labore Bureau 3. Xperts Business Center	Director and Co-founder Director and Founder Director and Founder

4. Board Roles, Duties, and Responsibilities and Performance

- ✓ Define enterprise development projects in accordance with the guidelines set by the Royal Government according to the request of the Director General
- ✓ Define annual budgets and investment programs, as well as reserve financing for investment programs.
- ✓ Approve accounting statements (financial statements and detailed results report)
- ✓ Define the organizational structure, number of frameworks, division of general functions and salaries of employees at the request of the Director General
- ✓ Allow to open or decide to close the activities of the agency or representative office
- ✓ Allow the purchase of all types of real estate in accordance with Prakas No. 997 MEFORT dated 25 December 1997 on procurement management in public enterprises
- ✓ Select the account commissioner and determine the bonus to the account commissioner
- ✓ Decide on other contracts or treaties
- ✓ Regularly review the objectives set for the enterprise and take corrective measures on requests for amendments to the statute.

5. Board Meetings

N.	Date	Type of Meetings	Name of Director
1	March 15, 2024	Ordinary	<ul style="list-style-type: none">▪ H.E. SIM Sitha▪ H.E. MEY Vann▪ H.E. LONG Naro▪ H.E. NUON Pharat▪ Mr. MA Noravin▪ Mr. NAM Chantry▪ Mr. SRENG Samork

Part 2. Board of Director (Con't)

B. Board of Director (Con't)

5. Board Meetings

N.	Date	Type of Meetings	Name of Director
2	March 27, 2024	Extraordinary	<ul style="list-style-type: none"> ▪ H.E. SIM Sitha ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. NUON Pharat ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork ▪ H.E. NET Mony (State Controller attached to PPWSA)
3	April 03, 2024	Extraordinary	<ul style="list-style-type: none"> ▪ H.E. SIM Sitha ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. NUON Pharat ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork ▪ H.E. NET Mony (State Controller attached to PPWSA)
4	June 27, 2024	Ordinary	<ul style="list-style-type: none"> ▪ H.E. EK Sonnchan ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. NUON Pharat ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork
5	September 19, 2024	Ordinary	<ul style="list-style-type: none"> ▪ H.E. EK Sonnchan ▪ H.E. LONG Naro ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork ▪ H.E. NET Mony (State Controller attached to PPWSA)
6	December 19, 2024	Ordinary	<ul style="list-style-type: none"> ▪ H.E. EK Sonnchan ▪ H.E. MEY Vann ▪ H.E. LONG Naro ▪ H.E. CHHAY Vireak ▪ Mr. MA Noravin ▪ Mr. NAM Chantry ▪ Mr. SRENG Samork ▪ H.E. NET Mony (State Controller attached to PPWSA)

Part 2. Board of Director (Con't)

B. Board Committees

1. Board Committee Structure

1.1. Audit Committee

No	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	Mr. Sreng Samork	Chairman of Committees - Independent Director	March 28, 2023	6	6
2	H.E. Mey Vann	Member of Committees - Board member	March 28, 2023	5	
3	Mr. Nam Chantry	Member of Committees - Non-Executive Director Representing Private Shareholder	March 28, 2023	6	
4	H.E. Net Mony	Member of Committees - State Controller attached to PPWSA	March 28, 2023	4	
5	Mr. Ma Noravin	Member of Committees - Staff Representative	March 28, 2023	6	

Roles and Responsibilities of Audit Committee

- Review financial reports
- Review the internal control
- Review of internal audit
- Review the external audit
- Checking risk management in case there is no risk management committee
- Report and advice the Board of Directors
- Implement other tasks assigned by the Board of Director.

Results of Audit Committee Performance

Provide the following recommendation:

1. Requested to revise the result of internal report to internal report.
2. Requested to highlights on the mistake and what're the effects? Does the auditee accept and revise after audit recommendation?
3. Requested to add the definition of each rating assessment as an annex for the auditee's easily to understand of the meaning.
4. Requested to prepare the achievements of the audit in 2023.
5. Requested to prepare a detailed plan from the beginning of the second quarter until the end of 2024.
6. Prepare a detailed report to the audit committee in the second quarter. The planning should be including a strategic plan for the audit and a procedural plan for improving the quality and efficiency of the internal audit. Understand the shortage of the internal audit procedure compared with the sub-decree No 265 of the Royal Decree, date 16/August/23 on "Organization and Operation of Internal Audit Units" for development the human resource and other plans related to the administrative of internal audit.

Part 2. Board of Director (Con't)

B. Board Committees (Con't)

1. Board Committee Structure (Cont')

1.1. Audit Committee (Con't)

Results of Audit Committee Performance (Con't)

7. Should be separated at any point that has been implemented and where it is being implemented. For now, auditors seen that not yet fully implemented in accordance with the procedural plan for improving the quality and efficiency of the internal audit (Human Resource training).
8. The audit strategic plan for 3 years, it seen an implementation plan, cited as an annual plan, but apparently has not yet met the need, in which we need to plan the planned needs for the venue and training.
9. For the procedural of the internal audit (SOP) is waiting for the external audit consultant to reorganized, which will be applicable at the end of 2024 or early 2025.
10. The prepare an annual plan on the scopes of the audit must to checked and revised in accordance with the actual situation.
11. The implementation results out of a plan (Agenda 3th) should be presented in the follow-up of the audit committee.
12. The preparing of audit strategic plan for 3 years (2025-2027) it does not seem an audit strategic plan, just a simple three years audit plan only.
13. For follow-up report should be mentioned in the last 5 years, in cause (Followed by some recommendations and residual risks are at unacceptable), so have to report for the progresses of implementation and require to revised.
14. The checking of exit-entry books, in case, if non-impact, it's not included in to an annual audit. But if the processing of the letter has an impact on other processes, that needs to be mentioned.
15. Request to clarify the implementation time and human resources for out of plan and have to add evaluation of the results implemented to facilitate follow-up.

1.2. Nomination and Remuneration Committee

No	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	H.E. EK Sonnchan *	Chairman of committee - Chairman of the BoD	November 20, 2024	1	2
2	H.E. SIM Sitha		March 28, 2023	1	
3	H.E. Mey Vann	Member of committee - Member of the BoD	November 20, 2024	2	
4	H.E. CHHAY Vireak **		November 20, 2024	1	
5	H.E Nuon Pharat		March 28, 2024	1	
6	Director General of PPWSA	Member of committee - Member of the BoD	November 20, 2023	2	
7	Company Secretary	Secretary	November 20, 2024	2	

Note: * H.E. EK Sonnchan was appointed as Chairman of PPWSA's Board of Directors the 8th mandate and as Chairman of Nomination and Remuneration Committee, replacing H.E. SIM Sitha.

** H.E. CHHAY Vireak was appointed as member of PPWSA's Board of Directors the 8th mandate and as member of Nomination and Remuneration Committee, replacing H.R. NUON Pharat.

Part 2. Board of Director (Con't)

B. Board Committees (Con't)

1. Board Committee Structure (Cont')

1.2. Nomination and Remuneration Committee (Con't)

Roles and Responsibilities of Nomination and Remuneration Committee

- Review and recommend the qualifications and procedures for the appointment of directors and senior officers.
- Evaluate the qualifications of director and senior officer candidates and propose to the board of directors.
- Review and update the mechanism, and assess the performance of the Board of directors, individual directors, and Board committees at least 1 (one) per year.
- Develop procedures for reviewing and recommending the remuneration for director and senior officers.
- Carry out any other task assigned by the board of directors.

Results of Nomination and Remuneration Committee Performance

- On April 03, 2024, the committee convened a meeting to discuss:
 1. Request for nomination of the senior officers to fill the vacant positions in the current organization chart.
 2. Request for advance review of the senior officer candidates for the new positions proposed.
 3. Request to review on promoting a senior officer with equal rank to Deputy Director General.
- On December 19, 2024, the committee convened a meeting to discuss:
 1. Request for review and discussion on the approval in nomination of a senior officer.
 2. Request for review and discussion on the 2024 Board Performance Evaluation Report.

2. Changes of Committee Member

Committees	Name	Reasons
Nomination and Remuneration Committee	H.E. EK Sonnchan	H.E EK Sonnchan was appointed as the Chairman of the Board of Director to replaced H.E.SIM Sitha.
	H.E. CHHAY Vireak	H.E. CHHAY Vireak was appointed as the member of the Board of Director to replace H.E. NUON Pharat.

Part 2. Board of Director (Con't)

C. Remuneration or Compensation

Remuneration and Compensation Receivers

N.	Remuneration and Compensation Receivers	Remuneration and Compensation Amount	Other
1	Directors	KHR127,829,353	
2	Executive Directors	KHR57,625,341	
3	Senior Officers	KHR365,721,660	
4	Top 5 Employees receiving Remuneration and Compensation Receivers	KHR101,914,887	

D. Annual Performance Evaluation of Board of Directors, Directors

In 2024, PPWSA does not performance evaluation of board of directors, directors

No.	Description	Evaluation Process	Criteria
1	Board of Directors	The Board evaluated the performance in 2024	<ul style="list-style-type: none"> ▪ Structure and characteristics of the Board ▪ Roles and responsibilities of the Board ▪ Board meetings ▪ The Board's performance of duties ▪ Relationship with management ▪ Self-development of directors and executive development

E. Training for Directors and Senior Officers

No.	Name	Subjects	Date	Location
In-Country Training: Board of Directors 3 Participate (0 Females)				
1	Mr. Ma Noravin	Leadership and Motivation	March 01, 2024	PPWSA
2	H.E. Long Naro Mr. Ma Noravin Mr. Nam Chantry	Water Loss Management (prepared by MISTI)	July 16, 17 and 23, 2024	PPWSA
3	Mr. Ma Noravin	Participate in dissemination workshop on "Recognized assessment work"	July 7 and 8, 2024	MISTI
4	Mr. Nam Chantry Mr. Ma Noravin	Leadership in the field of clean water	September 4 and 5, 2024	MISTI
5	H.E. Long Naro	Corporate Governance of Public Enterprises (prepared by MEF)	November 5 and 6, 2024	Siem Reap province

Part 2. Board of Director (Con't)

E. Training for Directors and Senior Officers (Con't)

No.	Name	Subjects	Date	Location
In-Country Training: Senior Officers 28 Participate (6 Females)				
1	Mr. Chan Piseth * Mr. Chea Satephoat Mr. Deng Polyden Mr. Pheng Ty Mr. Chou Phalla Mr. Som Sovann Mr. Heng Sophanarat ** Mr. Ou Kunavath Mr. Sok Nareth Mr. Tuy Bunsereyrieth Mr. Kaing Sorphyna Mr. Kem Kanvicheth Mrs. Seng Keadara Mr. Savuth Vathana Mr. Hout Sok Heng Mr. Chhim Sereyvuth Mrs. Prak Chanmakara Mrs. Sim Voleka Mr. Meas Kosal Mr. Ros Borin	Leadership and Motivation	March 01, 2024	PPWSA
2	Mr. Deng Polyden Mr. Chou Phalla	Continuing Professional Education (CPE) Program in the Securities Sector	February 26 to March 06, 2024	SERC
3	Mr. Pheng Ty Mr. Kem Kanvicheth	Water Loss Management	July 16, 17 and 23, 2024	PPWSA
4	Mr. Chan Piseth Mrs. Roeun Nary Mr. Chea Satephoat Mr. Deng Polyden Mr. Pheng Ty Mr. Chou Phalla Mr. Ou Kunavath Mr. Som Sovann Mr. Tuy Bunsereyrieth Mr. Kem Kanvicheth Mr. Sok Nareth Mr. Raing Chanphirom Mr. Samaun Serey Somanuh Mr. Khem Vichainin Mrs. Seng Keadara Mr. Chhim Sereyvuth Mrs. Sim Voleka Mrs. Chhim Kakada	Participate in dissemination workshop on "Recognized assessment work"	September 04 and 05, 2024	PPWSA

Part 2. Board of Director (Con't)

E. Training for Directors and Senior Officers (Con't)

No.	Name	Subjects	Date	Location
5	Mr. Kaing Sorphyna Mr. Kem Kanvicheth Mr. Som Sovann Mr. Tuy Bunsereyrith Mr.Samaun Serey Somanuh Mrs. Chhim Kakada Mr. Yeap Buntha	ENGLISH	September 16, 2024 to January 16, 2025	ELT
6	Mrs. Seng Putheavy	Effective Minute-Taking and Report Writing Skills	October 26 and 27, 2024	CAMMABIZ (CAMBODIA) CO.,LTD
Oversea Training: Senior Officer 03 participate (0 Female)				
1	Mr. Kem Kanvicheth Mr.Samaun Serey Somanuh	The Third Country Training Programme (TCTP) course entitled "Practice in Innovation and Digital Technology for Sustainable Water Management"	July 07 to 20, 2024	Thailand
2	Mr. Pheng Ty Mr.Samaun Serey Somanuh	Study tour of training center	September 16 to 20, 2024	France

* Mr. Chan Piseth was resigned in November 2024.

** Mr. Heng Sophannarath was retired in September 2024.

Part3. Code of Business Conducts Practices

A. Code of Business Conducts Practices for Director and Senior Officers Policies

Implementation of the Laws and Regulations

Directors and senior officers shall implement and ensure that the PPWSA complies with the applicable Laws and Regulations while performing their roles and responsibilities. Suppose the director or senior officer has known the reliable information relating to the breach of the applicable Laws and Regulations by the PPWSA, directors, senior officers, or employees; in that case, they shall inform the Director General, Chairman of the board of directors, head of the Audit Committee, or the Internal Auditor.

Conflict of interest

Adding to articles 134, 135, 136, and 138 of the Law on Commercial Enterprises, directors and senior officers shall avoid any conflict-of-interest acts with the PPWSA.

A conflict of interest, in general, arises when the interest of directors or senior officers or their family members are directly related to or may severely affect to:

- (a) the PPWSA's interest or business.
- (b) the abilities of other directors or senior officers in performing their roles and responsibilities.

Directors and senior officers shall disclose to the PPWSA board of directors and publicly disclose transactions or relations that are led to the conflict of interest with the PPWSA, as determined by the Securities and Exchange Regulator of Cambodia (SERC) or the Cambodia Securities Exchange (CSX).

Directors and senior officers shall inform PPWSA or request to disclose their interests in writing in the minute of meeting of the board of directors, in case of:

- (a) A director or senior officer is a contractual party or those who request to entering into a contract with the PPWSA; or
- (b) A director or senior officer has significant interest with individual or legal persons who are the contractual party or party who requests entering into a contract with the PPWSA.

According to the applicable Laws and Regulations, the Independent Director shall not have any interest in the PPWSA affected to the independence and shall not hold more than 1% of the PPWSA's total share.

Business opportunity

During the performance and responsibility, directors and senior officers shall concentrate on the PPWSA interest. Directors and senior officers shall avoid:

- (a) working for the personal interest while performing in the role and responsibilities as the director or senior officer of the PPWSA.
- (b) using PPWSA's assets and information or the position and role as the director or senior officer of the PPWSA for the personal interest.
- (c) competing with the PPWSA.

Part3. Code of Business Conducts Practices (Con't)

A. Code of Business Conducts Practices for Director and Senior Officers Policies (Con't)

The board of directors will determine the non-compliant acts, considering the facts and the circumstances related to those acts.

Equal relations

While performing their roles and responsibilities, directors and senior officers shall have equality between customers, suppliers, competitors, contractors, and employees of the PPWSA.

Directors and senior officers shall not take advantage of anybody dishonestly by playing a trick, concealing or misrepresenting important information, misrepresenting events, or acting dishonestly in the business.

The use of information about the rights, the confidential information of the PPWSA, or persuading both former and current directors, senior officers, and employees of the PPWSA to leak such information are prohibited.

Directors and senior officers shall perform their roles and responsibilities in good faith and for the PPWSA and shareholders' interests. Directors and senior officers shall not take advantage of their positions as directors or senior officers and shall not receive any gifts from third parties for the director and senior officer position.

The protection and the use of PPWSA's assets

While performing their roles and responsibilities, directors and senior officers shall promote the control and proper use of PPWSA's assets, tangible and intangible assets.

PPWSA's assets are information, material, equipment, intellectual property, tool, resource, IT system, and other assets which the PPWSA owns or the leased assets or assets hold by the PPWSA are used for the PPWSA's legal business.

The accounting complaint

The PPWSA Audit Committee or the Internal Auditor shall be responsible for establishing the appropriate procedures for receiving and maintaining the complaints and reviewing the complaints related to the accounting, internal accounting control, or other issues in connection with the audit.

Directors or senior officers can file the complaint on the above issues to the PPWSA Audit Committee or the Internal Auditor. The request for the confidential review may be made in compliance with the applicable Laws and Regulations.

The encouragement to report immoral or illegal acts

Directors and senior officers shall promote the PPWSA to adhere to the Code of Conduct and encourage employees to report the evidence of immoral or illegal acts to the department or competent officials of the PPWSA.

Insider trading

Directors and senior officers shall perform and adhere to the applicable Laws and Regulations and the bylaw and policy of trading PPWSA's shares.

Part3. Code of Business Conducts Practices (Con't)

A. Code of Business Conducts Practices for Director and Senior Officers Policies (Con't)

Confidentiality

Directors and senior officers shall keep the PPWSA's confidential information that they know unless the PPWSA allows disclosing or is required by the applicable Laws and Regulations, the competent authority, or the competent court in the Kingdom of Cambodia.

The term "confidential information" consists of the non-public information that may be used by competitors or non-public information that affect the PPWSA or its customers if that information is disclosed.

Directors or senior officers shall discuss with the Director General or Chairman of the board of directors before disclosing that confidential information as per the Laws and Regulations.

Disclosure

Director and senior officers must clearly understand the procedures and review the PPWSA disclosure to do the press release, report, and disclosure document for filing to the regulators included the SERC, in compliance with the applicable Laws and Regulations, the guideline of the SERC, and the CSX.

On the other hand, the scope of roles and responsibilities of directors and senior officers, who have the power of directing or managing to file documents to SERC and/or the CSX or other public disclosure associated with the general business, the results, terms, and financial performance, shall discuss with directors, senior officers, and the relevant employees; and take the appropriate action for the procedure and the review of disclosure to ensure that the disclosures have been entirely, clearly, appropriately, timely and understandable.

In the scope of the procedure and the review of disclosing, the director and the senior officer:

- shall clearly understand the PPWSA disclosure requirements, the business and financial operation of the PPWSA.
- shall not do the false statement or misrepresentation, regarding the PPWSA information, to others whether they are inside or outside the PPWSA, including the Independent Auditor, government's regulator, or other institutions.

Amendment and exemption

This Code of Conduct may be amended or exempted for not performing by the PPWSA board of directors regarding disclosure requirements and the applicable Laws and Regulations. In the general rule, the board of directors will not provide any exemption for not performing this Code of Conduct if there is no appropriate and necessary reason.

Directors and senior officers shall adhere to the content of this Code of Conduct. Directors and senior officers must understand this Code of Conduct and seek explanation and additional advice regarding the interpretation of this Code of Conduct when there is an event that may be conflicted with this Code of Conduct.

The board of directors shall take the appropriate action in the case of violating this Code of Conduct.

Directors and senior officers can directly ask the Director General in relating to the performance or interpretation of this Code of Conduct.

Part3. Code of Business Conducts Practices (Con't)

A. Code of Business Conducts Practices for Director and Senior Officers Policies (Con't)

Effect

The PPWSA board of directors approved this Code of Conduct on February 15th, 2012, and it is effective since the PPWSA has received approval from the SERC on public offering and listed on the CSX.

B. Publishing of Code of Business Conducts Practices to director and senior staff and employees

The PPWSA board of directors approved this Code of Conduct and published attach with PPWSA Annual Report in order to share to directors, senior staffs and employee's shareholder as well as public to find in detail.

C.Mechanisms and Procedures to Assess Code of Business Conducts Practices

None

D. Related Parties Transactions

1. Listed securities policy for transaction management with stakeholders

No	Related Parties	Policies
1	Holding Company	None
2	Mixed Investment Agreement	None
3	Subsidiaries	None
4	Excessive and overwhelming majority of shareholders holding the right to vote	None
5	Director and members of the director's own family	None
6	Employees and family members of employees	None
7	Others	None

2.Important transactions with related party

None

Part 4. Risk Management, Internal Control and Auditing

A. Brief Risk Management System or Risk Management Policies

1. The payment for maintenance of production have been late. **Auditee's response:** The Office will be revised and in accordance with the Accounting and Financial Procedures.
2. The cleaning of house connection washed out in numerous. **Auditee's response:** The pipes for cleaning are small, which spending time for washing out and the reporting showed the cleaning water on the first day at after day there were sand, needed to rewashed out that no recording in the report.
3. Stock management haven't been same with the actual inventorying list by excess in 08. **Auditee's response:** Dude to expert used the fitting fist for consumers (Remote areas). The Office will be transferring the equipment to the inventory of Accounting and Finance Department on June, 2024.
4. License usage and Information Technology Services for a year have been implemented late than the expired date. **Auditee's response:** It's a weakness of officer, we'll accepted the recommendations.
5. The delivery-receive notes haven't attached the minute meeting of Procurement Committee and date of record before the delivery-receive notes. **Auditee's response:** The Procurement will be revised belong to the Sub-Decree No 13 of the Royal Decree, date, 23/February/15 on "The Procedures for the Establishment, Organization and Operation of the Procurement Committee and Procurement Unit" from 2024, onward.
6. The transferred of remaining fitting to stock not attachment delivery note (40 Projects). **Auditee's response :** There are 14 implementation reports which attached with the draft report (Officer's weakness) and 26 projects no attachment delivery note, generally, there have the attachments according by the Department of Accounting and Finance accepted this above points and revised it after audit report insurance.

B. Brief Internal Control System

Internal Control is the process by Board of Director, Audit Committee, Internal Audit, External Audit, Managers, and staffs. Its purpose in order to ensure the efficiency, accuracy of operations and reliability on reporting, compliance with applicable law and regulations, and assets safeguard as well as the proper governance of the enterprise. In order to be successful of internal control should be included: Management environment, Risk assessment, Control activities, Information and communication and monitoring activities.

Base on the 2024 plan on compliance and operation with approval of the chairman of the Audit committee, date 15 September 2023 in which:

1. Production Management Department and
Water Supply Network Management Department (First Quarter)
2. Commercia Department (Second Quarter)
3. Information Technology Center and Procurement Unit (Third Quarter)
4. Accounting and Finance Department (Fourth Quarter)

Part 4. Risk Management, Internal Control and Auditing (Con't)

B. Brief Internal Control System (Con't)

Based on the advise of the Chairman of Audit Committee and Board of Director minute meeting on 1st, mandate on 8th which needed to do the Surprise Audit, so the Auditor has been section:

1. Checking the inventories (PIPE) at the Water Treatment Plants Nirodh and Phom Prak of Accounting and Finance Department, First quarter.
2. An announcement of water bill of collector reading and invoice distribution, Section 05 -06/24 (May and June, 2024) of Commercial Department, Third quarter.

Based on the Board of Director minute of meeting on 12th, mandate on 8th which needed to checking Water Bill of Bill Collector, Section 09-10/24 (September and October, 2024), Fourth quarter.

C. Auditing

1- Internal Audit

1.1- Roles and Responsibilities of Internal Auditors

- Prepare strategic internal audit plan and annual internal audit plan to be approval by the Audit Committee and sent to the National Audit Authority, and Internal Audit General Department of Ministry of Economy and Finance.
- Review all the procedures and policies as well as the applicable specification for recommendations.
- Define the appropriateness, adequacy and better inputs to the internal control system and the operations of PPWSA
- Review the confidentiality of compliance and operation by department/unit as well as the methods to identify measure, classify and report all the information.
- Review the quarterly and annual audit and ask the relevant unit for recommendations to be submitted to the Audit Committee, the Board, the National Audit Authority, and Internal Audit General Department of Ministry of Economy and Finance, or relevant ministries.
- Review the current system to ensure consistency with the laws and regulations in term of operations and reports.
- Re-assess the management, maintenance, protection and verification of the assets, and evaluate the resources savings and efficiency, as well as improve the performance and give recommendations.
- Conduct a study and analysis on risks and seek recommendations from the Audit Committee and the Board.
- Prepare the expenditure plan for audit service and review of financial Statements.
- Facilitation of audit work with National Audit Authority to be in term of workload and reducing duplication.
- Implement other tasks assigned by the management.

Part 4. Risk Management, Internal Control and Auditing (Con't)

C. Auditing (Con't)

1- Internal Audit (con't)

1.2- New Appointment and Removal/Resignation of head and/or Deputy of Internal Auditors

N.	Name	Appointing Date	Removal / Resignation Date	Reason
1	Mrs. Seng Keadara	July 11, 2024	July 09, 2024 (Term expiration)	Renew term mandate

1.3- Appointment of head and/or Deputy of Internal Auditors

There is no such transaction

2- External Auditors

N.	Name of Audit Firms	Agreement Date	Auditing Fees		Non-audit Fees
			KHR	USD	
1	BDO (Cambodia) Limited	March 21, 2024	602,700,000		

The reasons for the change or suspension and termination of the audit service provider in the securities sector are non-existent.

Part 5. Stakeholders

A. Identify Policies and Activities Related to the Following:

No	Contents	Policies	Actions
1	Customer Welfare	<ul style="list-style-type: none"> - Provide services and provide clean water to customers, guaranteed by both national and International standards - Produce and supply water to customers by ensuring the quality of treated water is clean and sterile which can be consume directly from the network. Treated water quality is compliance with National Drinking Water Standard and World Health Organization guideline to participate in reducing water borne disease. 	<ul style="list-style-type: none"> In 2024, PPWSA provided services to customers in Phnom Penh, Takhmao City and Tbong Khmum Province, earning a total of 28,899 new connections. - Provide water supply services to 2,592 subsidized customers, including: <ul style="list-style-type: none"> ▪ 30% of subsidy : 246 connections ▪ 50% of subsidy : 1,288 connections ▪ 70% of subsidy : 612 connections ▪ 100% of subsidy : 446 connections - As of December 31, 2024, the total growth of customers is 501,289 customers (Active) - Ensure the quality of clean water for daily use and internationally recognized. - Solutions to customers are divided into two: <ol style="list-style-type: none"> 1. Receive informations directly and via PPWSA's hotline. 2. Receive informations via PPWSA's social media - Total water production was 279,053,651m³ in 2024. - Treated water quality complies with the Cambodia National Drinking Water Standards and World Health Organization (WHO). - Monitor treated water quality at each water treatment plant 3 times per day with real time monitoring devices on SCADA system. - Monitor treated water quality at 80 distribution network points per week. - Monitor treated water quality at the end of 9 distribution network points per week. - Treated water is sent to Independent laboratory in Singapore to be tested every year. The result obtained is the verification that PPWSA's treated water quality is drinkable directly from the network. - Nirodh laboratory received certificate from ISO/IEC 17025 : 2017. - Organize a respond procedure to immediately resolve customer concern relating to water quality by visiting the site directly to test water quality and explain to customer in person. - Quarterly, raw water sample are collected from the five water sources in Phnom Penh to check on raw water quality.

Part 5. Stakeholders (Con't)

A. Identify Policies and Activities Related to the Following (Con't)

No	Contents	Policies	Actions
2	Suppliers and Subcontractors Selection	<ul style="list-style-type: none"> - Public competitive Biddings invite sealed bids from eligible bidders registered in the Kingdom of Cambodia - International Procurement 	<p>For bidding to select a supplier, all firms must the following qualifications below:</p> <ul style="list-style-type: none"> - Identification Card or Passport (Original Copy) - Year of the bid Patent Tax (Original Copy) - Certificate of tax registration (Value Added Tax_VAT) (Original Copy) - Certificate of Incorporation (Original Copy) - Business Licensing law issued by relevant ministries (Original Copy) - Sample or catalogue (If have) - Manufacturer's Authorization (Original) if the bid required - Evidences for "Financial, Technical, Experiences" (Original Copy) <p>All the above attachments that are copied in the original must be certified by Phnom Penh City Hall or relevant institutions.</p> <p>Adhere to procedures for overseeing, preparing, and supervising the execution of financing projects with development partners, as well as coordinating with their bidding guidelines (including AFD, JICA, EIB, EDCF, EU).</p>
3	Management and Protection of Employees	<ul style="list-style-type: none"> - Staff and Enterprise Statute - Employment contract - Internal regulations 	<p>Strictly implement the points stated in PPWSA's Staff and Enterprise Statute, such as :</p> <ol style="list-style-type: none"> 1- Provide salary according to roles and responsibilities and payment regularly twice a month. 2- Provide other benefits such as severance pay, health benefit, overtime payment, seniority benefit and annual bonus. 3- Provide work uniform and safety equipment. 4- Ensuring job security for employees by making payment to National Social Security Fund for occupational accidents, health care and pensions. 5- Provide additional benefit to employees who injured during working hours. <p>Signed an employment contract with:</p> <ul style="list-style-type: none"> • Contract employees • Probation employees • Fulltime employees <p>All employees must comply with the internal rules and regulation of the organization, such as:</p> <ul style="list-style-type: none"> • Working hours from 8:00 am to 4:30 pm • There are 4 types of uniforms according to requirement • Respect hierarchy in workplace

Part 5. Stakeholders (Con't)

A. Identify Policies and Activities Related to the Following (Con't)

No	Contents	Policies	Actions
4	Environment Protection	- In accordance with Royal Government policy, especially the Ministry of Environment on environmental considerations and protection.	<ul style="list-style-type: none"> - The implementation of PPWSA's project to expand production and water supply systems began following an initial environmental and social impact assessment report by PPWSA to seek approval from the Ministry of Environment. Upon approval, PPWSA always inspects environmental impacts of the project during implementation every semester and prepares a report to financiers and the Ministry of Environment. - Utilize Renewable Energy to reduce carbon dioxide (CO₂) into atmosphere. - Energy Optimization by utilizing inverter and SCADA system. - Raw materials optimization to reduce solid waste and chemical waste into the environment.
5	Community Interaction	- Expand the service area to the community according to the actual possibilities	<p>PPWSA has expanded its service area to people living outside community in 12 districts equal to 2,592 connections :</p> <ol style="list-style-type: none"> 1. 7 Makara district 02 connections 2. Chamkar mon district 01 connection 3. Toul Kork district 14 connections 4. Russey Keo district 282 connections 5. Chrouy Changvar district 91 connections 6. Preaek Phnov district 54 connections 7. Sen Sok district 23 connections 8. Mean Chhey district 26 connections 9. Chbar Ampov district 294 connections 10. Dang Kor district 947 connections 11. Pou Senchey district 766 connections 12. Ta Kmao 99 connections
6	Creditors' Rights Protection	- Guaranteed by the Royal Government	- Letter of legal guaranteed number 0718 MOJ.ILC/24 published by Ministry of Justice dated March 20, 2024 on Bakheng water treatment plants project phase 3.
7	Anti-Corruption Program	<p>1- Carry out business with customers in a transparent manner.</p> <p>2-Implementation in accordance with the Government's Policy</p>	<p>1- Providing the service to customers equally with Non-caste, No Discrimination or Partisanship.</p> <p>2- Every senior officer has to Declare of assets in every 2 years.</p>

Part 5. Stakeholders (Con't)

B. Describe the Corporate Social Responsibilities of PPWSA

No	Beneficiaries	Amount	Purposes of CSR
1	Social Infrastructure	KHR1,432,543,556	<ul style="list-style-type: none"> - Sponsor the construction of fence for the protection of Khmer Muslims Cemetery in Prek Thmey Village, Chey Thom Commune, Khsach Kandal District, Kandal Province. - Payment for 15mm water meter networks for Borey Mondani's clients across 13 projects, totaling 1,683 networks located in Snour Commune, Kambol District, Phnom Penh. - Payment for water supply preparation equipment and 40mm water meters for 85 families across 3 locations in Por Prok Khang Jerng Village, Kakap I Commune, Por Senchey District, Phnom Penh. - Payment of water meter diversion fees for 2 locations at the Army Headquarters along National Road 4, Ang Village, Kantouk Commune, Kambol District, Phnom Penh. - Payment of water fee debt in 2022 for the poor, locked houses, and land which no one standby for 10 locations of 5 Districts in Phnom Penh. - Sponsor 1,791 liters of fuel for mission expenses for the employee 24 people involved in the campaign to promote and network with customers in Tbong Khmum Province. - Payment of 25mm water meter for 2 networks for Tbong Khmum Provincial Administration for use in irrigating the Preah Sdach Kan Roundabout, Tbong Khmum Province. - Payment of water supply fees for water connection and payment for 40mm water meters at three locations to water distribution representatives for distributing water to 85 low-income families in North Pork Village, Sangkat Kakap I, Khan Por Sen Chey, Phnom Penh. - Sponsor for the preparation of a new after-hours water distribution system to the reservoir through 19 rooms, using free-market materials and labor, at the bodyguard who command at the Independence Monument.

No	Beneficiaries	Amount	Purposes of CSR
			<ul style="list-style-type: none"> - Payment for the purchase of free-market equipment and payment for a 40mm water meter for installation at the National Defense University for use in co-educational buildings, residential buildings, and the canteen. - Payment of a 40mm water meter at the Military Geographic Training Center, Department, Ministry of National Defense. - Payment of a 40mm water meter at the new office of Samdech Moha Bovathibodi Hun Manet, Prime Minister of the Kingdom of Cambodia. - Sponsor the installation of an 80mm water meter at the General Command of the Royal Cambodian Armed Forces in Boeung Ta Mok (Boeung Kob Srov), Sangkat Kork Roka, Khan Prek Pnov, Phnom Penh. - Payment of 15mm water meter fees for 742 networks whose customers in Borey Mondani, Project 10-22, located in Snour Commune, Kambol District, Phnom Penh. - Payment of 15mm water meter fees for 65 networks whose customers in Borey Mondani, Project 14 (North), located in Snour Commune, Kambol District, Phnom Penh. - Additional Sponsor to the construction of a school building with five classrooms, including equipment, at Kraing Ta Sen Secondary School in Kraing Ta Sen Village, Prey Nhy Commune, Pursat City, Pursat Province. - Sponsor to repair of 400 meters stretch of road from National Road No. 21 to Prek Samrong 3 Village, Takhmao Commune, Takhmao City, Kandal Province.

No	Beneficiaries	Amount	Purposes of CSR
2	Emergencies	KHR524,516,500	<ul style="list-style-type: none"> - Payment of balancing for the water distribution representatives for 11-12/2023. - Payment of balancing for the water distribution representatives for 1-2/2024. - Sponsor Fund to participate in humanitarian assistance to the Red Cross Activities in the 161st Anniversary of the World Red Cross Red Crescent Day on May 8, 2024. - Donate to the Foundation Kantha bopha of Cambodia through Tboung khmum Provincial Administration. - Donate to the "Kantha Bopha Foundation of Cambodia" for 2024 through the Kantha Bopha Foundation of Cambodia, Ministry of Industry, Science, Technology and Innovation. - Sponsor to participate the humanitarian assistance to the Red Cross Activities of the Cambodian Red Cross in the 161st Anniversary of the World Red Cross and Red Crescent Day on May 8, 2024 through the Cambodian Red Cross Branch Committee, Battambang Province. - Payment of balancing for the water distributor representatives for 05,06,07 and 08/2024. - Donate 2 tons of rice to the Association of Online Radio and Television for the Blind during the Khmer New Year. - Sponsor to the organization of training courses on non-profit water management (2nd time) for professional officers of various departments of the Ministry of Industry, Science, Technology and Innovation. - Donate to the "Hope of Life" charity event in 2024, which will take place on November 26, 2024 to help children in need of shelter and food, as well as health care and education.
3	Employee relief	KHR142,400,000	<p>In 2024 Social Fund Committee had provided fund supported to 84 employees who had:</p> <ul style="list-style-type: none"> - Mild illness 48 persons - Moderate illness 22 persons - Severe illness 5 persons - Maternity 4 persons - Severe illness can lead to death 1 persons - Death 3 persons

No	Beneficiaries	Amount	Purposes of CSR
4	Communities and Low-income resident support	KHR558,929,000	<p>In 2024, PPWSA has donate fund for Water Supply Services to 2,489 Subsidized customers, including:</p> <ul style="list-style-type: none"> - 30% of subsidy : 243 connections - 50% of subsidy : 1,019 connections - 70% of subsidy : 543 connections - 100% of subsidy : 1,903 connections
5	Other Support	KHR1,453,283,890	<ul style="list-style-type: none"> - Sponsor to the organization of the "National Day of Science, Technology and Innovation" 2024 which will be held from 24th to 26th March, 2024 at the Koh Pich Convention and Exhibition Center. - Payment of fire extinguisher station for January and February 2024. - Payment of fire extinguisher station for March and April 2024. - Sponsor to purchase 10 laptops and 1 printer to support work in the Cabinet of the Ministry of Industry, Science, Technology and Innovation. - Funding for the training on "Wastewater Management" which took place on 16, 17 and 23 July 2024 with 50 participants under the chairmanship of HE Hem Vandy, Minister of Industry, Science, Technology and Innovation. And HE Ek Son Chan, Chairman of the Board of Directors of Phnom Penh Water Supply Authority. - Donate to 151 retirees and purchase souvenirs during a meeting with His Excellency on July 4, 2024. - Funding for the training course on "Leadership in the field of clean water" which took place on September 4 and 5, 2024 with 100 participants under the chairmanship of H.E Hem Vandy, Minister of Industry, Science and Technology. And Innovation and H.E Ek Sonnchan, Chairman of the Board of Directors of Phnom Penh Water Supply Authority. - Payment of fire extinguisher station for May and June 2024. - Sponsor on the work labor fee for preparing water supply network for rowing boat players at the east & the west of OCIC Blvd and the north & the south of the night market from 05th to 10th November, 2024.

Part 6. Disclosure and Transparency

A. Identify the Following Information in the Annual Report:

No	Information	Yes/No
1	Visions/ Missions/ Objectives	Yes
2	Financial Indicator	Yes
3	Non-financial Indicator	Yes
4	Main Risk Factors	Yes
5	Dividend Policy	Yes
6	Biography of Directors	Yes
7	Training for Directors	Yes
8	Number of Board Meeting	Yes
9	Attendance of Directors in Board Meetings	Yes
10	Remuneration or Compensation for Directors and Senior Officers	Yes

B. The mechanism of disclosure including means, procedures, and responsible person in charge of disclosure

Mr. Deng Polyden, Deputy Director General in charge of Finance, and **Mr. Chou Phalla**, Company secretary, were the Disclosure Officer, having the assistance of the Securities Exchange and Investor Relations Office of Accounting and Finance Department to disclose the PPWSA information to the public.

The quarterly and annual reports are drafted by of the Securities Exchange and Investor Relations Office to requested for approval of the board of directors and followed by submitting these reports to the Securities and Exchange Regulator of Cambodia (SERC) in order to disclose to the public, after reviewing by the Director of Accounting and Finance Department and approving by the Disclosure Officer. After approved by the SERC, the Securities Exchange and Investor Relations Office shall send these reports the Commercial Department to publicly disclose the PPWSA website.

The Securities Exchange and Investor Relations Office shall submit the special disclosure and requested disclosure, reviewed by the Director of Accounting and Finance Department, the Disclosure Officer, and approved by the **Delegation of the Royal Government of Cambodia in charge of the Director General of Phnom Penh Water Supply Authority**, to the SERC. After the approved by the SERC on the submitted disclosure, the Securities Exchange and Investor Relations Office shall send these reports to the Commercial Department to publicly disclose on the PPWSA's website.

Regarding timely disclosure and voluntary disclosure, the Securities Exchange and Investor Relations Office shall submit these disclosures to the CSX through the CSX electronic disclosure system, after reviewing by the Director of Accounting and Finance Department and approving by the Disclosure Office. After the approval of CSX on the submitted disclosure, the Securities Exchange and Investor Relations Office shall send these reports to the Commercial Department to publicly disclose on the PPWSA's website.

Part 6. Disclosure and Transparency (Con't)

C. Investor Relations

1. Mechanism and procedures for the Investor Relations

The PPWSA communicated with investors through the Transfer and Paying Agent of the PPWSA to inform the annual dividend distribution and the general shareholder meeting. The Investor who wishes to understand the PPWSA shall directly request the PPWSA or through their securities firms to conduct the meeting as per investors' request.

Besides the above mechanisms, investors could directly contact the Disclosure Officer and the Securities Exchange and Investor Relations Office as follows:

- The Disclosure Officer: Dpolyden@ppwsa.com.kh or
cphalla@ppwsa.com.kh; or
- The Securities Exchange and investor Relations Office: Ksokuntheary@ppwsa.com.kh or
ir@ppwsa.com.kh

2. Investor relations in 2024

In 2024, the PPWSA contacted its investors through ACLEDA Bank, Plc. to inform the dividend distribution for 2023 and the 12th general shareholder meeting.

APPENDIX II

Internal Audit Report

On Compliance and Operation Monitoring

In 2024

I. The Audit Reporting

A. Implementation of previous audit recommendations

Previous Recommendation	Implemented/ Response	Recent Recommendation	Type of Risk
i. A- Production Management Department (Year 2021)			
<p>The report of employee weekly overtime at the 4 of Water Treatment Plants not compliance with employee manual</p> <p>The Officer in-charge have to collaborate with Administration and Human Resource Department for the report's arrangement of employee's weekly overtime in accordance with employee manual.</p>	Fully implemented		
B- Water Supply Network Management Department Year 2015			
<p>Distribution maintenance work not yet appropriate on the amount of water that drain out, no street number, the number of water leaking are unclear and written by pencils</p> <p>The Officer in-charge must analyze, monitor and record in the daily report the exact amount of drainage water, specify the street number and pipe size clearly and record it in pen. In case of multiple washes, there must be a report about the cause of the leak.</p>	The Officer in-charge will be amendment from 2024.	The Officer in-charge must record the street number and pipe size clearly and record it in pen.	Low
Year 2016			
<p>The monthly report of Leakage repairing are unseparated</p> <p>The Officer in-charge must collect the full amount of reports before preparing each month reports to make it is properly prepared and easy to manage.</p>	The Officer in-charge will be amendment from 2024.	The Office must prepare reports properly.	Low
Year 2021			
<p>1- The valve size Determination for estimation of pipe cleaning at pipe end with the size of 63 mm not corrected</p> <p>The staff in charge have to consider to check and monitor the responsible person who make this calculation correctly.</p>	Fully implemented		
<p>2- Procedures for quotation project not efficient</p> <p>The Officer in-charge have to record the information completion and properness before calculation.</p>	Fully implemented		
<p>3- Incompleteness of the Leakage repairing information</p> <p>The Officer in-charge have to record the Leakage information completion in order to be accuracy and in compliance with the SOP.</p>	Fully implemented		
<p>4- The recording of Leakage repairing report and Daily working report difference</p> <p>The staff in-charge have to verify data before recording the information/data in the Leakage repairing daily report.</p>	Fully implemented		

Previous Recommendation	Implemented/ Response	Recent Recommendation	Type of Risk
ii. Commercial Department Year 2015			
<p>1- Stock management had not implemented properly due to report of Stock issue had not being signed by Chief of Officer</p> <p>Officer in-charge must monitoring and verify Stock Issue before bring them to the work implementers.</p>	<p>Due to the data in system cannot be printed out. Currently, the Information Technology Center prepare and amendment the system for better performance. Will be started from July 2024.</p>	<p>Information Technology Center must cooperate with relative department to urgent these tasks as soon as possible.</p>	<p>Low</p>
<p>2- Water supplies' management which water consumption up from 500,000 Riel not applied with principle by more consumers haven't been paid additional water deposit</p> <p>The Revenue Offices have to follow up and prepare the invitation letter who haven't paid the additional water deposit with exceed of water consumption by compared with usage in term equal 3 months in order to assume on the customers and principle applied.</p>	<p>All the Revenue Offices have to monitored and issued invitation letters to the customer who used a large amount of water in accordance with the policy.</p>	<p>The Revenue Offices must strengthen to prepare the invitation letter to consumers to pay the additional water deposit ASAP.</p>	<p>Low</p>
Year 2016			
<p>The size changes of water meter not principle applied by water consumptions not complied with contractual</p> <p>Every customer's request letter of size change of water meter, the Office in-charge have to follow up the water consumers as set in the contract. In case the consumers not applied with the contract need to calculate the average consumption per day to be additional paid according to the agreement in contract.</p>	<p>After the processed of BakKheng factory (Step 1) to make the pressure increased, although, Office received the recommendations from His Excellency the delegate for the size of the meter from 20 mm to 40 mm.</p> <p>Experts must be assessment not the water demand and have a guarantee letter from the maximum usage in advance before submitting it to the management for review and decision.</p>	<p>Officer in-charge must work according to recommendation of His Excellency the delegate.</p>	<p>Low</p>
Year 2019			
<p>Late providing new connections not compliance with SOP</p> <p>The Officer in-charge have to be revision the SOP with the actual implementation.</p>	<p>Officer in-charge have been preparing the SOP in order to implement in accordance with actual work and will improve ASAP (Plan to be submitted in the fourth quarter of 2024).</p>	<p>Officer in-charge needs to strengthen and revise SOPs more quickly.</p>	<p>Low</p>

Previous Recommendation	Implemented/ Response	Recent Recommendation	Type of Risk
Year 2020			
<p>Inspection-measurement of water meter cleans from 40 mm up to not compliance with SOP</p> <p>The Office in-charge must to pay attention on their responsibilities as defined in SOP. In case the over-cleaning that not compliance with the SOP have to justify the reasons or update the SOP in accordance with actual implementation.</p>	<p>The Officer have been amending SOP to comply with actual work situation and strive to better implement and on time (Planned to submit the fourth quarter of 2024).</p>	<p>The Customer Relation Office have to hurry up to complete SOP update.</p>	Low
Year 2022			
<p>1- The Report of provided new connection are incompletion</p> <p>The Officer in-charge have to verified the usage materials with the reporting descriptions in the lay out's noted of letter and recording the new connections' information properly in order to be good at reporting by accuracy and completeness.</p>	<p>The Officer in-charge lacks to reviewing and signing on this work. The office will provide guidance to improve and start implementing from June 2024.</p>	<p>The Officer in-charge must strengthen on monitoring and signing on report properly.</p>	Low
<p>2- The suspension of water supply not to clarification that was delay in long time</p> <p>The Officer in-charge have to prepare the time frame of work accordingly with implementing suspension of water supplies by accuracy and transparency. In cases can't implementation that case need to request to Director General's approvals.</p>	Fully implemented		
<p>3- The reporting of meter location's movement (Lift/Scroll) was duplicated</p> <p>The Officer in-charge have to check, verify and follow up accurately before input the data into the report.</p>	Fully implemented		
<p>4- The Lift and Scroll the meter location's movement</p> <p>The Officer in-charge have to record properly in order the report to be well-prepared and completion.</p>	Fully implemented		
<p>5- The Defective Water Meter change not compliance with Standard Operating Procedures of Management Water Meter</p> <p>The Officer in-charge have to do the above case to apply with standard of operation SOP or have to revise on the SOP in accordance with the actual implementation.</p>	Fully implemented		
iii. A- Information Technology Center (Year 2021)			
<p>Standard Operating Procedures SOP not updated yet</p> <p>The Information Technology Center needs to update the SOPs in order to be up to date with technology.</p>	<p>Has been updating and submitted to the Director of Information Technology Center, the plan will be completion by the end of 2024.</p>	<p>The Information Technology Center needs to the revision of SOP as quickly as possible.</p>	Low

Previous Recommendation	Implemented/ Response	Recent Recommendation	Type of Risk
B- Procurement Unit (Year 2021)			
1- Letter of guarantee on contract Procurement Unit must to check the validity of contract guarantee's letter properly before making the payment.	Fully implemented		
2- Material's usage pre-approval from the Ministry of Economy and Finance Procurement Unit must cooperate with the relevant Departments to monitor and verify the material's usages in accordance with the contract.	Fully implemented		
iv. Accounting and Finance Department (Year 2015)			
Payments to some departments / units and suppliers are late The Officer in-charge have to make the payments on time.	The reasons are - Increasing works - Shortage employees	The Finance Office must strengthen the payment to be better.	Low
Year 2022			
Payment of installation new water distribution pipes, which not the reference's attachment in the report of inspection on the pipe digging work by no specification of completion project and being process The Officer in-charge must cooperate with the relevant departments to record the completed projects and ongoing projects in the form of an appendix.	Fully implemented		

B. Audit's result

i. A- Production Management Department

In 2023, Department implemented:

- Payment for repairing and maintenance works (Mechanical and Electrical Office) 251 requests.
- Payment for repairing and maintenance works (Production Office) 55 requests.

Production Management Department operates their tasks smoothly and good cooperation; otherwise, there have one weakness points that need to be improved.

The Request payment of repairing for Production system be late

In 2023, there were 251 requests for supplies and payments of Office of Mechanics and Electrical.

- Supplies request 171 Requests
- Payment request 80 Requests

Internal Audit found that after completing the work, the length of requesting payment were late, which were 07 requests equal 8.75%.

The Officer in-charge does not prepare the documents accordance with the accounting and financial procedures.

The Officer in-charge lacks to monitor and review the proposal after it has been implemented.

This case leads to be late in document's preparation, which affected other urgent last related to other productive systems and advance payment as well.

The Officer in-charge must prepare the requests payment in a timely manner and prepare the documents according to the accounting and financial procedures. **Low level Risk.**

Auditee's response : We accepted the audit recommendation we will improve on this case to apply with accounting and financial procedures.

The Office will start the revision after the audit report issuance

Auditee has sent the constructive report all rectify on the above finding on 31 April 2024.

B- Water Supply Network Management Department

In 2023, Department implemented:

- | | |
|---|-------------------|
| - Pipe Modifying | 21,094 Meters |
| - Laying Pipe | 25,281 Meters |
| - Drain out | 19,313 Meters |
| - Firefly drat cleaning | 834 Meters |
| - Repairment Cleanse and Maintenance of transmission Pipe | 2,923 Connections |
| - Leakage repairing (Visible and invisible leak) | 4,384 Connections |

Supply Management Department operates their tasks smoothly and good cooperation; otherwise, there have some weakness points that need to be improved.

1- Modifying and laying pipes report are Inaccurate

In 2023, Water Supply Network Management Department Modified and layed the pipes in 42 locations, which the audit found that was not implemented properly:

- Modifying but did not laying had 4 equal 9%
- No laying report but had the modifying report had 5 equal 11%

This case not compliance with the SOP of water supply system maintenance work Point **6. Modifying and Laying Pipes Work** the method of pipe laying must be as follows verify the reference (Meter) again, draw the final details, and submit to the chief of sector. The head of the sector must inspect the condition of the equipment at the site in all aspects, then submit it to the head of the office for approve and keep it as a document at the GIS Office of the Planning and Projects Department.

The Officer in-charge lacks to properly review the work report.

This case lead to work inefficient.

Officer in-charge must prepare:

- Reports comply with administrative procedures.
- Report form must comply with actual work. **Level of risk, Low.**

Auditee's response: This lack implementation because:

- **Some work must wait until the road or sewer construction is completed before resume.**
- **There did not have report because of that are new install pipe.**

The Office will start the revision after the audit report issuance.

2- Pipe washed in the same location several times

In 2023, water distribution system maintenance office washed 65 entrances, of which the auditor found that 4 entrances were washed several times:

- Washed 2 times had 3 Places
- Washed 3 times had 1 Place

This case did not compliance with actual regulation.

The officer in charge lacks to monitoring and verify work.

This Leading to a high increase in the amount of water allowed.

Officer in-charge must be filling the diary report information clearly. **Level of risk, Low.**

Auditee's response :

- **The pipe for clean was small flush out ling days and length of tice requiring multiple days of flushing out and take long-term because there is no drain out's box.**
- **The report show that the water was clear on the first day, but the next day the sand reappeared, requiring re-cleaning.**
- **The reports are not detailed.**

The Office will start the revision after getting the audit report.

Auditee has sent the constructive report all rectify on the above finding on 27 June 2024.

ii. Commercial Department

In 2023, Department implemented.

1. House Connection	30,113	Connections
• Domestic (PPWSA)		24,152 Connections
• Domestic (Tbong Khmum)		756 Connections
• Commercial (PPWSA)		712 Connections
• Commercial (Tbong Khmum)		03 Connections
• New Connection but use an old meter number (Relocate water meter)	707	Connections
• New Connection but use an old meter number (Resize water meter)	75	Connections
2. The Clean water for low-income families	3,708	Connections
3. The Movement Water Meter (Lift/Scroll)	1,067	Meters

Commercial Department operates their tasks smoothly and good cooperation; Otherwise, these have some weakness points that need to be improved:

1- Report of 11 years water meters and up is not accurate

In 2023, the Customer Relations Office had replaced water meter that were 11 years old up:

- Unable to distinguish between limited life, broken and lifting/scrolling water meter.
- Excess 141 water meter in report base on the audit checked in 6,096 water meters.

It doesn't apply to the administrative procedures.

The Officer in-charge lacking to properly review and organize each type of report.

The case leading to unclear and duplicated reporting.

Officer in-charge must gather the report (Soft copy and Hard copy) for each work. **Low level Risk.**

Auditee's response:

- **5,955 water maters are actual that repair team exchanged water meter according to the 11 years old.**
- **141 water meters record classified according to various requests**

The Office will start to make a revision form June, 2024 so on and will adjust by specifying the detailed amount on the report to be processed according to the request.

2- The management of inventory stocks are not with actual inventory

As of March 31, 2024, in the reports, there were 66 items. After inspection, it was found that 58 items were accurate and 8 items were inaccurate:

Nº	Code	Description	Quantity in Report	Actual Quantity	Actual	Other
1	2	3	4	5	6=5-4	
1	I-00596	Bend PVC 20x27	111	148	37	
2	I-00597	Bend PVC 26x34	32	47	15	
3	I-00609	Bend Quick 32	36	38	2	
4	I-00647	Coupler Straight Quick 32	70	81	11	
5	I-00761	Male Adaptor 50x1.1/2'	9	10	1	
6	I-00803	Reducing Quick 40x25	10	11	1	
7	I-00840	Male Socket PVC 20x27	39	74	35	
8	I-00854	Solvent PVC 100g	13	46	33	

This matter is not properly implemented on materials for daily use.

The officer in charge did not monitor and update the inventory in system.

This case leads to ineffective inventory management.

The Officer in-charge must strives to increase verification between actual materials and the inventory list in system at the end of each month. In cases where materials exceed the inventory list, they must be returned to the inventory. **Low level Risk.**

Auditee's response:

- **Excess 08 items, because of the labor had some equipment's to use to connected for customers (Location far away).**
- **The Office will be transferring the equipment to the inventory of Accounting Office on June, 2024.**

3- Reports of suspension water supply and network reconnection were duplicated.

In 2023, water supply suspension (Closing valves) 17,462 customers and reconnected 5,299 customers. The auditors found that:

- Duplicate reports of 107 customers on suspension.
- 07 Reconnecting (Customer pay double).

This matter was not yet implemented accurate and the reports is not clear.

The Officer in-charge lack to monitoring diary work.

This case leads to document management ineffective and causes confusion from customers.

Officer in-charge:

- Must prepared and set date the report correctly.
- The procedures for payments of reconnection from customers must be reviewed and adjusted, and refunds must be made to customers in cases of duplicate payments to avoid customer complaints. **Low Level risk.**

Auditee's response:

- **Duplicate 107 customers due to officer in charge set the wrong date.**
- **Duplicate 07 payments Due to:**
 - **Customers having to pay twice a day, the app system in use do not show data of payment of the water bill immediately.**

- **The duplicate payments were made was from the different customers of the same connection, who made a different payment without realizing that someone had already paid the water bill, so he came to pay again.**
- **Currently office studying and preparing for a new company (O One Power) will create a new App. When customers pay for water reconnection, it will display data immediately and go live in July 2024.**

4- **The Reporting of water meter location's movement (Lift/Scroll) is different from the annual report**

In 2023, Hard Copy of meter location's movement (Lift/Scroll) see that:

- Actual work Report 1,067 water maters
- Annual Report 985 water maters
- Excess 82 water maters equal 8.32%

It's not correction and the report's preparations are not clear.

The Officer in-charge lack to monitoring diary work.

This case affects to the document's management and administrative procedures.

The Officer in-charge have to check, verify and follow up accurately before input the data into the report. **Low Level risk.**

Auditee's response:

- **Officer in-charge work according to SOP but lack to monitoring monthly report.**
- **Officer in-charge will start to make a revision from June, 2024.**

5- **Exchange name on the water billing no attachment reference properly**

In 2023 there are 304 Customer that requested to change name on the water billing

- Meanchey Revenue Office 14 Customers
- Russey Keo Revenue Office 111 Customers
- Sen Sok Revenue Office 179 Customers

We found that the attachment of the change name on water billing of the Meanchey Revenue Office were corrected, but Russey Keo Revenue Office and Sen Sok Revenue Office did not have original stamp confirming from Commune/Sangkat;

- Russey Keo Revenue Office 70 Customers
- Sen Sok Revenue Office 11 Customers

This is not yet implemented according to the request for name change and water connection use. **"The documents for name change must be copied with an original stamp":**

- New owner ID card (01 Paper)
- Residence book or family book (01 Paper)
- Land/house transfer (01 Paper)
- Water Bill

The Officer in-charge lacks to review and prepare documents properly.

This case doesn't comply according to the standards of the designated organization.

Officer in-charge must check the documents properly before accepting them. **Low level risk.**

Auditee's response : Sen Sok Revenue Office and Russey Keo Revenue Office: Accepted the shortcoming and will improvements in this case and comply with the Organization's Standards set from June 2024.

Auditee has sent the constructive report all rectify on the above finding on 09 October 2024.

iii. A-Information Technology Center

In 2023, Infomaton Technology Center implemented:

- Customer data correction work 42,270 Customers
- Non-Invoice for Spot Billing 33,570 Customers
- Annual spending, 2023 08 Operations:
 - Support Services 01 Operations
 - Administrative (Various telecommunications services) have 07 Operations
 1. WIFI Internet
 2. Firewall Outside Protection Subscription
 3. System Monitoring
 4. Web Hosting
 5. Wireless AP Subscription
 6. SSL Certificate and Installation Service
 7. Internet Connection

Infomaton Technology Center operates their tasks smoothly and good cooperation; Otherwise, these have some weakness points that need to be improved:

1- Book of number of referents is not accurate

In 2023, There are two part of book of number of referents in Infomaton Technology Center:

- Other requests 001 – 534
- Expense related requests 001 – 145

After monitoring see that:

- Other request was use from 2022 till 2023
- Expense related requests skip (024 -093) and stared from 2018 till 2023.
- Both books of referents were use the same number (Duplicate 001-145)

This meter has not been appropriate in managing outgoing and incoming letter numbers according to administrative procedures.

Officer in-charge lacks to monitoring.

This case leads the above case are not clear.

The Officer in-charge must divide the books according to each section correctly. **Level of risk, Low.**

Auditee’s response: Due to Officer in-charge lack to perform their work, Information Technology Center accepted the audit recommendation and start the revision after getting the audit report.

2- Expiration of License and Service for 1 year of use

The Annual spending 2023 of Information Technology Center has totaling 08 operations on Hardware and Software support services and other telecommunications services for 1 year use. We found there were 5 requests that after long expire:

Nº	Description	Validity Date	Request Date	Expire Date	other
1	Internet WIFI	10/02/23	27/03/23	45 days	
2	Firewall Management Licenses	25/02/23	06/03/23	09 days	
3	System Monitoring Licenses	28/02/23	20/04/23	51 days	
4	Website and Email	01/03/03	06/03/23	05 days	
5	13 units Wireless access Point	28/03/23	04/04/23	07 days	

This has not been implemented properly due to the lack of requesting from His Excellency the Delegate on the use of licenses and technology services after the expiration.

The Officer in-charge lacks to clearly monitor and monitor the validity of work.

This case leads to inconvenient use of technologies and unsafe in managing the network system.

The Officer in-charge must control and monitoring on validity of the licenses and other network systems. **Low level Risk.**

Auditee's response: Due to Officer in-charge lack to perform their work, Information Technology Center accepted the audit recommendation and start the revision after getting the audit report.

Auditee has sent the constructive report all rectify on the above finding on 13 January 2025.

B- Procurement Unit

In 2023, Procurement Unit implemented 45 Contracts:

- International competitive bidding had 04 Contracts
- Local competitive bidding had 33 Contracts
- Price negotiation had 08 Contracts

Procurement Unit operates their tasks smoothly and good cooperation; Otherwise, these have one weakness point that need to be improved:

There is no record of delivery and receipt of goods by the Procurement Committee and the date before the record of delivery and receipt of goods

In 2023, Procurement Unit implemented 45 contracts:

- International competitive bidding had 04 Contracts
- Local competitive bidding had 33 Contracts
- Price negotiation had 08 Contracts

After monitoring see that:

- There are 3 reports that the date on minutes of the Procurement Committee on delivery-receive before the date of the goods delivery-receive.
- There are 6 reports that no record on minutes of the Procurement Committee.

This is not properly implemented according to sub-decree No. 13 of the Royal Decree, date, 23/February/2015 on "The Procedures for the Establishment, Organization and Operation of the Procurement Committee, Chapter 2: Procurement Committee, Article 9- Invite representatives of the Ministry of Economy and Finance to participate in observing all stages of public procurement, except for the stage of contract evaluation.

The Officer in-charge lacks to properly review and prepare delivery-receive documents.

This case makes the delivery-receive procedure ineffective.

The Officer in-charge must review and prepare record of the delivery-receive with the participation of representatives of the Ministry of Economy and Finance, as started in Article 9 above. **Low Level risk.**

Auditee's response: The Procurement Unit accepts the auditor's recommendations and will make improvements in accordance with sub-decree No 13 of the Royal Decree from 2024 Onwards.

Auditee has sent the constructive report all rectify on the above finding on 08 January 2025.

iv. Accounting and Finance Department

Accounting and Finance Department has done a good job of work on general ledger, financial management and inventory management and operate their tasks smoothly. Otherwise, there had weakness point that needs to be improved:

1- Validity of quotations shorter than an actual work

Internal audit selected 337 requests payment in dollar (\$)

- In 2023, There are 230 payments (January, October, November and December).
- In 2024, There are 107 payments (June, July and August)

After check see that there are 08 validity of quotations shorter than actual work:

- In 2023, 01 Payment
- In 2024, 07 Payments

The Officer in-charge not prepared payment documents in accordance with accounting procedures.

This case leads to in inappropriate payment.

The Officer in-charge must cooperate with the relevant departments/units in revising the validity of quotation according to actual work. **Low Level Risk.**

Auditee's response: The Officer in-charge has always checked and communicated with the implementing department as well as the company/supplier after checking that the price list has expired. But some companies/suppliers have revised the price list to extend its validity. However, some of companies/suppliers have not revised because they will keep the price without changing the actual purchase price.

Based on past, the expiry of the price list has not had any significant impact on the purchase price, as the local market has not changed the price of goods significantly. However, The Officer in-charge will make appropriate improvements based on internal audit recommendations.

2- The Remaining materials from project implementation is not attach with Stock Issus Report

There are 481 projects that have remaining materials from project implementation in 2023. 40 projects did not have attached Stock Issus Report and official job usage report

- 14 Job usage reports
- 26 Job Budgets and Quotations

This meter has not yet been implemented appropriately on job stock receipt record.

This case lead to loss of materials.

The Officer in-charge must cooperate with relevant departments in order to attachment document properly. **Level of Risk Low.**

Auditee's response:

- **14 unofficail Job Stock receipt records officer in charge lacks to attach properly reports but actually for every report has official report.**
- **26 Job Budgets and Quotations Officer in-charge lacks to attached stock issus report but actually we have.**

The Office will start the revision after getting the audit report.

C- Conclusion

The above auditing result has shown the good operation process in accordance with SOP and comply with regulations. Employees have carried out their effort in their responsibilities to achieve good result. Auditee accepted the recommendation and will be improve the above finding. Also, clarify on the construction report within 3 months after the audit report issuance.

Internal audit will follow up on the recommendations related to the above finding during the inspection as set in the annual plan.

II. Surprise Audit (First quarter)

1- Checking the inventories (PIPE) of Accounting and Finance Department (First quarter)

As of 25 January 2024, Pipes (25, 32, 40, 50, 63, 75, 90, 110, 160 and 225) After actual inspection, as follows:

N ^o	Inventory Stock					Actual	Borrowing (m)	Pipe of Keeping (m)	Total (m)	Tilt
	Code	Item	Size	Length (m)	Total (m)					
1	2	3	4	5	6	7	8	9	10=7+8-9	11=10-6
A- The Shortage										
1	I-00780	Pipe	63	143,855.10	144,567.10	140,400.00	4,090.00	-	144,490.00	-77.10
	I-03736	(Shi) Pe		712.00						
2	I-00795	(L=11.7m)	90	12.00	71,781.10	68,257.10	3,433.80	-	71,690.90	-90.20
	I-01691	(L=11.8m)		71,455.90						
	I-03732	(Shi) Pe I		269.20						
	I-03733	(Shi) Pe II		44.00						
B- The Excess										
1	I-00317	(L=11.8)	110	75,253.50	76,124.66	73,136.40	3,186.00	188.80	76,133.60	8.94
	I-01329	(L=11.7m)		427.16						
	I-03727	(Shi) Pe		444.00						
2	I-00011	(L=11.7m)	160	11.70	65,600.94	67,070.00	377.60	1,734.60	65,713.00	112.06
	I-01339	(L=11.8m)		65,330.24						
	I-03728	(Shi) Pe		259.00						

Officer in-charge doesn't monitoring the stock that had been out.

This case lead unaccuracy of control and monitoring inventory in the system.

Officer must monitoring inventory in the system to accurately compare to actual inventory.

Auditee's response:

- **Point (A) the shortage of pipes (63 mm and 90 mm pipe) are from The Water Loss Research Office (Water leak repair) of the Water Supply System Management Department that take pipe out but had not made job stock issuance report in the system to remove the number of pipe from the inventory list yet.**
- **Point (B) the excess of Pipe (110 mm and 90 mm) the job stock issuance report of pipe in the Water Distribution Network Office of the Water and Sanitation Service Branch, the job stock issuance report according to the project in the system has been made, but the pipe laying project has not been completed. In addition, the site location does not have a place to store all the pipes, so they take according to the needs of use and storing the pipes in inventory first, which causes excess pipes during the pipe count.**

The Office will start the revision after getting the audit report.

2- The Bill of the water meter reading announcement and the distribution of bills, Section 05-06/24 (Third quarter)

Internal audit reviewed the billing data of the Collectors and distributed the bills for the 05-06/24 session of 120 Collectors as of June 30, 2024, of which 79 Collectors declared bills under 100%, there are 2,293 customers.

After inspect in the system (Customer Data Management System) on 09/08/24:

- Interim bill 486 Customers
- Reconnect 82 Customers
- Cancel 01 Customer (In a location but have two connections)
- Disconnect 1,724 Customers
 - Customer request 12 Customers
 - Unable to contact 35 Customers
 - Irresponsible 07 Customers
 - Locked 94 Customers
 - No water usage required 1,007 Customers
 - Pay by agent 495 Customers
 - Customer debt 74 Customers

Conclusion

During the surprise audit found that office had good established and operated internal control system

- Pipe Inventory is Inaccurate. **Level B, Priority.**
- The water meter reading announcement and the distribution of bills.
 - In case that are abnormal water meter must be exchanged in a time so that invoices can be issued according to the schedule.
 - Unable to contact, irresponsible, locked officer in-charge had been disconnect.
 - Customer debt officer in-charge must elevated the debt collection in accordance with the water fee collection schedule.

III. Reading the water meter and distributing bill by the Collectors, 09-10/24 (Fourth quarter)

After spot check the reading water meter and distributing bill by the Collectors, 09-10/24, according to the Revenue Offices of the Commercial Department as the following result;

N°	Revenue Office	Collectors	Block	Customers	Chosen	Actual	Other
1	Daun Penh	Pheng Tara	01 02 01... 31 01 04 01 09	2,381	108	106	02 Locks
2	Chbar Ampov	Nop Sophon	07 01...14	1,617	155	150	03 Locks
3	Sen Sok	Rom Saret	54/79	1,197	71	68	01 Lock
		Born Chamroeun	48 50 51	1,453	51	50	18 Locks
		Vuth Sachandara	51...59 21...27	2,107	205	187	05 Locks
Total				8,755	590	561	29 Locks

After an inspection, found that reading water meter of the agents correctly.

In addition, our internal audit will continue to monitor and conduct actual inspections at various revenue offices.

Phnom Penh, January 2025
Internal Audit

Read and Acknowledged
Phnom Penh, January 2025
F. Audit Committee
Chairman

APPENDIX III

AUDITED FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

31 DECEMBER 2024

Registration No:
Co.0839 Et/2012

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

**AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
31 DECEMBER 2024**

Registration No:
Co.0839 Et/2012

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CORPORATE INFORMATION

DIRECTORS: H.E. Ek SonnChan
H.E. Mey Vann
H.E. Long Naro
H.E. Chhay Virak
Mr. Ma Noravin
Mr. Nam Chantry
Mr. Sreng Samork

REGISTERED OFFICE: No. 45, St.106
Sangkat Srah Chork, Khan Daun Penh
Phnom Penh, Cambodia

PRINCIPAL BANKERS: ACLEDA Bank Plc.
Advance Bank of Asia Limited
AMK Microfinance Institution Plc.
Amret Microfinance Institution
BRED Bank (Cambodia) Plc.
Cambodia Post Bank Plc.
Cambodian Public Bank Plc.
Canadia Bank Plc.
Chip Mong Commercial Bank Plc.
Foreign Trade Bank of Cambodia
Hattha Bank Plc.
KB Prasac Bank Plc.
Maybank (Cambodia) Plc.
Phillip Bank Plc.
Phnom Penh Commercial Bank Plc.
Sathapana Bank Plc.
Shinhan Bank (Cambodia) Plc.
Vattanac Bank
National Treasury
Municipal Treasury
Takmao Treasury
Tboung Khmum Treasury

AUDITORS: BDO (Cambodia) Limited

Registration No:
Co.0839 Et/2012

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

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PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Phnom Penh Water Supply Authority ("PPWSA") for the financial year ended 31 December 2024.

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.

There have been no significant changes in the nature of these activities during the financial year.

Results of operations

	KHR'000
Profit for the financial year	<u>85,042,913</u>

Dividend

Dividend paid and declared during the financial year was as follows:

	KHR'000
In respect of financial year ended 31 December 2023:	
First and final dividend of KHR350 per ordinary share, paid on 24 May 2024	<u>4,566,091</u>

Reserves and provisions

There was a transfer of KHR122,043,490,750 from retained earnings to legal, general and development reserves, as approved during the Board of Directors meeting on 15 March 2024.

Bad and doubtful debts

Before the statement of profit or loss and other comprehensive income and statement of financial position of the PPWSA were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off bad debts or the amount of the allowance for doubtful debts in the financial statements of the PPWSA inadequate to any material extent.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

DIRECTORS' REPORT (continued)

Current assets

Before the statement of profit or loss and other comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ensure that for any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the PPWSA have been written down to an amount expected if realised.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the PPWSA misleading.

Valuation methods

At the date of this report, the Directors are not aware of any circumstances, which have arisen and which may render adherence to the existing method of valuation of assets or liabilities of the PPWSA misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist:

- (i) any charge on the assets of the PPWSA which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability of the PPWSA which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the PPWSA to meet its obligations when they fall due.

Change of circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the PPWSA, which would render any amount stated in the financial statements as misleading.

Items of an unusual nature

The results of the operations of the PPWSA during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the PPWSA for the financial year for which this report is made.

Share capital

The PPWSA did not issue any shares during the current financial year.

No option to take up unissued shares in the PPWSA was granted during the financial year and there were no shares under options at the end of the financial year in respect of shares in the PPWSA.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

DIRECTORS' REPORT (continued)

Directors

The Directors who have held for office since the date of the last report are:

H.E. Ek SonnChan	(appointed on 10 June 2024)
H.E. Sim Sitha	(end of mandate on 10 June 2024)
H.E. Mey Vann	
H.E. Long Naro	
H.E. Chhay Virak	(appointed on 17 September 2024)
H.E. Nuon Pharat	(resigned on 17 September 2024)
Mr. Ma Noravin	
Mr. Nam Chantry	
Mr. Sreng Samork	

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which the PPWSA is a party, with the object or objects of enabling the Directors of the PPWSA to acquire benefits by means of the acquisition of shares in or debentures of the PPWSA or other body corporate.

Since the end of the previous financial year, the Directors have not received or become entitled to receive any benefit by reason of a contract made by the PPWSA or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 30 to the financial statements.

Directors' responsibility in respect of the financial statements

The Directors are responsible to ascertain that the financial statements give a true and fair view of the financial position of the PPWSA as at 31 December 2024, and of its financial performance and cash flows for the financial year then ended. In preparing these financial statements, the Directors are required to:

- (a) adopt appropriate accounting policies which are supported by reasonable judgements and estimates and then apply them consistently;
- (b) comply with the disclosure requirements of the Cambodian International Financial Reporting Standards ("CIFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (c) maintain adequate accounting records and an effective system of internal controls;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the PPWSA will continue its operations in the foreseeable future; and
- (e) control and direct effectively the PPWSA in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

DIRECTORS' REPORT (continued)

Significant events during the financial year

The significant events during the financial year are disclosed in Note 35 to the financial statements.

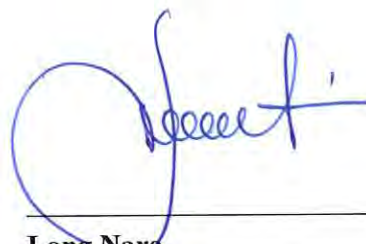
Statement by the Directors

In the opinion of the Directors, the financial statements set out on pages 11 to 54 have been drawn up in accordance with Cambodian International Financial Reporting Standards so as to give a true and fair view of the financial position of the PPWSA as at 31 December 2024, and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors, (E)



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: 28 MAY 2025

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Phnom Penh Water Supply Authority ("PPWSA"), which comprise statement of financial position as at 31 December 2024, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended and note to financial statements, including material accounting policy information, as set out on pages 11 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the PPWSA as at 31 December 2024, and of its financial performance and cash flows for the financial year then ended in accordance with Cambodian International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the PPWSA in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the PPWSA for the current year. These matters were addressed in the context of our audit of the financial statements of the PPWSA as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Key Audit Matters (continued)

(a) Accrued water revenue

Accrued water revenue of KHR33.2 billion as disclosed in Note 9 to the financial statements represents the value of water supplied to customers between the date of the last meter reading and the reporting date where no bill has been issued by the PPWSA to the customer at the end of the reporting period. We determined this to be key audit matter as it involves significant management judgement and assumptions to estimate water loss, unbilled consumption and applying the appropriate average tariff rate.

Audit response

Our audit procedures included the following:

- Obtaining an understanding of management's estimation methodology and evaluating whether it was applied consistently and appropriately;
- Testing the mathematical accuracy of the accrued revenue calculation;
- Assessing the reasonableness of key inputs, including;
 - (i) Water volume produced during the period, by agreeing to production reports;
 - (ii) Water revenue billed, by reconciling to billing records;
 - (iii) Water loss estimates, by reviewing historical data and NRW reports;
 - (iv) Average tariff rate, by reviewing approved tariff schedules and customer usage profiles;
- Comparing the current year's estimates to actual subsequent billings to assess the reliability of management's estimation process; and
- Involving our appointed IT specialists to evaluate the reliability and integrity of the billing and water production systems used to generate the underlying data supporting the accrued revenue estimation, as well as assessing the adequacy of related disclosures in the financial statements.

(b) Impairment of trade receivables

Gross trade receivables of the PPWSA as at 31 December 2024 were KHR7.52 billion as disclosed in Note 8 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward looking information.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Key Audit Matters (continued)

(b) Impairment of trade receivables (continued)

Audit response

Our audit procedures included the following:

- Recomputed the probability of default using historical data and forward looking information adjustment applied by the PPWSA;
- Recomputed the correlation coefficient between the macroeconomic indicators used by the PPWSA and historical losses to determine the appropriateness of the forward-looking information used by the PPWSA;
- Inquiries of management to assess the rationale underling the relationship between the forward-looking information and expected credit losses; and
- Assessed actual loss events subsequent to the end of reporting period for its relationship with the indicators of significant increase in credit risk applied by management.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the PPWSA are responsible for the other information. The other information comprises the annual report but does not include the financial statements of the PPWSA and our auditors' report thereon.

Our opinion on the financial statements of the PPWSA does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the PPWSA, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the PPWSA or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the PPWSA are responsible for the preparation and fair presentation of these financial statements in accordance with Cambodian International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the PPWSA that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Responsibilities of the Directors for the Financial Statements (continued)

In preparing the financial statements of the PPWSA, the Directors are responsible for assessing the PPWSA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the PPWSA, or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the PPWSA as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the PPWSA, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PPWSA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PPWSA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the PPWSA or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the PPWSA to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)
(Registration No: Co.0839 Et/2012) (continued)**

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with CISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Evaluate the overall presentation, structure and content of the financial statements of the PPWSA, including the disclosures, and whether the financial statements of the PPWSA represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the PPWSA for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the shareholders of the PPWSA, as a body. We do not assume responsibility to any other person for the content of this report.

The financial statements of the PPWSA for the financial year ended 31 December 2023 was audited by another firm of Certified Public Accountants, whose report dated 13 March 2024 expressed an unqualified opinion on those statements.

For and on behalf of
BDO (Cambodia) Limited



Song Sreyratha
Certified Public Accountant

Phnom Penh, Cambodia
Date: 28 May 2025

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	31.12.2024 KHR'000	31.12.2023 KHR'000 (restated)	1.1.2023 KHR'000 (restated)
ASSETS				
Non-current assets				
Property, plant and equipment	5	2,939,664,426	2,494,501,714	2,203,041,914
Intangible assets	6	9,080,507	10,463,074	12,089,587
		<u>2,948,744,933</u>	<u>2,504,964,788</u>	<u>2,215,131,501</u>
Current assets				
Inventories	7	144,235,770	318,746,592	152,737,078
Trade and other receivables	8	27,537,927	17,664,096	25,377,170
Contract assets	9	37,586,190	38,628,477	34,925,467
Loan to employees	10	3,894,589	7,956,651	7,956,651
Short-term investments	11	94,961,360	127,316,003	126,118,416
Current tax assets		3,797,846	-	-
Cash and bank balances	12	18,406,666	23,088,570	61,158,915
		<u>330,420,348</u>	<u>533,400,389</u>	<u>408,273,697</u>
TOTAL ASSETS		<u>3,279,165,281</u>	<u>3,038,365,177</u>	<u>2,623,405,198</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	13	620,759,107	620,759,107	620,759,107
Reserves	14	713,232,603	591,192,666	543,268,075
Retained earnings		31,080,903	72,644,018	52,226,195
TOTAL EQUITY		<u>1,365,072,613</u>	<u>1,284,595,791</u>	<u>1,216,253,377</u>
LIABILITIES				
Non-current liabilities				
Borrowings	15	443,727,099	457,818,735	986,495,717
Deferred government and other grants	16	72,625,961	74,162,746	69,238,477
Deferred tax liabilities	17	105,146,861	91,994,321	77,016,716
Other payables	18	88,950,566	82,903,732	76,801,705
		<u>710,450,487</u>	<u>706,879,534</u>	<u>1,209,552,615</u>
Current liabilities				
Trade and other payables	18	213,224,225	169,743,640	149,890,145
Borrowings	15	986,892,283	862,783,350	23,499,158
Contract liabilities	9	3,525,673	4,254,138	4,456,756
Current tax liabilities		-	10,108,724	19,753,147
		<u>1,203,642,181</u>	<u>1,046,889,852</u>	<u>197,599,206</u>
TOTAL LIABILITIES		<u>1,914,092,668</u>	<u>1,753,769,386</u>	<u>1,407,151,821</u>
TOTAL EQUITY AND LIABILITIES		<u>3,279,165,281</u>	<u>3,038,365,177</u>	<u>2,623,405,198</u>

The accompanying notes form an integral part of the financial statements.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 KHR'000	2023 KHR'000 (restated)
Revenue:			
Sales	19	317,778,996	297,416,141
Construction service fees	20	11,392,112	14,854,539
Other income	21	<u>18,526,670</u>	<u>21,138,150</u>
		<u>347,697,778</u>	<u>333,408,830</u>
Expenses:			
Depreciation and amortisation charges		(59,515,914)	(61,978,134)
Electricity costs		(48,653,063)	(42,291,446)
Salaries, wages and related expenses	22	(85,552,510)	(80,292,438)
Raw materials for water treatment	23	(18,976,590)	(15,875,313)
Raw materials for household water connections	24	(6,293,277)	(4,816,514)
Repairs and maintenance		(14,666,732)	(11,651,058)
Construction service expenses		(8,961,596)	(9,731,518)
Reversal of impairment on loan to employees	10	260,874	-
Other operating expenses		(14,136,399)	(15,155,437)
Foreign exchange loss - net	25	<u>(2,196,121)</u>	<u>(5,856,919)</u>
		<u>(258,691,328)</u>	<u>(247,648,777)</u>
Operating profit		89,006,450	85,760,053
Finance income	26	57,169,387	39,038,591
Finance costs	26	<u>(39,001,476)</u>	<u>(25,860,597)</u>
Profit before tax		107,174,361	98,938,047
Tax expense	27	<u>(22,131,448)</u>	<u>(26,290,475)</u>
Profit for the financial year		85,042,913	72,647,572
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		<u>85,042,913</u>	<u>72,647,572</u>
Earnings per share (expressed in KHR) attributable to shareholders of the PPWSA during the financial year are as follows:			
Basic earnings per share	28	977.81	835.29
Diluted earnings per share	28	<u>977.81</u>	<u>835.29</u>

The accompanying notes form an integral part of the financial statements.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital KHR'000	Reserves KHR'000	Retained earnings KHR'000	Total KHR'000
Balance as at 1 January 2023, as previously reported		620,759,107	543,268,075	108,185,865	1,272,213,047
Prior year adjustments	37	-	-	(55,959,670)	(55,959,670)
Balance as at 1 January 2023, as restated		620,759,107	543,268,075	52,226,195	1,216,253,377
Profit for the financial year, representing total comprehensive income:					
- As previously reported		-	-	126,609,582	126,609,582
- Prior year adjustments	37	-	-	(53,962,010)	(53,962,010)
As restated		-	-	72,647,572	72,647,572
Transactions with owners					
Transfer to reserves:					
- As previously reported	14	-	103,880,707	(103,880,707)	-
- Prior year adjustments	37	-	(55,956,116)	55,956,116	-
Dividends	29	-	-	(4,305,158)	(4,305,158)
Total transactions with owners, as restated		-	47,924,591	(52,229,749)	(4,305,158)
Balance as at 31 December 2023/1 January 2024, as restated		620,759,107	591,192,666	72,644,018	1,284,595,791
Profit for the financial year, representing total comprehensive income		-	-	85,042,913	85,042,913
Transactions with owners					
Transfer to reserves	14	-	122,043,491	(122,043,491)	-
Dividends	29	-	-	(4,566,091)	(4,566,091)
Total transactions with owners		-	122,043,491	(126,609,582)	(4,566,091)
Balance as at 31 December 2024		620,759,107	713,236,157	31,077,349	1,365,072,613

The accompanying notes form an integral part of the financial statements.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 KHR'000	2023 KHR'000 (restated)
Cash flows from operating activities			
Profit before tax		107,174,361	98,938,047
Adjustments for:			
Amortisation of intangible assets	6	1,157,155	1,856,450
Amortisation of deferred government and other grants	16	(2,009,908)	(2,009,908)
Depreciation of property, plant and equipment	5	58,107,873	60,115,369
Finance income	26	(57,169,387)	(39,038,591)
Finance costs	26	39,001,476	25,860,597
Property, plant and equipment written-off	5	365,907	1,628,455
Intangible assets written-off	6	250,886	6,315
Reversal of impairment on loan to employees	10	(260,874)	-
Operating profit before working capital changes		146,617,489	147,356,734
Changes in working capital:			
Inventories		130,023,452	(238,152,938)
Trade and other receivables		(15,084,160)	8,140,350
Trade and other payables		(14,746,833)	12,772,383
Contract assets		1,042,287	(3,703,010)
Contract liabilities		(728,465)	(202,618)
Cash generated from/(used in) operations		247,123,770	(73,789,099)
Income tax paid		(19,087,632)	(20,957,293)
Net cash from/(used in) operating activities		228,036,138	(94,746,392)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(389,896,854)	(256,226,232)
Purchase of intangible assets	6	(25,474)	(236,252)
Interest received		8,025,977	6,310,491
Withdrawal/(Placement) of short-term investments		32,354,643	(1,197,587)
Net cash used in investing activities		(349,541,708)	(251,349,580)

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)

	Note	2024 KHR'000	2023 KHR'000 (restated)
Cash flows from financing activities			
Dividend paid		(4,566,091)	(4,305,158)
Drawdown of borrowings		155,911,598	341,987,537
Interest paid		(19,232,563)	(15,111,475)
Repayments of borrowings		(20,085,337)	(21,479,454)
Proceed from government grant	16	473,123	6,934,177
Proceed from settlement of loan to employee		<u>4,322,936</u>	<u>-</u>
Net cash from financing activities		<u>116,823,666</u>	<u>308,025,627</u>
Net decrease in cash and cash equivalents		(4,681,904)	(38,070,345)
Cash and cash equivalents at beginning of financial year		<u>23,088,570</u>	<u>61,158,915</u>
Cash and cash equivalents at end of financial year	12	<u>18,406,666</u>	<u>23,088,570</u>

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings (Note 15) KHR'000
At 1 January 2023	1,009,994,875
Cash flows	320,508,079
Non-cash flows:	
- Effect of foreign exchange	(9,967,955)
- Accrued interest	<u>67,086</u>
At 31 December 2023	1,320,602,085
Cash flows	135,826,261
Non-cash flows:	
- Effect of foreign exchange	(25,975,442)
- Accrued interest	<u>166,478</u>
At 31 December 2024	<u>1,430,619,382</u>

The accompanying notes form an integral part of the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 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 No. 45, Street 106, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, the Kingdom of Cambodia.

The financial statements are presented in Khmer Riel (“KHR”), which is also the financial currency of the PPWSA.

The financial statements were authorised for issue by the Board of Directors on 28 May 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.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the PPWSA have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) as issued by the Accounting and Auditing Regulator (“ACAR”) of the Ministry of Economy and Finance.

4. BASIS OF ACCOUNTING

The accounting policies adopted are consistent with those of the previous financial year except for the effects, if any, of the adoption of new CIFRSs during the financial year. The new CIFRSs adopted during the financial year are disclosed in Note 38 to the financial statements.

The financial statements of the PPWSA have been prepared under the historical cost convention except as otherwise stated in the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land KHR'000	Building KHR'000	Machinery KHR'000	Fluid equipment KHR'000	Laboratory equipment KHR'000	Office furniture and equipment KHR'000	Electricity equipment KHR'000	Motor vehicles KHR'000	Valves and tools KHR'000	Water meters KHR'000	House connection KHR'000	Construction in progress KHR'000	Total KHR'000
<i>Cost</i>													
Balance at 1.1.2023	176,576,155	415,986,870	137,498,829	724,116,832	3,123,700	28,249,561	164,671,590	49,935,680	45,439,288	13,580,286	30,394,033	1,015,888,406	2,805,461,230
Additions	-	88,525	368,690	-	-	1,789,175	1,334,822	7,775,357	430,214	-	-	269,750,993	281,537,776
Transfer from inventory	-	-	3,281,533	4,385	144,633	56,849	1,261,430	11,088	2,487,058	54,974	-	64,841,475	72,143,425
Transfers	23,535,153	1,593,975	78,567	67,927,030	-	-	864,757	3,505,311	452,933	848,521	6,537,616	(105,343,863)	-
Written-off	-	(448,092)	(1,276,997)	-	(57,662)	(802,819)	(727,454)	(607,470)	(1,131,314)	(3,741)	-	(1,183,785)	(6,239,334)
Balance at 31.12.2023, as previously reported	200,111,308	417,221,278	139,950,622	792,048,247	3,210,671	29,292,766	167,405,145	60,619,966	47,678,179	14,480,040	36,931,649	1,243,953,226	3,152,903,097
Prior year adjustment (Note 37)	-	-	-	-	-	-	-	-	-	-	-	(477,576)	(477,576)
Balance at 31.12.2023, as restated	200,111,308	417,221,278	139,950,622	792,048,247	3,210,671	29,292,766	167,405,145	60,619,966	47,678,179	14,480,040	36,931,649	1,243,475,650	3,152,425,521
Additions	-	23,179	120,245	-	-	2,071,952	212,411	1,453,052	175,940	-	-	455,092,343	459,149,122
Transfer from inventory	-	-	2,514,279	-	277,157	-	2,352,287	4,100,112	2,069,613	806,149	10,454,720	21,913,053	44,487,370
Transfers	-	1,001,602	-	30,739,311	-	-	209,751	-	514,935	741,056	-	(33,206,655)	-
Written-off	-	(73,009)	(662,435)	-	-	(1,523,306)	(1,769,274)	-	(618,884)	-	-	-	(4,646,908)
Balance at 31.12.2024	200,111,308	418,173,050	141,922,711	822,787,558	3,487,828	29,841,412	168,410,320	66,173,130	49,819,783	16,027,245	47,386,369	1,687,274,391	3,651,415,105

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land KHR'000	Building KHR'000	Machinery KHR'000	Fluid equipment KHR'000	Laboratory equipment KHR'000	Office furniture and equipment KHR'000	Electricity equipment KHR'000	Motor vehicles KHR'000	Valves and tools KHR'000	Water meters KHR'000	House connection KHR'000	Construct- ion in progress KHR'000	Total KHR'000
<i>Accumulated depreciation</i>													
Balance at 1.1.2023	-	93,795,771	72,662,657	228,636,245	1,194,499	19,221,555	107,385,595	41,699,808	22,190,935	9,517,293	6,114,959	-	602,419,317
Depreciation for the year	-	8,907,305	7,288,804	20,479,280	364,711	2,571,019	8,240,805	3,724,453	4,268,766	1,487,828	2,782,398	-	60,115,369
Written-off	-	(110,231)	(1,223,804)	-	(56,137)	(780,362)	(727,454)	(607,470)	(1,101,680)	(3,741)	-	-	(4,610,879)
Balance at 31.12.2023	-	102,592,845	78,727,657	249,115,525	1,503,073	21,012,212	114,898,946	44,816,791	25,358,021	11,001,380	8,897,357	-	657,923,807
Depreciation for the year	-	9,028,063	6,561,224	17,739,729	393,127	2,463,747	8,456,160	4,211,037	4,338,595	1,389,307	3,526,884	-	58,107,873
Written-off	-	(36,876)	(595,665)	-	-	(1,492,646)	(1,536,930)	-	(618,884)	-	-	-	(4,281,001)
Balance at 31.12.2024	-	111,584,032	84,693,216	266,855,254	1,896,200	21,983,313	121,818,176	49,027,828	29,077,732	12,390,687	12,424,241	-	711,750,679
<i>Carrying amounts</i>													
Balance at 31.12.2024	200,111,308	306,589,018	57,229,495	555,932,304	1,591,628	7,858,099	46,592,144	17,145,302	20,742,051	3,636,558	34,962,128	1,687,274,391	2,939,664,426
Balance at 31.12.2023, as restated	200,111,308	314,628,433	61,222,965	542,932,722	1,707,598	8,280,554	52,506,199	15,803,175	22,320,158	3,478,660	28,034,292	1,243,475,650	2,494,501,714

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

Building	30 to 50 years
Machinery	3 to 20 years
Fluid equipment	6 to 50 years
Laboratory equipment	6 to 7 years
Office furniture and equipment	2 to 7 years
Electricity equipment	2 to 20 years
Motor vehicles	2 to 7 years
Valves and tools	3 to 15 years
Water meters	5 to 20 years
House connection	12 years

Freehold land has unlimited useful life and is not depreciated.

Constructions in progress represent construction of new water treatment plant, extension of the transmission and distribution networks and renovation-in-progress. Constructions in progress are not depreciated until such time when the asset is available for use.

- (b) During the financial year, the PPWSA made the following cash payments to purchase property, plant and equipment:

	2024 KHR'000	2023 KHR'000 (restated)
Additions	459,149,122	281,994,799
Increase in payables to suppliers	(64,274,252)	(14,117,735)
Interest capitalised on qualifying assets	(4,978,016)	(11,650,832)
	<u>389,896,854</u>	<u>256,226,232</u>
Cash payments on purchase of property, plant and equipment		

6. INTANGIBLE ASSETS

	KHR'000
<i>Cost</i>	
Balance as at 1.1.2023	26,752,870
Additions	236,252
Written-off	<u>(6,315)</u>
Balance as at 31.12.2023	26,982,807
Additions	25,474
Written-off	<u>(250,886)</u>
Balance as at 31.12.2024	<u>26,757,395</u>
<i>Accumulated amortisation</i>	
Balance as at 1.1.2023	14,663,283
Amortisation for the year	<u>1,856,450</u>
Balance as at 31.12.2023	16,519,733
Amortisation for the year	<u>1,157,155</u>
Balance as at 31.12.2024	<u>17,676,888</u>
<i>Carrying amounts</i>	
Balance as at 31.12.2024	<u>9,080,507</u>
Balance as at 31.12.2023	<u>10,463,074</u>

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.
- (b) Intangible assets comprise accounting software as well as network software and are amortised over seven years using the straight line method.

7. INVENTORIES

	2024	2023
	KHR'000	KHR'000
At cost		
Distribution pipes and fittings	108,972,392	236,369,780
Water meters	10,244,393	7,421,159
Spare parts and tools	11,631,120	8,804,282
Chemicals	2,134,409	2,542,060
Drums and other packages	100,216	100,216
Inventories in transit*	733,496	48,933,853
Other materials	<u>10,419,744</u>	<u>14,575,242</u>
	<u>144,235,770</u>	<u>318,746,592</u>

* Inventories in transit are main pipes which arrived at the port of Cambodia.

- (a) Inventories costs are determined using the weighted average cost basis and stated at the lower of cost and net realisable value.
- (b) During the financial year, inventories of the PPWSA recognised as expenses amounted to KHR25.27 billion (2023: KHR20.69 billion).

8. TRADE AND OTHER RECEIVABLES

	2024 KHR'000	2023 KHR'000 (restated)
Trade receivables		
Household receivables	854,897	2,429,381
Commercial receivables	1,270,300	1,673,696
Public administration receivables	5,342,516	4,476,734
Water wholesalers	60,096	221,508
Less: Impairment loss (household receivables)	<u>(5,553)</u>	<u>(5,553)</u>
	<u>7,522,256</u>	<u>8,795,766</u>
Other receivables		
Interest receivables	1,323,663	2,736,146
Other receivables	<u>6,399,986</u>	<u>5,491,907</u>
	<u>7,723,649</u>	<u>8,228,053</u>
Total receivables	<u>15,245,905</u>	<u>17,023,819</u>
Advances to suppliers	<u>12,292,022</u>	<u>640,277</u>
	<u>27,537,927</u>	<u>17,664,096</u>

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the PPWSA to households and businesses is one month (2023: one month) and to government departments is one year (2023: one year).
- (c) Public administrator customers are related to receivables from government departments with whom there is no recent history of default.
- (d) The currency exposure profile of receivables is as follow:

	2024 KHR'000	2023 KHR'000
Khmer Riel	15,980,156	17,023,819
United States Dollar	<u>11,557,771</u>	<u>640,277</u>
	<u>27,537,927</u>	<u>17,664,096</u>

- (e) For impairment of trade receivables and contract assets that do not contain a significant financing component, the PPWSA applies the CIFRS 9 simplified approach to measuring expected credit loss using a lifetime credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The expected loss rates are based on the PPWSA's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the PPWSA's customers.

Management exercised significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

8. TRADE AND OTHER RECEIVABLES (continued)

- (e) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the PPWSA are summarised in the table below:

	2024 KHR'000	2023 KHR'000
Maximum exposure	7,522,256	8,795,766
Collateral obtained (deposits from customers)	<u>(7,522,256)</u>	<u>(8,795,766)</u>
Net exposure to credit risk	<u>-</u>	<u>-</u>

During the financial year, the PPWSA did not renegotiate the terms of any trade receivables.

- (f) Movements in the impairment allowance for trade receivables are as follows:

	Specific allowance KHR'000	Total allowance KHR'000
At 1 January 2023/1 January 2024	5,553	5,553
Charge for the year	<u>-</u>	<u>-</u>
At 31 December 2023/31 December 2024	<u>5,553</u>	<u>5,553</u>

Specific allowance refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of financial year.

- (g) Impairment for other receivables and loan to employees are recognised based on the general approach within CIFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

9. CONTRACT ASSETS/(LIABILITIES)

	2024 KHR'000	2023 KHR'000 (restated)
Contract assets		
Construction service receivable	4,398,564	7,624,339
Accrued water revenue	<u>33,187,626</u>	<u>31,004,138</u>
	<u>37,586,190</u>	<u>38,628,477</u>
Contract liabilities		
Deferred income	(5,278)	(5,278)
Unearned income	<u>(3,520,395)</u>	<u>(4,248,860)</u>
	<u>(3,525,673)</u>	<u>(4,254,138)</u>
	<u>34,060,517</u>	<u>34,374,339</u>

9. CONTRACT ASSETS/(LIABILITIES) (continued)

(a) Construction service receivable and unearned income

Construction service receivable and unearned income represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Construction service receivable is transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the PPWSA issues billing to the customers.

Unearned income represents the cash received in advance for the construction services provided in relation to the expansion of the water distribution system to a water supply distributor in the provinces. Unearned income is recognised as revenue when performance obligations are satisfied.

(b) Accrued water revenue

Accrued water revenue represents water supplied to customers but not billed at the year end. These contract assets are transferred to receivables when the right to economic benefits becomes unconditional, which occurs when the PPWSA issues the bill.

(c) Significant changes in contract balances

	Construction service receivable KHR'000	Accrued water revenue KHR'000	Unearned income KHR'000
At 1 January 2023 (restated)	3,533,897	28,507,354	4,451,478
Increase due to revenue recognised for unbilled construction service fee/water sales to customers	14,854,539	310,104,717	-
Progress billing	<u>(10,764,097)</u>	<u>(307,607,933)</u>	<u>(202,618)</u>
At 31 December 2023 (restated)	7,624,339	31,004,138	4,248,860
Increase due to revenue recognised for unbilled construction service fee/water sales to customers	11,392,112	302,172,923	1,331,192
Progress billing	<u>(14,617,887)</u>	<u>(299,989,435)</u>	<u>(2,059,657)</u>
At 31 December 2024	<u>4,398,564</u>	<u>33,187,626</u>	<u>3,520,395</u>

(d) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	2024 US\$	2025 US\$	Total US\$
31 December 2024	-	3,520,395	3,520,395
31 December 2023	4,248,860	-	4,248,860

(e) The PPWSA applies the CIFRS 9 simplified approach to measuring expected credit losses using a lifetime credit loss provision as disclosed in Note 8 to the financial statements.

9. CONTRACT ASSETS/(LIABILITIES) (continued)

(f) The currency exposure profile of contract assets and contract liabilities are as follow:

	2024 KHR'000	2023 KHR'000
Contract assets		
Khmer Riel	33,187,626	31,004,138
United States Dollar	<u>4,398,564</u>	<u>7,624,339</u>
	<u>37,586,190</u>	<u>38,628,477</u>
Contract liabilities		
Khmer Riel	5,278	5,278
United States Dollar	<u>3,520,395</u>	<u>4,248,860</u>
	<u>3,525,673</u>	<u>4,254,138</u>

10. LOAN TO EMPLOYEES

	2024 KHR'000	2023 KHR'000
Receivables from employees	3,894,589	8,217,525
Less: Impairment loss	<u>-</u>	<u>(260,874)</u>
	<u>3,894,589</u>	<u>7,956,651</u>

(a) Loan to employees are classified as financial assets measured at amortised cost.

(b) On 15 February 2012, the Board of Directors approved the motion that 10% of the floating shares be reserved for the PPWSA's staff. The number of shares to be allotted to each employee was finalised on 3 April 2012. This date is therefore regarded as the grant date for the employee share option plan. The total loans, paid on 6 April 2012, amounted to KHR8,218 million. The PPWSA provided interest-free loans with a term of three year to employees and senior officers to purchase these shares. On the due date the loans must be repaid in full to the PPWSA. According to the minutes of the Board of Directors meeting dated 20 December 2012, the employees are allowed to trade their shares if the loans have been paid. PPWSA has established a temporary account at the Securities Depository to hold the ownership securities of 529 directors and officers, totalling 1,304,396 shares, as stated in Securities Depository Certificate No. 185/12 issued by the Cambodian Stock Exchange ("CSX").

On 24 January 2024, PPWSA submitted a request to the Securities and Exchange Regulator of Cambodia ("SERC") for approval to transfer the shares currently held under PPWSA's name to 396 directors and officers. This transfer is necessary for PPWSA to proceed with the next steps with CSX. The remaining 133 individuals, whose combined shareholding amounts to 498,839 shares, including those who have retired, deceased, or cannot be contacted, remain under the temporary account pending a resolution. SERC approved PPWSA's request through an official letter dated on 28 February 2024.

On 26 June 2024, the Department of Administration and Human Resources officially announced to the relevant directors and employees that the loan settlement would be made through salary deductions, commencing from June 2024 onward.

Following the approval letter from SERC, on 7 August 2024, PPWSA submitted a request to the CSX to transfer the trading accounts to its staff. However, only 390 individuals were eligible for the transfer, as the remaining 6 individuals, holding a total of 18,487 shares, either did not agree to settle the loan through salary deductions, retired, or were deceased.

10. LOAN TO EMPLOYEES (continued)

- (b) On 13 September 2024, the PPWSA completed the transfer of 787,043 shares from its temporary account to the trading accounts of 390 directors, senior officers, and employees, following the implementation of internal procedures.
- (c) The PPWSA applies the CIFRS 9 general approach to measuring expected credit losses using forward looking expected credit loss model provision as disclosed in Note 8 to the financial statements.

On 31 December 2024, the share price has increased and management has decided to make a reversal of impairment amounting approximately to KHR261 million (2023: nil) in the financial statements.

- (d) As at the end of each reporting period, the credit risks exposures and concentration relating to loan to employees of the PPWSA are summarised in the table below:

	2024 KHR'000	2023 KHR'000
Maximum exposure	3,894,589	7,956,651
Collateral obtained	<u>(3,894,589)</u>	<u>(7,956,651)</u>
Net exposure to credit risk	<u>-</u>	<u>-</u>

- (e) Movements in the impairment allowance for loan to employees is as follows:

	2024 KHR'000	2023 KHR'000
At 1 January	260,874	260,874
Reversal of impairment loss	<u>(260,874)</u>	<u>-</u>
At 31 December	<u>-</u>	<u>260,874</u>

11. SHORT-TERM INVESTMENTS

- (a) Short-term investments are classified as financial assets measured at amortised cost.
- (b) Short-term investments include deposits amounting to KHR94.9 billion (2023: KHR127.3 billion) set up specifically for the purpose of receiving the interest and for precautionary measures and speculative activities.
- (c) The short-term investments represents fixed deposits placed with financial institutions for a period of between nine and twelve months (2023: nine and twelve months), earning interest at rate of 3.50% to 5.25% (2023: 3.50% to 6.75%) per annum.
- (d) Weighted average effective interest rate of short-term investments of the PPWSA as at the end of each reporting period are as follows:

	Weighted average effective interest rate per annum %	Within 1 year KHR'000	Total KHR'000
31 December 2024			
Fixed rates	4.57	<u>94,961,360</u>	<u>94,961,360</u>
31 December 2023			
Fixed rates	6.02	<u>127,316,003</u>	<u>127,316,003</u>

11. SHORT-TERM INVESTMENTS (continued)

(e) The currency exposure profile of short-term investments is as follows:

	2024 KHR'000	2023 KHR'000
Khmer Riel	30,000,000	35,000,000
United States Dollar	<u>64,961,360</u>	<u>92,316,003</u>
	<u>94,961,360</u>	<u>127,316,003</u>

12. CASH AND BANK BALANCES

	2024 KHR'000	2023 KHR'000 (restated)
Cash on hand	196,820	335,071
Cash at banks	<u>18,209,846</u>	<u>22,753,499</u>
	<u>18,406,666</u>	<u>23,088,570</u>

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) The currency exposure profile of cash and bank balances is as follows:

	2024 KHR'000	2023 KHR'000
Khmer Riel	17,033,379	18,919,990
United States Dollar	<u>1,373,287</u>	<u>4,168,580</u>
	<u>18,406,666</u>	<u>23,088,570</u>

(c) Weighted average effective interest rate of deposits with licensed banks of the PPWSA as at the end of each reporting period are as follows:

	2024 %	2023 %
Fixed rates	<u>1.65</u>	<u>1.50</u>

13. SHARE CAPITAL

	Ordinary shares		Class A shares		Share premium	Capital reserve	Total
	Number	KHR'000	Number	KHR'000	KHR'000	KHR'000	KHR'000
As at 31.12.24	<u>86,973,162</u>	<u>86,973,162</u>	<u>391,101,942</u>	<u>391,100,942</u>	<u>63,153,178</u>	<u>79,531,825</u>	<u>620,759,107</u>
As at 31.12.23	<u>86,973,162</u>	<u>86,973,162</u>	<u>391,100,942</u>	<u>391,100,942</u>	<u>63,153,178</u>	<u>79,531,825</u>	<u>620,759,107</u>

(a) On 15 February 2012, the Board of Directors approved the split of the existing capital of KHR465,028,000 into 73,927,187 ordinary shares and 391,100,942 Class A shares with a par value of KHR1,000 per share. Class A shares are not eligible for interest or dividend and have rights and conditions as detailed in article 12.2 of the Articles of Incorporation dated 27 June 2012.

13. SHARE CAPITAL (continued)

- (b) On 18 April 2012, the PPWSA was successfully listed on the Cambodia Securities Exchange (“CSX”). It is the first company on the CSX. The total number of ordinary shares is 86,973,162 shares with a par value of KHR1,000 per share. The costs of issuing 13,045,975 new shares amounting to KHR6,000 million have been offset with the share premium. All issued ordinary shares are fully paid. The details of ordinary shares are as follows:

Shareholders	Number of shares	%
MoEF	73,927,187	85%
Other shareholders	12,547,136	14%
Employee share option scheme*	498,839	1%
	86,973,162	100%

* Based on the minutes of the Board of Directors meeting dated 20 December 2012, the employees are allowed to trade their shares if the corresponding loans have been repaid.

- (c) On 23 March 2021, the MoEF increased its capital in PPWSA by injecting the assets, liabilities and equity of Tbong Khmum Province Water Treatment Plant Operation (“the Tbong Khmum Project”) into PPWSA, totalling to KHR78,088,604,000, without the issuance of any additional shares of PPWSA.

14. RESERVES

	Capital reserve KHR’000	Legal reserve KHR’000	General reserve KHR’000	Development reserve KHR’000	Total KHR’000
As at 1.1.2023, as previously reported	1,648,435	38,581,671	38,581,671	464,456,298	543,268,075
Transfer from/(to) retained earnings:					
- As previously reported	-	5,409,294	5,409,294	93,062,119	103,880,707
- Prior year adjustments (Note 37)	-	-	-	(55,956,116)	(55,956,116)
As restated	-	5,409,294	5,409,294	37,106,003	47,924,591
As at 31.12.2023/ 1.1.2024 (restated)	1,648,435	43,990,965	43,990,965	501,562,301	591,192,666
Transfer from retained earnings	-	6,330,479	6,330,479	109,382,533	122,043,491
As at 31.12.2024	1,648,435	50,321,444	50,321,444	610,944,834	713,236,157

14. RESERVES (continued)

- (a) In accordance with the PPWSA's status dated 22 February 1999, article 29 the PPWSA's profit, after offsetting with losses carried forward (if any), can be used as follows:
- for management and staff bonuses
 - for legal reserve – 5%
 - for general reserve – 5%
 - the remaining balance for development reserve
- (b) Effective from the year ended 31 December 2007, the MoEF accepted the proposed 10% annual profit distribution from the PPWSA in its letter No. 2254, dated 2 May 2008. However, from 2012 onward, after the listing of the PPWSA, the distribution of dividends will be in accordance with the new status of the PPWSA, date 27 June 2012. The distribution of dividends shall be as follows:

The dividend policy shall be determined in line with the following criteria for profit allocation:

1. Compensation for losses incurred in previous years
 2. After the compensation for losses, the remaining profit, if any, shall be distributed as follows:
 - i. Reward to management and employees as follows:
 - One month's salary for all employees if the net profit is between 5% and 10% of operating expenses
 - Two months' salary for all employees if the net profit is between 10% and 20% of operating expenses
 - Three months' salary for all employees if the net profit is more than 20% of operating expense
 - ii. 2% for retirement benefits and disability benefits
 - iii. 5% for legal reserve
 - iv. 5% for general reserve
 - v. 5% for social fund, which shall be recorded as an expense in the year of the transition
 3. The remaining amount after the above allocations shall be allocated to:
 - i. Reserve for future investments (retained earnings) subject to the Board of Director's approval
 - ii. The remaining balance after investment reserve is allocated to the MoEF and public investors at the ratio of 85% and 15%, respectively.
- (c) The use of reserves to pay for corporate social responsibility is in accordance with letter No. 284 from the Ministry of the Council of Ministers, dated 11 March 2010. Corporate social responsibility represents the development of a water supply system for military teams in several provinces. The work extended into 2011 in accordance with the letter of the Deputy Prime Minister Keat Chhon No. 2210 MoEF, dated 22 April 2011.
- (d) During the financial year ended 31 December 2024, there is a reallocation of KHR55.956 billion was made from the development reserve to retained earnings. This transfer reflects a refinement in the estimation of previously accrued water sales.

The reallocation has been accounted for through equity and has no impact on the profit or loss for the current financial year.

15. BORROWINGS

	2024	2023
	KHR'000	KHR'000
		(restated)
Non-current		
MoEF - Japanese International Cooperation Agency ("JICA")	27,748,910	32,905,221
MoEF - Asian Development Bank ("ADB")	24,830,029	28,181,178
European Investment Bank ("EIB")	<u>391,148,159</u>	<u>396,732,336</u>
	<u>443,727,099</u>	<u>457,818,735</u>
Current		
MoEF - JICA	1,234,163	1,406,237
MoEF - ADB	2,267,990	2,377,251
AfD - Credit No. 1121 01F	8,425,878	27,380,607
AfD - Credit No. 1174 01P	145,661,453	148,140,231
AfD - Credit No. 1176 01S	337,198,657	334,400,606
AfD - Credit No. 1244 01M	411,982,858	348,968,264
AfD - Credit No. 1273 01P	72,043,646	-
EIB	<u>8,077,639</u>	<u>110,154</u>
	<u>986,892,283</u>	<u>862,783,350</u>
Total borrowings		
MoEF - JICA	28,983,073	34,311,458
MoEF - ADB	27,098,019	30,558,429
AfD - Credit No. 1121 01F	8,425,878	27,380,607
AfD - Credit No. 1174 01P	145,661,453	148,140,231
AfD - Credit No. 1176 01S	337,198,657	334,400,606
AfD - Credit No. 1244 01M	411,982,858	348,968,264
AfD - Credit No. 1273 01P	72,043,646	-
EIB	<u>399,225,798</u>	<u>396,842,490</u>
	<u>1,430,619,382</u>	<u>1,320,602,085</u>

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) MoEF – JICA

With reference to the subsidiary loan agreement dated 18 May 2010, the PPWSA was provided with a term loan in a maximum amount of JPY3,513,000,000 from MoEF.

The purpose of the loan is to finance the design and construction of the water treatment plant and transmission in Niroth (Sub-package B).

The annual interest is 0.66% (2023: 0.66%) per annum.

15. BORROWINGS (continued)

(b) MoEF – JICA

The loan shall be repaid in 24 equal half-yearly instalments commencing on 20 September 2014 and ending on 20 March 2026. All transactions are carried out in US\$, both withdrawals and repayments.

On 15 March 2019, pursuant to the amendment to the Subsidiary Loan Agreement No. CP-P9 (MoEF – JICA), the loan shall be dominated in Japanese Yen (“JPY”) and PPWSA shall repay the principal and interest of the loan in local currency at the exchange rate which MoEF pays to JICA. The annual interest rate was adjusted from 7.50% to 0.66% per annum. The loan maturity was extended from 12 years to 40 years, which is ending on 20 March 2049.

(c) MoEF – ADB

With reference to the subsidiary loan agreement dated 5 May 1997, the PPWSA was provided with a term loan in a maximum amount of KHR38,299,937,500 (SDR9,605,000) from MoEF.

The purpose of the loan is to finance the Provincial and Peri-urban Water and Sanitation Project.

The annual interest is 1.65% (2023: 1.65%) per annum.

The loan shall be repaid in semi-annual instalments on 15 January and 15 July of each year, commencing from 2012. The foreign exchange risk resulting from any fluctuations between the value of the currency of the loan (SDR) and the currency used for repayment by the PPWSA (KHR) shall be borne in full by the MoEF. The exchange rate (KHR/SDR) is fixed at the contract date.

On 15 March 2019, pursuant to the amendment to the Subsidiary Loan Agreement No. 1468 - CAM (MoEF – ADB), the loan shall be dominated in Special Drawing Right (“SDR”) and PPWSA shall repay the principal and interest of the loan in local currency at the exchange rate which MoEF pays to ADB. The annual interest rate was adjusted from 6.50% to 1.65% per annum. The loan shall be repaid in semi-annual instalments on 1 April and 1 October of each year, commencing from 2019.

(d) AfD – Credit No. 1121 01F

With reference to the credit facility agreement No. CKH 1121 01F dated 11 March 2013, the PPWSA was provided with a credit facility in a maximum amount of EUR30,000,000 from AfD.

The purpose of the credit facility is to finance the construction of the second tranche of the water production facility in Niroth and for the extension and optimisation of the Phnom Penh transmission and distribution system.

The annual interest is EURIBOR six-month rate minus 0.59%, capped at 5.19% per annum and with a minimum of 0.25% per annum.

The credit facility shall be repaid in 24 equally half-yearly including a grace period of four years. It is repayable commencing from March 2018. All transactions are carried out in EUR, both withdrawals and repayments.

15. BORROWINGS (continued)

(e) AfD – Credit No. 1174 01P

With reference to the credit facility agreement No.CKH 1174 01P dated 27 December 2016, the PPWSA was provided with a credit facility in a maximum amount of US\$47,100,000, which is equivalent to EUR30,000,000 from AfD.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Chamkar Mon water treatment plant and the extension of the transmission and distribution networks.

The effective global rate (tax effective global) applicable to the facility may be valued at an annual rate of 1.16% on the basis of a 365 days and an interest period of 6 months, capped at 1.14% per annum plus 0.65%, which is charged by MoEF and with a minimum of 0.25% per annum.

The credit facility shall be repaid in 26 equal semi-annual instalments including a grace period of seven years. It is repayable commencing from January 2025. All transactions are carried out in US\$, both withdrawals and repayments.

(f) AfD – Credit No. 1176 01S

With reference to the credit facility agreement No.CKH 1176 01PS dated 31 December 2018, the PPWSA was provided with a credit facility in a maximum amount of US\$85,000,000, which is equivalent to EUR77,300,000 from AfD.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Bakheng water treatment plant and the extension of the transmission and distribution networks.

The annual interest rate is based on the Fixed Reference Rate, adjusted for fluctuations in the Index Rate between the Signing Date and the Rate Setting Date, as specified in the loan agreement. For the drawdown on 23 December 2019, the Fixed Reference Rate was 1.22% per annum. The Index Rate at the Signing Date was 0.68% per annum, while the Index Rate on the Rate Setting Date (18 December 2019) was 0.01% per annum. This resulted in a downward adjustment of 0.67%, leading to an applicable fixed interest rate of 0.55% per annum. In accordance with the subsidiary credit agreement between the MoEF and the PPWSA, an additional charge of 0.35% per annum is applied by MoEF to PPWSA on the disbursed loan balance. Interest is payable semi-annually on 15 June and 15 December each year, based on the outstanding principal, and the number of days in the interest period is 360 days per year.

The credit facility shall be repaid in 26 equal semi-annual instalments including a grace period of seven years. It is repayable commencing from 15 May 2026 and ending on 15 November 2038. All transactions are carried out in US\$, both withdrawals and repayments.

(g) AfD – Credit No. 1244 01M

With reference to the credit facility agreement No.CKH 1244 01M dated 14 November 2020, the PPWSA was provided with a credit facility in a maximum amount of US\$101,400,000, which is equivalent to EUR100,000,000 from AfD.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Bakheng Phase 2 water treatment plant and the extension of the transmission and distribution networks.

15. BORROWINGS (continued)

(g) AfD – Credit No. 1244 01M (continued)

The annual interest rate is based on the Fixed Reference Rate adjusted for fluctuations in the Index Rate from the Signing Date to the Rate Setting Date. For the drawdown on 8 November 2021, the Fixed Reference Rate was 0.48% per annum and the Index Rate was 0.08% per annum, resulting in an applicable fixed interest rate of 0.55% per annum. In accordance with the subsidiary credit agreement between the MoEF and the PPWSA, an additional charge of 0.35% per annum is applied by the MoEF to PPWSA on the disbursed loan balance. Interest is payable semi-annually on 15 June and 15 December each year, based on the outstanding principal, and the number of days in the interest period is 360 days per year.

The principal shall be repaid in 26 equal semi-annual instalments including a grace period of seven years. It is repayable commencing from 15 May 2027 and ending on 15 November 2039. All transactions are carried out in US\$, both withdrawals and repayments.

Commitment fees are payable to the MoEF under the Credit Facility Agreement and are charged only on the undisbursed portion of the loan. These fees begin to apply from the second year after the signing of the agreement, at a rate of 0.25% per annum. From the third year onward, the rate increases to 0.35% per annum. The fee is calculated on a daily basis based on the undisbursed loan balance and is payable on specified dates. For the purposes of this calculation, the undisbursed balance includes any amounts requested but not yet made available by the lender.

(h) AfD – Credit No. 1273 01P

With reference to the credit facility agreement No. CKH 1273 01P dated 29 December 2023, the PPWSA was provided with a credit facility in a maximum amount of EUR200,00,000 from AfD.

This credit facility consists of two components which are Tranche A and Tranche B. Tranche A represents up to seventy percent (70%) of the total credit amount in Euro and Tranche B represents up to thirty percent (30%) of the total credit amount in Euro.

Amounts under each approved credit facility may be disbursed to the PPWSA in one or several drawdowns during the applicable availability period, subject to a maximum of thirty (30) drawdowns per credit. For each credit, Tranche A must be fully drawn before any drawdown of Tranche B may occur. The minimum amount of each drawdown is set at EUR300,000 for Tranche A, or the remaining available balance if less than this amount. For Tranche B, if the borrower selects a floating interest rate, the minimum drawdown is also EUR300,000, or the remaining available balance if lower. If the PPWSA opts for a fixed interest rate under Tranche B, the minimum drawdown increases to EUR3,000,000, or the available balance if lower. These conditions are stipulated in accordance with the credit facility agreement terms.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Bakheng Phase 3 water treatment plant and the extension of the transmission and distribution networks.

The indicative interest rate applicable to Tranche A is 1.10% per annum, while the indicative interest rate for Tranche B is 1.00% per annum. These rates are subject to final confirmation and may vary at the time of rate setting.

The credit facility shall be repaid in 26 equal semi-annual instalments including a grace period of seven years. All transactions are carried out in US\$, both withdrawals and repayments.

15. BORROWINGS (continued)

(i) European Investment Bank (“EIB”)

With reference to the finance contract dated 18 December 2018 and 18 June 2019 between the Government of the Kingdom of Cambodia (“RGC”) (represented by the Ministry of Economic and Finance) with the European Investment Bank (“EIB”) and the onlending agreement dated 7 November 2019 between the RGC and the PPWSA, the PPWSA was provided a loan with an aggregate amount not exceeding US\$100,000,000.

The purpose of the credit facility is to finance the construction of a new water treatment plant on the site of the present Bakheng water treatment plant and the extension of the transmission and distribution networks.

The EIB loan comprises six principal amounts as follows:

- (i) The PPWSA was provided with a credit facility with a maximum amount of US\$10,000,000, which is equivalent to EUR8,428,150 from EIB under the contract number FIN.91016 Tranche 1, with a Scheduled Disbursement Date on 7 December 2020. The loan bears a fixed interest rate of 0.258% per annum. The principal is to be repaid in equal semi-annual instalments starting from the first repayment date on 15 December 2025 and ending on the final repayment date of 15 June 2045. All transactions are carried out in US\$, both withdrawals and repayments.
- (ii) The PPWSA was provided with a credit facility with a maximum amount of US\$22,400,000, which is equivalent to EUR19,045,999 from EIB under the contract number FIN.91016 Tranche 2, with a Scheduled Disbursement Date on 7 September 2021. The loan bears a fixed interest rate of 0.485% per. The principal is to be repaid in equal semi-annual instalments starting from the first repayment date on 15 December 2026 and ending on the final repayment date of 15 June 2046. All transactions are carried out in US\$, both withdrawals and repayments.
- (iii) The PPWSA was provided with a credit facility with a maximum amount of US\$13,000,000 from EIB under the contract number FIN.91016 Tranche 3, with a Scheduled Disbursement Date of 16 September 2022. The loan carries a floating interest rate based on the 6-month LIBOR plus a spread of 39.4 basis points (“bps”), resulting in a period rate of 2.09% for each six-month period. The effective global rate (tax effective global), inclusive of applicable charges, is 4.18% per annum, calculated on the basis of a 360-day year and a semi-annual interest period. Repayment of principal will be made in equal semi-annual instalments, beginning on the first repayment date of 15 December 2027 and ending on the final repayment date of 15 June 2047. All transactions are carried out in US\$, both withdrawals and repayments.
- (iv) The PPWSA was provided with a credit facility with a maximum amount of US\$14,600,000 from EIB under the contract number FIN.91016 Tranche 4, with a Scheduled Disbursement Date of 18 January 2023. The loan carries a floating interest rate based on the 6-month LIBOR plus a spread of 32.1 basis points (“bps”), resulting in a period rate of 2.09% for each six-month period. The effective global rate (tax effective global), inclusive of applicable charges, is 4.99% per annum, calculated on the basis of a 360-day year and a semi-annual interest period. Repayment of principal will be made in equal semi-annual instalments, beginning on the first repayment date of 15 June 2028 and ending on the final repayment date of 15 December 2047. All transactions are carried out in US\$, both withdrawals and repayments.

15. BORROWINGS (continued)

- (i) European Investment Bank (“EIB”) (continued)
- (v) The PPWSA was provided with a credit facility with a maximum amount of US\$26,000,000, which is equivalent to EUR23,840,088 from EIB under the contract number FIN.89008 Tranche 1, with a Scheduled Disbursement Date of 16 April 2020. The loan bears a fixed interest rate of 0.615% per annum. The principal is to be repaid in equal semi-annual instalments starting from the first repayment date on 15 June 2025 and ending on the last repayment date on 15 December 2044. All transactions are carried out in EUR, both withdrawals and repayments.
- (vi) The PPWSA was provided with a credit facility with a maximum amount of US\$14,000,000, which is equivalent to EUR11,799,410 from EIB under the contract number FIN. 89008 Tranche 2, with a Scheduled Disbursement Date of 7 December 2020. The loan bears a fixed interest rate of 0.26% per annum. The principal is to be repaid in equal semi-annual instalments starting from the first repayment date on 15 December 2025 and ending on the last repayment date on 15 June 2045. All transactions are carried out in US\$, both withdrawals and repayments.

The applicable interest rate on the outstanding balance of each tranche is the fixed or floating rate charged by the EIB to the MoEF under the Finance Contracts, plus an additional 0.35% per annum charged by MoEF to PPWSA. Interest shall accrue from the date of disbursement and calculate based on a 360-days year by using either a fixed rate method (30-day months) or a floating rate method (actual days elapsed). Interest is payable semi-annually on 15 June and 15 December each year.

The principal shall be repaid in equal semi-annual instalments on these same dates, with the first repayment date occurring no earlier than 30 days and no later than five years from the Scheduled Disbursement Date and the final repayment occurring not earlier than 4 years and no later than 25 years from the Scheduled Disbursement Date. All repayments of principal, interest and other charges must be made to MoEF in the currency of the disbursed tranche.

- (j) Fair values of the borrowings of the PPWSA are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

Valuation techniques used and key inputs to valuation on the borrowing measured at level 3 are described below:

Financial liability	Valuation technique used	Significant unobservable input	Inter-relationship between key unobservable inputs and fair value
Borrowings	Discounted cash flow method	Discount rate	The higher the discount rate, the lower the fair value of the financial liabilities would be

- (k) Borrowings that are not carried at fair values and whose carrying amounts do not approximate of fair values are as follows:

	2024		2023	
	pCarrying amount	Fair value	Carrying amount	Fair value
	KHR’000	KHR’000	KHR’000	KHR’000
Fixed rate loans	<u>1,325,202,151</u>	<u>1,230,749,415</u>	<u>1,220,958,182</u>	<u>1,101,759,853</u>

Fair values of the borrowings are estimated by discounting future contracted cash flows at the current market interest rate available to the PPWSA for similar financial instruments.

15. BORROWINGS (continued)

- (l) The carrying amount of borrowings are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.
- (m) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the PPWSA that are exposed to interest rate risk:

31 December 2024	Weighted average effective interest rate per annum %	Within	1 - 2	2 - 5	More than	Total KHR'000
		1 year KHR'000	years KHR'000	years KHR'000	5 years KHR'000	
Fixed rates	0.99	986,892,283	15,743,879	54,030,435	268,535,554	1,325,202,151
Floating rates	6.44	-	-	11,849,848	93,567,383	105,417,231
31 December 2023						
Fixed rates	0.98	862,783,350	11,367,921	56,874,633	289,932,278	1,220,958,182
Floating rates	6.09	-	-	1,327,625	98,316,278	99,643,903

- (n) The table below summarises the maturity profile of the borrowings of the PPWSA at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

31 December 2024	On demand	One to five	Over five	Total KHR'000
	or within one year KHR'000	years KHR'000	years KHR'000	
Borrowings	1,058,173,893	91,671,186	379,859,786	1,529,704,865
31 December 2023				
Borrowings	925,237,678	76,996,179	412,315,158	1,414,549,015

- (o) The currency exposure profile of borrowings is as follows:

	2024 KHR'000	2023 KHR'000
United States Dollar	1,366,112,412	1,228,351,591
Euro	8,425,878	27,380,607
Special Drawing Right	27,098,019	30,558,429
Japanese Yen	28,983,073	34,311,458
	<u>1,430,619,382</u>	<u>1,320,602,085</u>

15. BORROWINGS (continued)

(p) Breach of loan covenants

The non-current borrowings of the PPWSA from the AFD, which bear interest ranging from 0.25% to 6.09% per annum (2023: 0.25% to 1.80%) are repayable over terms ranging from 1 to 24 years (2023: 1 to 25 years). These borrowings are subject to covenants, including a maximum leverage threshold, which if breached, may result in the suspension or cancellation of undrawn amounts and render the outstanding loan balance repayable on demand at the discretion of the MoEF and/or AFD.

As at 31 December 2024 and 31 December 2023, the PPWSA exceeded the maximum leverage covenant. The PPWSA has received the waivers from the AFD which is dated on 28 May 2025. Accordingly, the borrowings have been classified as current as at those reporting dates. The PPWSA continues to monitor its compliance with covenant terms and maintain active communication with the relevant lenders to manage any potential breaches.

16. DEFERRED GOVERNMENT AND OTHER GRANTS

	EU Government grant KHR'000	Government grant KHR'000	JICA grant KHR'000	Other grant KHR'000	Total KHR'000
Balance as at 1.1.2023	54,436,199	10,191,527	3,972,502	638,249	69,238,477
Addition	-	6,157,800	-	776,377	6,934,177
Amortisation	-	(1,853,006)	(134,069)	(22,833)	(2,009,908)
Balance as at 31.12.2023	54,436,199	14,496,321	3,838,433	1,391,793	74,162,746
Balance as 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	-	(1,853,006)	(132,507)	(24,395)	(2,009,908)
Balance as at 31.12.2024	54,436,199	12,643,315	3,705,926	1,840,521	72,625,961

Amortisation of deferred government and other grants is recognised as other income in the statement of profit or loss and other comprehensive income.

(a) EU grant

EU grants represent grant for purchase of materials for Bakheng Water Supply Project C amounted to EUR12,700,000 in the form of an investment grant made available through the general budget of the European Union ("EU").

(b) Government Grant

The government grant represents the gain arising from a favourable differences in rates used for a fixed conversion (KHR/SDR) under the Subsidy Loan Agreement between the MoEF and the PPWSA on 5 May 1997 at the sum of SDR9,695,000 from the ADB. The PPWSA has decided to keep the gain on the PPWSA's books as a grant (no refund requirement on the gain) and the gain is to be amortised using the same policy as other deferred grants.

(c) JICA grants

JICA grants represent the project for introduction of clean energy by solar electricity generation system.

16. DEFERRED GOVERNMENT AND OTHER GRANTS (continued)

(c) JICA grants (continued)

The additional grants represent amount received from the general budget of the Japanese Government amounting to USD1,494,624 or equivalent to KHR6,157,800,000. The purpose of the grant is to fund the Boeng Thum Water Production Project to improve the water supply service in the South-Western part of Phnom Penh City.

(d) Other grants

Other grants represent donations of property, plant and equipment from the Association International des Maires Francophones (“AIMF”), KUBOTA Construction Co., Ltd and Korean Government.

The additional grants represent amount received from the Korean Government amounting to USD80,000 or equivalent to KHR322,000,000 and general grant amounting to KHR151,123,407.

17. DEFERRED TAX LIABILITIES

The components and movements of deferred tax (liabilities)/assets are as follows:

	At 1.1.2024 KHR'000 (restated)	Recognised in profit or loss (Note 27) KHR'000	At 31.12.2024 KHR'000
Property, plant and equipment	(87,006,229)	(7,197,933)	(94,204,162)
Accrual income	(7,725,695)	208,457	(7,517,238)
Allowance for inventory obsolescence	850,828	(145,693)	705,135
Allowance for doubtful debts	10,081	-	10,081
Staff benefits	53,285	-	53,285
Unearned revenue	(943,870)	(5,261,617)	(6,205,487)
Unrealised exchange	2,767,279	(755,754)	2,011,525
	<u>(91,994,321)</u>	<u>(13,152,540)</u>	<u>(105,146,861)</u>

	At 1.1.2023 KHR'000	Recognised in profit or loss (Note 27) KHR'000 (restated)	At 31.12.2023 KHR'000 (restated)
Property, plant and equipment	(80,466,518)	(6,539,711)	(87,006,229)
Accrual income	-	(7,725,695)	(7,725,695)
Allowance for inventory obsolescence	-	850,828	850,828
Allowance for doubtful debts	10,081	-	10,081
Staff benefits	53,285	-	53,285
Unearned revenue	306,926	(1,250,796)	(943,870)
Unrealised exchange	3,079,510	(312,231)	2,767,279
	<u>(77,016,716)</u>	<u>(14,977,605)</u>	<u>(91,994,321)</u>

18. TRADE AND OTHER PAYABLES

	2024 KHR'000	2023 KHR'000 (restated)
Other payables - non-current		
Refundable water deposits	<u>88,950,566</u>	<u>82,903,732</u>
Trade payables - current		
Third parties	<u>126,157,814</u>	<u>83,856,677</u>
Other payables - current		
Accrued staff incentive	11,950,764	11,505,191
Amount due to Phnom Penh Municipality	64,642,768	56,225,947
Amount due to employees	731,516	4,510,286
Performance guarantee	67,292	67,356
Other tax payable	75,184	972,848
Other payables	<u>9,598,887</u>	<u>12,605,335</u>
	<u>87,066,411</u>	<u>85,886,963</u>
	<u>213,224,225</u>	<u>169,743,640</u>
	<u>302,174,791</u>	<u>252,647,372</u>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the PPWSA range from one to three months (2023: one to three months).
- (c) Refundable water deposits are collected from customers based on the size of the water meter prior to connection and are recorded at the received amount as refundable water deposits under non-current liabilities.
- (d) Amount due to employees represents the amount to be distributed to the employees as full settlement arising from the termination of the PPWSA's pension scheme effective on 31 December 2019.

On 21 September 2018, the Ministry of Labour and Vocational Training ("MoLVT") issued the Prakas No. 443 on the Seniority Payment Indemnity, and subsequently amended by the Instruction No. 042/19 dated 22 March 2019. It required all employers, other than textile and garment sectors, to settle the seniority indemnity to their employee as follows:

- Current pay: starting from 2019 onwards at the amounts equal to 15 days of wages and other benefits per year.
- Retrospective (back-pay): starting from end 2022 onwards at the amounts equal to 6 days of net wage per year. The provision of back-pay seniority indemnity is calculated at a maximum amount of 6-months net wages (depends on the length of the service employee served) to the employee who has seniority before 2019.

The seniority indemnity payments are made twice a year, in June and December. Employees who resign before their indemnity is due will forfeit the remaining back-pay seniority indemnity.

18. TRADE AND OTHER PAYABLES (continued)

- (d) Under Prakas No. 018/20 issued on 2 June 2020, MoLVT delayed the issuance of seniority indemnity back-pay for periods before 2019 and postponed the seniority payments for 2020. These payments were rescheduled to be issued in 2021.

This back-pay indemnity for employees with seniority before 2019 is offset by the loan to employees (as disclosed in note 10 to the financial statement), where outstanding amounts are managed and settled in accordance with the pension scheme termination and seniority indemnity requirements.

Below is the movement of the amount due to employees:

	2024 KHR'000	2023 KHR'000
At 1 January	4,510,286	6,071,437
Provision during the year	4,451,191	3,696,765
Settlement of seniority with loan to employees	(3,760,568)	-
Payment made during the year	<u>(4,469,393)</u>	<u>(5,257,916)</u>
At 31 December	<u>731,516</u>	<u>4,510,286</u>

- (e) The currency exposure profile of trade and other payables is as follows:

	2024 KHR'000	2023 KHR'000 (restated)
Khmer Riel	138,028,099	151,952,888
United States Dollar	149,328,936	60,893,636
Euro	<u>14,817,756</u>	<u>39,800,848</u>
	<u>302,174,791</u>	<u>252,647,372</u>

- (f) The table below summarises the maturity profile of the trade and other payables of the PPWSA at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one year KHR'000	One to five years KHR'000	Over five years KHR'000	Total KHR'000
31 December 2024				
Trade and other payables	<u>213,224,225</u>	-	88,950,566	<u>302,174,791</u>
31 December 2023				
Trade and other payables	<u>169,743,640</u>	-	82,903,732	<u>252,647,372</u>

19. REVENUE

	2024 KHR'000	2023 KHR'000 (restated)
Water sales:		
- households	110,620,320	105,156,032
- commercial	160,128,367	145,874,812
- public administration institution	22,123,978	20,657,824
- autonomous state authorities	930,292	928,416
- wholesalers	9,910,587	9,679,895
Rounding difference on water sales revenue	74,359	69,368
Less: Invoice cancellations	<u>(1,614,980)</u>	<u>(833,399)</u>
	302,172,923	281,532,948
Water connection revenue	10,836,343	11,314,526
Water meter replacement charges	4,625,106	4,343,275
Spare parts and meter sales	<u>144,624</u>	<u>225,392</u>
	<u>317,778,996</u>	<u>297,416,141</u>

(a) Sale of water

Revenue from sale of water is recognised at a point in time when the water has been supplied by the PPWSA and consumed by the customers.

(b) Water connection revenue

Revenue from water connection revenue is recognised at a point in time when the water connection is completed.

(c) Water meter replacement charge

Revenue from water meter replacement is recognised at a point in time based on an amount of KHR50 per 1mm of water meter is charged each month during the billing cycle.

20. CONSTRUCTION SERVICE FEES

Construction service fees represent fees from construction service provided in relation to the expansion of the water distribution system to a water supply distributor in the provinces.

Revenue from construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the PPWSA would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the PPWSA does not create an asset with an alternative use to the PPWSA and the PPWSA has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining performance obligations, transaction price allocation and costs in applying the input method to recognise revenue over time.

The PPWSA identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The PPWSA also estimated total contract costs in applying the input method to recognise revenue over time.

21. OTHER INCOME

	2024 KHR'000	2023 KHR'000 (restated)
Government and other grants	2,009,908	2,009,908
Spare parts and meter sales	10,827,272	15,414,676
Penalty revenue	1,666,418	280,701
Other revenue	4,023,072	3,432,865
	<u>18,526,670</u>	<u>21,138,150</u>

22. SALARY, WAGES AND RELATED EXPENSES

	2024 KHR'000	2023 KHR'000
Employee salaries	43,164,538	40,835,357
Incentives	12,521,512	11,941,755
Bonuses	11,437,559	10,716,017
Seniority payment	1,078,624	1,117,889
Wages for contractors	2,203,329	1,465,621
Other employee-related expenses	15,146,948	14,215,799
	<u>85,552,510</u>	<u>80,292,438</u>

23. RAW MATERIALS FOR WATER TREATMENT

	2024	2023
	KHR'000	KHR'000
Chlorine	5,615,471	4,486,066
Poly Aluminium Chloride	9,291,267	8,820,735
Salt	1,235,577	1,255,432
Lime	2,101,685	432,404
Other materials	<u>732,590</u>	<u>880,676</u>
	<u>18,976,590</u>	<u>15,875,313</u>

24. RAW MATERIALS FOR HOUSEHOLD WATER CONNECTIONS

	2024	2023
	KHR'000	KHR'000
Consumer water meter replacement	5,684,590	4,225,950
Pipe costs	14,847	26,501
Other costs	<u>593,840</u>	<u>564,063</u>
	<u>6,293,277</u>	<u>4,816,514</u>

25. FOREIGN EXCHANGE (GAIN)/LOSS – NET

	2024	2023
	KHR'000	KHR'000
		(restated)
Foreign exchange gain	(7,675,139)	(4,699,446)
Foreign exchange losses	<u>9,871,260</u>	<u>10,556,365</u>
	<u>2,196,121</u>	<u>5,856,919</u>

26. FINANCE INCOME/(COSTS)

	2024	2023
	KHR'000	KHR'000
		(restated)
Finance income:		
- Interest income on bank deposits (a)	6,613,494	6,737,767
- Foreign exchange gain on borrowings	<u>50,555,893</u>	<u>32,300,824</u>
	<u>57,169,387</u>	<u>39,038,591</u>
Finance costs:		
- Interest expense on borrowing (b)	(19,399,041)	(15,178,560)
- Foreign exchange loss on borrowings	(24,580,451)	(22,332,869)
- Interest capitalised on qualifying assets	<u>4,978,016</u>	<u>11,650,832</u>
	<u>(39,001,476)</u>	<u>(25,860,597)</u>
Finance income - net	<u>18,167,911</u>	<u>13,177,994</u>

26. FINANCE INCOME/(COSTS) (continued)

- (a) Interest income represents interest earned from savings and deposit accounts held at local banks during the period.
- (b) Interest expense represents the interest charges on the loan obtained from AfD and the subsidiary loans obtained from the MoEF, which are funded through loans obtained from the ADB, EIB and JICA.

27. TAX EXPENSE

	2024 KHR'000	2023 KHR'000 (restated)
Income tax expense:		
Current year	<u>8,978,908</u>	<u>11,312,870</u>
Deferred tax expense (Note 17):		
Origination and reversal of temporary differences	13,152,540	9,460,706
Under provision in prior year	<u>-</u>	<u>5,516,899</u>
	<u>13,152,540</u>	<u>14,977,605</u>
Total tax expense	<u>22,131,448</u>	<u>26,290,475</u>

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.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the PPWSA is as follows:

	2024 KHR'000	2023 KHR'000 (restated)
Profit before tax	<u>107,174,361</u>	<u>98,938,047</u>
Tax at Cambodian statutory tax rate of 20%	21,434,872	19,787,609
Tax effects in respect of:		
Non-allowable expenses	<u>696,576</u>	<u>985,967</u>
	22,131,448	20,773,576
Under provision of deferred tax in prior year	<u>-</u>	<u>5,516,899</u>
Total tax expense	<u>22,131,448</u>	<u>26,290,475</u>

28. EARNINGS PER SHARE

(a) Basis earnings per share

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

	2024 KHR'000	2023 KHR'000 (restated)
Profit attributable to ordinary equity holders	85,042,913	72,647,572
Weighted average number of ordinary shares in issue	<u>86,973,162</u>	<u>86,973,162</u>
Basic earnings per share	977.81	835.29
Diluted earnings per share	<u>977.81</u>	<u>835.29</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.

29. DIVIDEND

	2024		2023	
	Dividend per share KHR	Amount of dividend KHR'000	Dividend per share KHR	Amount of dividend KHR'000
First and final dividend declared	<u>350</u>	<u>4,566,091</u>	<u>330</u>	<u>4,305,158</u>

On 24 May 2024, the Board of Directors proposed and approved the dividend in respect of the financial year ended 31 December 2023 of KHR350 per share, amounting to a total dividend of KHR4,566,091,350.

30. RELATED PARTY DISCLOSURES

- (a) Parties are considered related to the PPWSA if the PPWSA has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the PPWSA and the party are subject to common control or common significant influence. Related parties can be individuals or other parties.

Key management personnel comprises persons (including the Directors of the PPWSA) having the authority and responsibility for planning, directing and controlling the activities of the PPWSA directly and indirectly.

- (b) The PPWSA had the following transactions with related parties during the financial year.

	2024 KHR'000	2023 KHR'000
<u>Common control</u>		
MoEF		
Interest on borrowings paid	<u>19,396,655</u>	<u>15,178,560</u>

30. RELATED PARTY DISCLOSURES (continued)

Balances with related parties at the end of the reporting period are disclosed in Note 15 to the financial statements.

The related party transactions described above were carried out on negotiated commercial terms.

(c) Key management compensation during the financial year is as follows:

	2024 KHR'000	2023 KHR'000
Salaries and other expenses	<u>2,458,422</u>	<u>2,398,299</u>

31. CAPITAL COMMITMENTS

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

	2024 KHR'000	2023 KHR'000 (restated)
Construction of water treatment plant	283,057,881	37,240,137
Consultation services	2,669,794	9,762,877
Purchase of iron pipes, fitting and accessories	<u>1,054,176</u>	<u>26,950,546</u>
	<u>286,781,851</u>	<u>73,953,560</u>

32. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the PPWSA's capital management is to ensure that the PPWSA would be able to continue as a going concern whilst maximising the return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the PPWSA remains unchanged from that in the previous financial year.

The PPWSA manages its capital structure and makes adjustments to it, in response to changes in economic conditions. In order to maintain or adjust the capital structure, the PPWSA may adjust the dividend payment to shareholders, return capital to its shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The PPWSA monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements.

(b) Financial risk management

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.

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

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.

The PPWSA is exposed mainly to foreign currency risk, interest rate risk, credit risk and liquidity and cash flow risk. Information on the management of the related exposures is detailed below:

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates. PPWSA's exposure to the risk of changes in foreign exchange rates relates primarily to PPWSA's operating activities (when cash and cash equivalents, short-term investments, purchases and borrowings that are denominated in a foreign currency)

PPWSA's unhedged financial assets and liabilities that are not denominated in its functional currency are as follows:

	2024 KHR'000	2023 KHR'000 (restated)
<u>Short-term investments</u>		
United States Dollar	64,961,360	92,316,003
<u>Cash and bank balances</u>		
United States Dollar	1,373,287	4,168,580
<u>Trade and other receivables</u>		
United States Dollar	11,557,771	640,277
<u>Contract assets</u>		
United States Dollar	4,398,564	7,624,339
<u>Contract liabilities</u>		
United States Dollar	3,520,395	4,248,860
<u>Borrowings</u>		
United States Dollar	1,366,112,412	1,228,351,591
Euro	8,425,878	27,380,607
Special Drawing Right	27,098,019	30,558,429
Japanese Yen	28,983,073	34,311,458
<u>Trade and other payables</u>		
United States Dollar	149,328,936	60,893,636
Euro	14,817,756	39,800,848

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Foreign currency risk (continued)

The following table demonstrates the sensitivity analysis of the PPWSA to a reasonably possible change in the US\$, EUR, SDR and JPY exchange rates against the functional currency of the PPWSA, with other variables held constant:

	2024 KHR'000	2023 KHR'000
Profit after tax		
US\$/KHR - strengthen by 3% (2023: 3%)	(31,194,666)	(27,164,808)
- weaken by 3% (2023: 3%)	31,194,666	27,164,808
EUR/KHR - strengthen by 3% (2023: 3%)	(202,221)	(657,135)
- weaken by 3% (2023: 3%)	202,221	657,135
SDR/KHR - strengthen by 3% (2023: 3%)	(650,352)	(733,402)
- weaken by 3% (2023: 3%)	650,352	733,402
JPY/KHR - strengthen by 3% (2023: 3%)	(695,594)	(823,475)
- weaken by 3% (2023: 3%)	<u>695,594</u>	<u>823,475</u>

(ii) 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 loans and 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.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the PPWSA if interest rates at the end of reporting period changed by 10 basis points with all other variables held constant:

	2024 KHR'000	2023 KHR'000
Profit after tax		
- Increased by 0.1% (2023: 0.1%)	(181,686)	(200,620)
- Decreased by 0.1% (2023: 0.1%)	<u>181,686</u>	<u>200,620</u>

The sensitivity is lower in 2024 than in 2023 because of higher interest capitalised during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iii) 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's 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's primary exposure to credit risk arises through its trade receivables from its customers. The PPWSA controls the credit risk on sales by ensuring that its customers have sound financial position and credit history.

The PPWSA determines a financial asset to be in default when contractual payments are past due and when internal or external information indicates that financial asset is not recoverable. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

To manage the risk on trade receivables, the PPWSA requires a deposit before the water meter connection is made. No deposit is required for government departments as the PPWSA believes that it can collect from those departments through the MoEF (the source of finance for those departments), which is the PPWSA's financial supervisor and shareholder.

A deposit deduction policy is applied to customers who have not settled their debts in accordance with credit terms and conditions.

To minimise credit risk on cash at banks and short-term investments (bank fixed deposits), the PPWSA has diversified its deposits with different banks using a few large and well-known local banks operating in Cambodia.

Exposure to credit risk and credit risk concentration profile

The maximum exposure to credit risk for the PPWSA is represented by the carrying amounts of each financial asset.

At the end of the reporting period, approximately:

- (i) 11% (2023: 28%) of the PPWSA's trade receivables were due from household customers.
- (ii) 17% (2023: 19%) of the PPWSA's trade receivables were due from commercial customers.
- (iii) 71% (2023: 51%) of the PPWSA's trade receivables were due from public administrative customers.

The PPWSA do not anticipate the carrying amounts recorded at the end of each reporting period to be significantly different from the values that would eventually be received.

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) 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 debt maturity profile, 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.

33. SEGMENT INFORMATION

The PPWSA treats water for supply to residents in Phnom Penh and surrounding areas. To support its water distribution business, it needs to provide water meter connection as a supporting service. Revenue from water meter connection (a supporting service for water sales) accounts for less than 3% (2023: 4%) of the total revenue, while water sales account for 97% (2023: 96%) of the total revenue of the PPWSA.

The PPWSA has one reportable segment, namely, water sales. The chief operating decision maker (the management team) reviews the internal management report, which reports the performance of the water sales segment as a whole, to assess performance and allocate resources. The chief operating decision-maker accesses the performance of the reportable segment by measuring gross revenue, profit before tax and net profit compared to prior periods.

34. 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.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 10 April 2024, the PPWSA and VINCI Construction Grands Projects entered into agreement for Construction of Bakheng Water Production Facilities Phase 3 with the production capacity of 195,000m³/day. This construction contract is approximately US\$103 million, which is financed by subsidiary loan from MoEF funded by development partners, AfD amounting to US\$61 million and PPWSA's fund, amounting to US\$42 million. The construction commenced since June 2024 and will be completed by third quarter of 2027.

36. COMPARATIVE FIGURES

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

	As restated KHR'000	As previously stated KHR'000
Statement of financial position		
Non-current liabilities		
Borrowings	457,818,735	1,296,924,684
Current liabilities		
Borrowings	<u>862,783,350</u>	<u>23,677,401</u>
Statements of cash flows		
Net cash used in operating activities	(94,746,392)	(82,656,302)
Net cash used in investing activities	<u>(251,349,580)</u>	<u>(265,968,542)</u>

Reclassification from non-current borrowing to current borrowing of KHR839,105,947,905.

37. PRIOR YEAR ADJUSTMENTS

Certain comparative figures in the financial statements of the PPWSA for the financial year ended ("FYE") 31 December 2023 have been restated in view of the following prior year adjustments ("PYAs"):

- (a) Over recognition of accrued water sales of KHR57,718,278,224.
- (b) Over recognition of construction service receivable of KHR1,811,077.652.
- (c) Reclassification from trade and other payable to property, plant and equipment of KHR934,598,589.
- (d) Reclassification from cash and bank balances to property, plant and equipment of KHR457,021,908.
- (e) Reclassification from foreign exchange gains/(losses) - net to finance income/(cost) of KHR32,300,825,000 and KHR22,332,867,000 respectively.
- (f) Reclassification from other receivables to cash and cash bank balances of KHR5,242,286,021.
- (g) Reconciliation of discrepancy of treasury balance under cash and bank balances of KHR2,186,084,409.
- (h) Transferred from reserves to retained earnings of KHR55,956,116,048.
- (i) Misclassification and improper reversal of Bank Guarantee Receivable and omission of foreign exchange differences of KHR2,887,769,316.
- (j) Over recognition of current tax liabilities and under provision of deferred tax liability of KHR10,619,948,534 and KHR10,047,462,955 respectively.

37. PRIOR YEAR ADJUSTMENTS (continued)

The effects of the correction of the abovementioned errors are as follows:

(a) Reconciliation of statement of financial position as at 1 January 2023

	As previously stated KHR'000	Prior year adjustments KHR'000	As restated KHR'000
Trade and other receivables	32,707,416	(7,330,246)	25,377,170
Contract assets	92,768,374	(57,842,907)	34,925,467
Cash and bank balances	56,716,439	4,442,476	61,158,915
Retained earnings	108,185,865	(55,959,670)	52,226,195
Trade and other payables - current	154,661,152	(4,771,007)	149,890,145

(b) Reconciliation of statement of financial position as at 31 December 2023

	As previously stated KHR'000	Prior year adjustments KHR'000	As restated KHR'000
Property, plant and equipment	2,494,979,290	(477,576)	2,494,501,714
Trade and other receivables	27,980,236	(10,316,140)	17,664,096
Contract assets	155,501,255	(116,872,778)	38,628,477
Cash and bank balances	16,117,222	6,971,348	23,088,570
Reserves	647,148,782	(55,956,116)	591,192,666
Retained earnings	126,609,582	(53,962,010)	72,647,572
Deferred tax liabilities	81,946,858	10,047,463	91,994,321
Trade and other payables - current	179,944,621	(10,200,981)	169,743,640
Current tax liabilities	20,728,672	(10,619,948)	10,108,724

(c) Reconciliation of statement of profit or loss and other comprehensive income for financial year ended 31 December 2023

	As previously stated KHR'000	Prior year adjustments KHR'000	As restated KHR'000
Sales	349,640,073	(52,223,932)	297,416,141
Construction service fee	16,665,617	(1,811,078)	14,854,539
Foreign exchange gains - net	4,111,039	(4,111,039)	-
Other income	21,637,636	(499,486)	21,138,150
Foreign exchange losses - net	-	(5,856,919)	(5,856,919)
Finance income	6,737,766	32,300,825	39,038,591
Finance costs	(3,527,730)	(22,332,867)	(25,860,597)
Tax expense	(26,862,961)	572,486	(26,290,475)

38. ADOPTION OF NEW CIFRSs

38.1 New CIFRSs adopted during the current financial year

PPWSA adopted the following amendments during the financial year.

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

Adoption of the above amendments did not have any material effect on the financial performance or position of the PPWSA.

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

These amendments require 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.

38. ADOPTION OF NEW CIFRSs (continued)

38.2 New CIFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

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

	Effective Date
Amendments to CIAS 21 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to CIFRS 7 and CIFRS 9 <i>Classification and measurement of financial instruments</i>	1 January 2026
Annual Improvements to <i>CIFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to CIFRS 9 and CIFRS 7 <i>Contracts Referencing Nature - dependent Electricity</i>	1 January 2026
CIFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
CIFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to CIFRS 10 and CIAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

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

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; 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.

38. ADOPTION OF NEW CIFRSs (continued)

38.2 New CIFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025 (continued)

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

Amendments to CIFRS 7 and CIFRS 9 Classification and measurement of financial instruments

The 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.

The 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 has amended the following standards:

- 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.

38. ADOPTION OF NEW CIFRSs (continued)

38.2 New CIFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025 (continued)

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

CIFRS 18 *Presentation and Disclosures in Financial Statements*

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

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

- Required categories and sub-totals in the statement of profit or loss: items of income and expense will be classified into operating, financing, investing, income tax or discontinued operations categories. This classification will depend on a combination of an assessment of the entity's main business activities and certain accounting policy choice;
- 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;
- 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.

CIFRS 19 *Subsidiaries without Public Accountability: Disclosures*

CIFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standard 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 IFRS Accounting Standards that CIFRS 19 has been adopted.

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

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.

APPENDIX IV

**Result of Water Analysis from the
Bakheng Water Treatment Plant of PPWSA
TEST REPORT 7191321955-CHM23-NHT**

TEST REPORT: 7191347954-CHM25-PN

Date: 22 JAN 2025

Tel: +65 6973 6164

Client's Ref:

Email: na.pi@tuvsud.com

Note: This report is issued subject to the Testing and Certification Regulations of the TÜV SÜD Group and the General Terms and Conditions of Business of TÜV SÜD PSB Pte Ltd. In addition, this report is governed by the terms set out within this report.



PSB Singapore

Add value.
Inspire trust.

SUBJECT

Analysis of Drinking Water Sample

CLIENT

Phnom Penh Water Supply Authority (PPWSA)
#45, Street 106, Phnom Penh 12202
Cambodia

Attention: Keo Heng

DATE OF SAMPLE SUBMISSION / TESTING

20 Dec 2024 / 20 Dec 2024 to 21 Jan 2025

DESCRIPTION OF SAMPLE

One water sample was received and labelled as "Drinking Water"



TÜV SÜD PSB

Laboratory:
TÜV SÜD PSB Pte. Ltd.
TÜV SÜD @ IBP
15 International Business Park
Singapore 609937

Phone : +65-6778 7777
E-mail: info.sg@tuvsud.com
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Co. Reg : 199002667R

Regional Head Office:
TÜV SÜD Asia Pacific Pte. Ltd.
TÜV SÜD @ IBP
15 International Business Park
Singapore 609937
TÜV[®]



METHOD OF TEST

1. APHA-AWWA-WEF 24th Edition 2022 - Standard Methods for the Examination of Water and Wastewater.
2. USEPA Method 508 Determination of Chlorinated Pesticides in Water by Gas Chromatography Electron Capture Detector (GC/ECD).
3. USEPA Method 515 Determination of Chlorinated Acids in Drinking Water by Liquid-Liquid Extraction, Derivatization, and GC/ECD.
4. EPA 8260D: Volatile Organic Compounds by Gas Chromatography Mass Spectrometry (GC/MS).
5. EPA 8270E: Semi-Volatile Organic Compounds by GC/MS.
6. USEPA Method 551.1 Determination of Chlorination Disinfection Byproducts, Chlorinated Solvents, and Halogenated Pesticides/Herbicides in Drinking Water by Liquid-Liquid Extraction and GC/ECD.
7. USEPA Method 552.2 Determination of Haloacetic Acids and Dalapon in Drinking Water by Liquid-Liquid Extraction, Derivatization and GC/ECD.
8. Determination of EDTA and NTA by Solid Phase Extraction, Derivatization and GC/MS.
9. Determination of Bromate by Derivatization and GC/MS.
10. Determination of Inorganic Anions in Drinking Water by Ion Chromatography (IC).

The below tests were sub-contracted to the partner laboratory:

11. NF EN ISO 10704 : 2019 Water quality - Gross Alpha and Gross Beta Activity.
12. Determination of Malathion by Liquid-Liquid Extraction and GC/MS.
13. High Performance Liquid Chromatography with Tandem Mass Spectrometry (LC/MS/MS) for:
 - Acrylamide
 - Aldicarb Sulfoxide and Aldicarb Sulfone
 - Carbofuran
 - Chlorotoluron
 - Microcystin-LR
 - Microcystins (Total)
 - Isoproturon
 - N-Nitrosodimethylamine (NDMA)
 - Dichlorvos
 - Atrazine and its chloro-s-triazine metabolites
 - Bentazone
 - Diquat
 - Glyphosate and Aminomethylphosphonic acid (AMPA)

TEST REPORT: 7191347954-CHM25-PN
22 JAN 2025



PSB Singapore

RESULTS

Test Parameter	Drinking Water	Detection Limit	*WHO Guideline Value
Microbiological Parameter			
Escherichia coli	cfu/100mL	< 1	1
			< 1
Physical Parameters			
Color	Hazen	Not detected	2.5
Conductivity at 25°C	µS/cm	283	-
Odour		Unobjectionable	-
pH @ 25°C		7.8	-
Total Dissolved Solids	mg/L	170	1
Turbidity	NTU	0.1	0.1
			-
Radiological Parameters			
Gross Alpha	Bq/L	Not detected	0.03
Gross Beta	Bq/L	0.12	0.05
			0.5
			1
Chemical Parameters			
Acrylamide	mg/L	Not detected	0.0005
Alachlor	mg/L	Not detected	0.001
Aldicarb Sulfoxide and Aldicarb Sulfone	mg/L	Not detected	0.01
Aldrin & Dieldrin	mg/L	Not detected	0.00003
Antimony	mg/L	Not detected	0.001
Arsenic	mg/L	Not detected	0.001
Atrazine and its chloro-s-triazine metabolites	mg/L	Not detected	0.005
Aluminium	mg/L	0.08	0.001
Barium	mg/L	0.03	0.001
Bentazone	mg/L	Not detected	0.001
Benzene	mg/L	Not detected	0.001
Benzo (a) pyrene	mg/L	Not detected	0.0001
Boron	mg/L	0.02	0.001
Bromate	mg/L	Not detected	0.01
Bromodichloromethane	mg/L	Not detected	0.001
Bromoform	mg/L	Not detected	0.001
Cadmium	mg/L	Not detected	0.001
Calcium	mg/L	19.9	0.001
Carbofuran	mg/L	Not detected	0.005
Carbon Tetrachloride	mg/L	Not detected	0.001
Chlorate	mg/L	Not detected	0.2
Chlordane (total isomers)	mg/L	Not detected	0.0001
Chlorine (Free)	mg/L	0.5	0.01
Chlorite	mg/L	Not detected	0.2
Chloroform	mg/L	Not detected	0.001
Chlorotoluron	mg/L	Not detected	0.01
Chlorpyrifos	mg/L	Not detected	0.001
Chromium (in all forms as a total)	mg/L	Not detected	0.01
Copper	mg/L	Not detected	0.01
			2

TEST REPORT: 7191347954-CHM25-PN

22 JAN 2025



PSB Singapore

RESULTS (Continued)

Test Parameter	Drinking Water	Detection Limit	*WHO Guideline Value
Cyanazine	mg/L Not detected	0.0001	0.0006
Cyanide	mg/L Not detected	0.01	-
Cyanogen chloride (as cyanide)	mg/L Not detected	0.01	-
Chloride	mg/L 36.0	0.1	-
2,4-D (2,4-dichlorophenoxyacetic acid) in free acid form	mg/L Not detected	0.01	0.03
2,4-DB [2,4-Dichlorophenoxy) butyric acid]	mg/L Not detected	0.01	0.09
DDT & Metabolites	mg/L Not detected	0.0001	0.001
Di(2-Ethylhexyl) phthalate	mg/L Not detected	0.001	0.008
1,2-Dibromo-3-chloropropane (DBCP)	mg/L Not detected	0.001	0.001
Dibromoacetonitrile	mg/L Not detected	0.001	0.07
Dibromochloromethane	mg/L Not detected	0.001	0.1
1,2-Dibromoethane (Ethylene Dibromide) 1,2-	mg/L Not detected	0.0001	0.0004
Dichloroacetate	mg/L Not detected	0.01	0.05
Dichloroacetonitrile	mg/L Not detected	0.01	0.02
Dichlorobenzene, 1,2-	mg/L Not detected	0.001	1
Dichlorobenzene, 1,4-	mg/L Not detected	0.001	0.3
Dichloroethane, 1,2-	mg/L Not detected	0.001	0.03
Dichloroethene (cis & trans), 1,2-	mg/L Not detected	0.001	0.05
Dichloromethane	mg/L Not detected	0.001	0.02
Dichloropropane, 1,2-	mg/L Not detected	0.001	0.04
Dichloropropene, 1,3-	mg/L Not detected	0.001	0.02
Dichlorvos	mg/L Not detected	0.1	-
Dicofol	mg/L Not detected	0.1	-
Dichlorprop	mg/L Not detected	0.01	0.1
Dimethoate	mg/L Not detected	0.001	0.006
Dioxane, 1,4-	mg/L Not detected	0.01	0.05
Diquat	mg/L Not detected	0.001	-
Endrin	mg/L Not detected	0.0001	0.0006
Epichlorohydrin	mg/L Not detected	0.0001	0.0004
Ethylbenzene	mg/L Not detected	0.001	0.3
Edetic acid (EDTA-Ethylene Diamine Tetraacetic Acid) in free acid form	mg/L Not detected	0.1	0.6
Fenoprop (2,4,5-TP; 2,4,5-trichlorophenoxy propionic acid)	mg/L Not detected	0.003	0.009
Fluoride	mg/L Not detected	0.1	1.5
Glyphosate and Aminomethylphosphonic acid (AMPA)	mg/L Not detected	0.001	-
Hexachlorobutadiene (HCBD)	mg/L Not detected	0.0001	0.0006
Hydroxyatrazine	mg/L Not detected	0.01	0.2
Isoproturon	mg/L Not detected	0.005	0.009
Iron	mg/L Not detected	0.02	-
Lead	mg/L Not detected	0.001	0.01
Lindane	mg/L Not detected	0.0001	0.002
Malathion	mg/L Not detected	0.001	-
MCPA (4-Chloro-2-methylphenoxyacetic acid)	mg/L Not detected	0.003	-
Mecoprop (MCPP; [2(2-methyl-chlorophenoxy) propionic acid])	mg/L Not detected	0.003	0.01
Mercury, in inorganic form	mg/L Not detected	0.001	0.006
Methoxychlor	mg/L Not detected	0.001	0.02
Metolachlor	mg/L Not detected	0.01	0.01
Microcystin-LR	mg/L Not detected	0.001	-

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RESULTS (Continued)

Test Parameter	Drinking Water	Detection Limit	*WHO Guideline Value
Microcystins (Total)	mg/L Not detected	0.001	0.001
Molinate	mg/L Not detected	0.001	0.006
Monochloramine	mg/L 0.1	0.1	3
Monochloroacetic acid (chloroacetic acid)	mg/L Not detected	0.01	0.02
Manganese	mg/L Not detected	0.01	0.08
Magnesium	mg/L 9.98	0.001	-
Molybdenum	mg/L Not detected	0.02	-
Nickel	mg/L Not detected	0.02	0.07
Nitrate (as N)	mg/L 0.3	0.02	11
Nitritotriacetic acid (NTA)	mg/L Not detected	0.1	0.2
Nitrite (as N)	mg/L Not detected	0.03	0.9
Nitrate plus nitrite combined	units 0.027	0.009	1
Nitrosodimethylamine (NDMA)	mg/L Not detected	0.0001	0.0001
Pendimethalin	mg/L Not detected	0.001	0.02
Pentachlorophenol (PCP)	mg/L Not detected	0.001	0.009
Perchlorate	mg/L Not detected	0.04	0.07
Permethrin, where used as a larvicide for public health purposes	mg/L Not detected	0.04	-
Pyriproxyfen	mg/L Not detected	0.04	-
Selenium	mg/L Not detected	0.001	0.04
Simazine	mg/L Not detected	0.001	0.002
Sodium dichloroisocyanurate	mg/L Not detected	0.1 (as cyanuric acid)	50 (40 as cyanuric acid)
Styrene	mg/L Not detected	0.001	0.02
Sulfate as SO ₄ ²⁻	mg/L 13.4	0.1	-
Silica (as SiO ₂)	mg/L 11.9	0.002	-
Sodium	mg/L 12.6	0.001	-
Terbutylazine (TBA)	mg/L Not detected	0.001	0.007
Tetrachloroethene	mg/L Not detected	0.001	0.1
Toluene	mg/L Not detected	0.001	0.7
Trichloroethene	mg/L Not detected	0.001	0.008
Trichlorophenol, 2,4,6-	mg/L Not detected	0.001	0.2
2,4,5-T (2,4,5-Trichlorophenoxyacetic acid)	mg/L Not detected	0.003	0.009
Trichloroacetate	mg/L Not detected	0.01	0.2
Trifluralin	mg/L Not detected	0.001	0.02
Total Trihalomethanes Ratio [#]	unit Not detected	0.04	< 1
Total Organic Carbon (TOC)	mg/L Not detected	1.0	-
Total Alkalinity (as CaCO ₃)	mg/L 64.5	1.0	-
Total Hardness as (CaCO ₃)	mg/L 90.7	0.007	-
Total Phosphorus (as P)	mg/L Not detected	0.1	-
Uranium	mg/L Not detected	0.001	0.03
Vinyl Chloride	mg/L Not detected	0.0001	0.0003
Xylenes	mg/L Not detected	0.001	0.5

Note:

1. *Specification is based on WHO Guidelines for Drinking-Water Quality (2022) 4th Edition.
2. [#]The sum of the ratio of the concentration of each to its respective guideline value should not exceed 1.



REMARKS

The parameters tested for the water sample complied with WHO Guidelines for Drinking-Water Quality (2022) 4th Edition.



Handwritten signature of Thai Gia Bach in black ink.

THAI GIA BACH
CHEMIST

Handwritten signature of Dr. Pi Na in black ink.

DR. PI NA
PRODUCT MANAGER
ENVIRONMENTAL MONITORING
CHEMICAL CENTRE

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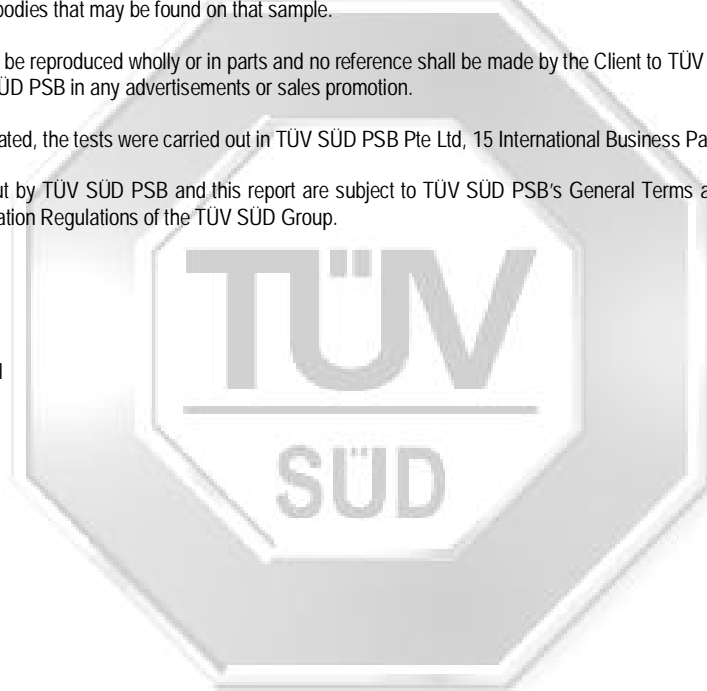


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Effective 01 January 2021





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