

Registration No:  
Co.0839 Et/2012

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

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

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

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

**STATEMENT BY THE DIRECTORS**


In the opinion of Directors, the accompanying condensed statement of financial position of Phnom Penh Water Supply Authority (“PPWSA”) as at 30 September 2024, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter period and nine-month then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”) are presented fairly, in all material respects, in accordance with Cambodia International Accounting Standard 34 *Interim Financial Reporting*.

Signed on behalf of the Board of Directors, ✓



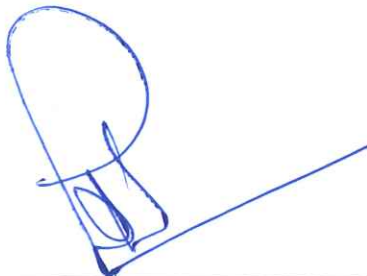
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**Ek Sonnchan**  
Chairman of the Board of Directors



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**Long Naro**  
Director General



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

Phnom Penh, Cambodia  
Date: 10 December 2024

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

**Introduction**

We have reviewed the accompanying condensed statement of financial position of Phnom Penh Water Supply Authority (“PPWSA”) as at 30 September 2024, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and nine-month period then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”). The Directors of the PPWSA are responsible for the preparation of and presentation of the Condensed Interim Financial Information. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

**Scope of review**

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

**Conclusion**

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

  
BDO (Cambodia) Limited

Phnom Penh, Cambodia  
Date: 10 December 2024

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

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2024**

	Note	Unaudited 30.9.2024 KHR'000	Audited 31.12.2023 KHR'000 (restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,754,976,925	2,495,436,312
Intangible assets		9,371,824	10,463,074
		<u>2,764,348,749</u>	<u>2,505,899,386</u>
<b>Current assets</b>			
Inventories		185,097,431	318,746,592
Trade and other receivables		127,132,765	27,980,236
Contract assets	10	172,172,581	155,501,255
Loan to employees		4,212,772	7,956,651
Short-term investments	5	94,123,037	127,316,003
Cash and bank balances		17,947,280	15,660,200
		<u>600,685,866</u>	<u>653,160,937</u>
<b>TOTAL ASSETS</b>		<u>3,365,034,615</u>	<u>3,159,060,323</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		620,759,107	620,759,107
Reserves	6	769,192,273	647,148,782
Retained earnings		76,069,229	126,609,582
<b>TOTAL EQUITY</b>		<u>1,466,020,609</u>	<u>1,394,517,471</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	7	1,411,672,047	1,296,464,956
Deferred government and other grants	8	72,655,315	74,162,746
Deferred tax liabilities		87,389,523	81,946,858
Other payables	9	87,754,504	82,903,732
		<u>1,659,471,389</u>	<u>1,535,478,292</u>
<b>Current liabilities</b>			
Trade and other payables	9	186,861,951	179,944,621
Borrowings	7	32,159,621	24,137,129
Contract liabilities	10	5,155,870	4,254,138
Current tax liabilities		15,365,175	20,728,672
		<u>239,542,617</u>	<u>229,064,560</u>
<b>TOTAL LIABILITIES</b>		<u>1,899,014,006</u>	<u>1,764,542,852</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,365,034,615</u>	<u>3,159,060,323</u>

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

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

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

	Note	Unaudited		Unaudited	
		Three-month period ended 30.9.2024 <sup>(1)</sup> KHR'000	30.9.2023 <sup>(2)</sup> KHR'000	Nine-month period ended 30.9.2024 <sup>(1)</sup> KHR'000	30.9.2023 <sup>(2)</sup> KHR'000
<b>Revenue:</b>					
Sales	12	86,167,694	99,202,498	264,963,608	262,016,611
Construction service fee		3,794,524	2,790,852	7,063,114	13,958,439
Other income		(1,686,166)	2,453,164	14,608,890	11,045,573
		<u>88,276,052</u>	<u>104,446,514</u>	<u>286,635,612</u>	<u>287,020,623</u>
<b>Expenses:</b>					
Depreciation and amortisation charges		(15,010,825)	(15,658,244)	(44,431,848)	(46,449,762)
Electricity costs		(11,995,421)	(11,481,149)	(38,448,357)	(31,839,737)
Salaries, wages and related expenses		(20,881,055)	(19,391,636)	(63,902,335)	(58,682,572)
Raw materials for water treatment		(5,893,061)	(4,662,873)	(14,273,881)	(11,858,825)
Raw materials for household water connections		(1,677,581)	(1,207,494)	(4,538,335)	(3,591,210)
Repairs and maintenance		(3,138,981)	(3,270,124)	(10,656,223)	(8,026,098)
Construction service expense		(3,009,384)	(2,015,963)	(5,523,407)	(7,375,612)
Reversal of impairment on loan to employees		-	-	260,874	-
Other operating expenses		(2,640,436)	(2,311,592)	(10,913,580)	(8,293,247)
Foreign exchange losses - net		(984,857)	(1,484,284)	(112,660)	(2,384,514)
		<u>(65,231,601)</u>	<u>(61,483,359)</u>	<u>(192,539,752)</u>	<u>(178,501,577)</u>
Operating profit		23,044,451	42,963,155	94,095,860	108,519,046
Finance income	13	16,873,335	6,288,768	38,363,451	26,523,526
Finance costs	13	(7,916,179)	(888,445)	(34,468,988)	(21,681,591)
Profit before tax		32,001,607	48,363,478	97,990,323	113,360,981
Tax expense	14	(10,450,735)	(8,589,664)	(21,921,094)	(21,945,483)
Profit for the financial period		21,550,872	39,773,814	76,069,229	91,415,498
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the financial period		<u>21,550,872</u>	<u>39,773,814</u>	<u>76,069,229</u>	<u>91,415,498</u>
Earnings per share attributable to equity holders:					
Basic earnings per share (KHR)	15	247.79	457.31	874.63	1,051.08
Diluted earnings per share (KHR)	15	247.79	457.31	874.63	1,051.08

*Notes:*

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

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

**PHNOM PENH WATER SUPPLY AUTHORITY**  
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**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

	Note	Share capital KHR'000	Reserves KHR'000	Retained earnings KHR'000	Total KHR'000
<b>Unaudited</b>					
<b>Balance as at 1 January 2024</b>		<b>620,759,107</b>	<b>647,148,782</b>	<b>126,609,582</b>	<b>1,394,517,471</b>
Profit for the financial period, representing total comprehensive income		-	-	76,069,229	76,069,229
<b>Transactions with owners</b>					
Transfer to reserves	6	- 122,043,491	(122,043,491)	-	-
Dividends	11	-	-	(4,566,091)	(4,566,091)
Total transactions with owners		- 122,043,491	(126,609,582)	(4,566,091)	(4,566,091)
<b>Balance as at 30 September 2024<sup>(1)</sup></b>		<b>620,759,107</b>	<b>769,192,273</b>	<b>76,069,229</b>	<b>1,466,020,609</b>
<b>Unaudited</b>					
<b>Balance as at 1 January 2023</b>		<b>620,759,107</b>	<b>543,268,075</b>	<b>108,185,865</b>	<b>1,272,213,047</b>
Profit for the financial period, representing total comprehensive income		-	-	91,415,498	91,415,498
<b>Transactions with owners</b>					
Transfer to reserves	6	- 103,880,707	(103,880,707)	-	-
Dividends		-	-	(4,305,158)	(4,305,158)
Total transactions with owners		- 103,880,707	(108,185,865)	(4,305,158)	(4,305,158)
<b>Balance as at 30 September 2023<sup>(2)</sup></b>		<b>620,759,107</b>	<b>647,148,782</b>	<b>91,415,498</b>	<b>1,359,323,387</b>

*Notes:*

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

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

**PHNOM PENH WATER SUPPLY AUTHORITY**  
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**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

	Note	Unaudited	
		Nine-month period ended 30.9.2024 <sup>(1)</sup> KHR'000	30.9.2023 <sup>(2)</sup> KHR'000
<b>Cash flows from operating activities</b>			
Profit before tax		97,990,323	113,360,981
Adjustments for:			
Amortisation of intangible assets		1,116,724	1,390,440
Amortisation of deferred government and other grants	8	(1,507,431)	(1,339,939)
Depreciation of property, plant and equipment	4	43,315,124	45,059,321
Finance income	13	(38,363,451)	(26,523,526)
Finance costs	13	34,468,988	21,681,591
Property, plant and equipment written-off	4	2,378,872	444,669
Operating profit before changes working capital		139,399,149	154,073,537
Changes in working capital:			
Inventories		(123,879,086)	(106,047,813)
Trade and other receivables		(97,524,591)	(8,342,235)
Trade and other payables		3,081,211	40,061,260
Contract assets		(16,671,326)	(43,193,417)
Contract liabilities		901,732	180,498
Cash (used in)/generated from operations		(94,692,911)	36,731,830
Income tax paid		(21,841,926)	(19,863,781)
Net cash (used in)/from operating activities		(116,534,837)	16,868,049
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(31,793,809)	(249,744,826)
Purchase of intangible assets		(25,474)	(236,252)
Interest received		3,569,585	3,008,141
Withdrawal/(Placement) of short-term investments		33,192,966	(870,033)
Net cash from/(used in) investing activities		4,943,268	(247,842,970)
<b>Cash flows from financing activities</b>			
Dividend paid		(4,566,091)	(4,305,158)
Drawdown of borrowings		149,833,016	228,074,196
Interest paid		(13,770,720)	(8,572,161)
Repayments of borrowings		(21,361,435)	(21,479,453)
Proceed from government grant		-	6,157,800
Proceed from settlement of loan to employees		3,743,879	-
Net cash from financing activities		113,878,649	199,875,224



**PHNOM PENH WATER SUPPLY AUTHORITY**  
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**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (continued)**

	Note	Unaudited	
		30.9.2024 <sup>(1)</sup>	30.9.2023 <sup>(2)</sup>
		KHR'000	KHR'000
Net increase/(decrease) cash and cash equivalents		2,287,080	(31,099,697)
Cash and cash equivalents at the beginning of financial period		<u>15,660,200</u>	<u>56,716,439</u>
Cash and cash equivalents at the end of financial period		<u>17,947,280</u>	<u>25,616,742</u>

*Notes:*

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

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

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**30 SEPTEMBER 2024**

**1. CORPORATE INFORMATION**

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

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

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

The condensed interim financial information was authorised for issue by the Board of Directors on 10 December 2024.

**2. PRINCIPAL ACTIVITIES**

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

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

**3. BASIS OF PREPARATION**

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

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

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

	<b>Effective Date</b>
<i>Supplier Finance Arrangements</i> (Amendments to CIAS 7 <i>Statement of Cash Flows</i> and CIFRS 7 <i>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

### 3. BASIS OF PREPARATION (continued)

#### 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.

The PPWSA carried out an assessment of its contracts and operations and concluded that these amendments have had no effect on the interim condensed financial statements, regardless of the transition relief provided.

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

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

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

#### 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.

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

#### 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.

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

### 3. BASIS OF PREPARATION (continued)

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

	<b>Effective Date</b>
Amendments to CIAS 21 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to CIFRS 7 and CIFRS 9 <i>Classification and measurement of financial instruments</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*

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

- Specify when a currency is exchangeable into another currency and when it is not a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- 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.

#### 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.
- 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.

### 3. BASIS OF PREPARATION (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 IFRS 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.

#### 4. PROPERTY, PLANT AND EQUIPMENT

	<b>Unaudited 30.9.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000 (restated)</b>
<i>Cost</i>		
Balance at the beginning of financial period/year	3,153,360,119	2,805,461,230
Additions	47,706,362	281,994,800
Transfers from inventory	257,528,247	72,143,423
Written-off	<u>(7,240,735)</u>	<u>(6,239,334)</u>
Balance at the end of financial period/year	<u>3,451,353,993</u>	<u>3,153,360,119</u>
<i>Accumulated depreciation</i>		
Balance at the beginning of financial period/year	657,923,807	602,419,317
Depreciation for financial period/year	43,315,124	60,115,369
Written-off	<u>(4,861,863)</u>	<u>(4,610,879)</u>
Balance at the end of financial period/year	<u>696,377,068</u>	<u>657,923,807</u>
<i>Carrying amounts</i>		
Balance at the end of financial period/year	<u>2,754,976,925</u>	<u>2,495,436,312</u>

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

	<b>Unaudited 30.9.2024 KHR'000</b>	<b>Unaudited 30.9.2023 KHR'000</b>
Additions	47,706,362	257,954,304
Increase in payables and performance guarantee	(8,686,891)	
Interest capitalised on qualifying assets	<u>(7,225,662)</u>	<u>(8,209,478)</u>
Cash payment for purchase of property, plant and equipment	<u>31,793,809</u>	<u>249,744,826</u>

#### 5. SHORT-TERM INVESTMENTS

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

Short-term investments include deposits amounting to KHR94.1 billion (2023: KHR127.3 billion) set up specifically for the purpose of receiving the interest and for precautionary measures and speculative activities.

#### 6. RESERVES

	<b>Capital reserve KHR'000</b>	<b>Legal reserve KHR'000</b>	<b>General reserve KHR'000</b>	<b>Development reserve KHR'000</b>	<b>Total KHR'000</b>
As at 1.1.2024	1,648,435	43,990,965	43,990,965	557,518,417	647,148,782
Transfer from retained earnings	<u>-</u>	<u>6,330,479</u>	<u>6,330,479</u>	<u>109,382,533</u>	<u>122,043,491</u>
As at 30.9.2024 (Unaudited)	<u>1,648,435</u>	<u>50,321,444</u>	<u>50,321,444</u>	<u>666,900,950</u>	<u>769,192,273</u>

**6. RESERVES (continued)**

	<b>Capital reserve KHR'000</b>	<b>Legal reserve KHR'000</b>	<b>General reserve KHR'000</b>	<b>Development reserve KHR'000</b>	<b>Total KHR'000</b>
<b>As at 1.1.2023</b>	1,648,435	38,581,671	38,581,671	464,456,298	543,268,075
Transfer from retained earnings	-	5,409,294	5,409,294	93,062,119	103,880,707
<b>As at 31.12.2023 (Audited)</b>	<u>1,648,435</u>	<u>43,990,965</u>	<u>43,990,965</u>	<u>557,518,417</u>	<u>647,148,782</u>

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

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

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

**7. BORROWINGS**

	<b>Unaudited 30.9.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000</b>
<b>Non-current</b>		
MoEF - Japanese International Cooperation Agency ("JICA")	30,895,919	32,905,221
MoEF - Asian Development Bank ("ADB")	26,002,004	28,181,178
Agence Francaise De Development ("AfD") - Credit No. 1121 01 F	-	9,120,093
AfD - Credit No. 1174 01 P	134,702,746	146,790,388
AfD - Credit No. 1176 01 S	339,390,138	334,124,904
AfD - Credit No. 1244 01 M	408,232,427	348,610,836
AfD - Credit No. 1273 01 P	72,688,011	-
European Investment Bank ("EIB")	399,760,802	396,732,336
	<u>1,411,672,047</u>	<u>1,296,464,956</u>
<b>Current</b>		
MoEF - JICA	1,320,544	1,406,237
MoEF - ADB	2,250,454	2,377,251
AfD - Credit No. 1121 01F	9,113,108	18,260,514
AfD - Credit No. 1174 01 P	11,591,994	1,349,843
AfD - Credit No. 1176 01 S	1,171,651	275,702
AfD - Credit No. 1244 01 M	1,381,660	357,428
EIB	5,330,210	110,154
	<u>32,159,621</u>	<u>24,137,129</u>
	<u>1,443,831,668</u>	<u>1,320,602,085</u>

**7. BORROWINGS (continued)**

The maturity dates of these borrowings are as follows:

	<b>Unaudited 30.9.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000</b>
<b>Current</b>		
- Not later than one year	<u>32,159,621</u>	<u>24,137,129</u>
<b>Non-current</b>		
- Later than one year but not later than two years	38,082,807	31,779,581
- Later than two years but not later than five years	249,318,486	222,815,146
- Later than five years	<u>1,124,270,754</u>	<u>1,041,870,229</u>
	<u>1,411,672,047</u>	<u>1,296,464,956</u>
	<u>1,443,831,668</u>	<u>1,320,602,085</u>

**8. DEFERRED GOVERNMENT AND OTHER GRANTS**

	<b>EU grant KHR'000</b>	<b>Government grant KHR'000</b>	<b>JICA grant KHR'000</b>	<b>Other grants KHR'000</b>	<b>Total KHR'000</b>
<b>Balance at 1.1.2024</b>	54,436,199	14,496,321	3,838,433	1,391,793	74,162,746
Amortisation charges	<u>-</u>	<u>(1,389,754)</u>	<u>(99,380)</u>	<u>(18,297)</u>	<u>(1,507,431)</u>
<b>Balance at 30.9.2024 (Unaudited)</b>	<u>54,436,199</u>	<u>13,106,567</u>	<u>3,739,053</u>	<u>1,373,496</u>	<u>72,655,315</u>
<b>Balance at 1.1.2023</b>	54,436,199	10,191,527	3,972,502	638,249	69,238,477
Additions	-	6,157,800	-	776,377	6,934,177
Amortisation charges	<u>-</u>	<u>(1,853,006)</u>	<u>(134,069)</u>	<u>(22,833)</u>	<u>(2,009,908)</u>
<b>Balance at 31.12.2023 (Audited)</b>	<u>54,436,199</u>	<u>14,496,321</u>	<u>3,838,433</u>	<u>1,391,793</u>	<u>74,162,746</u>

**9. TRADE AND OTHER PAYABLES**

	<b>Unaudited 30.9.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000</b>
<b>Other payables - non-current</b>		
Refundable water deposits	<u>87,754,504</u>	<u>82,903,732</u>
<b>Trade payable - current</b>		
Third parties	<u>91,745,978</u>	<u>84,791,276</u>



**9. TRADE AND OTHER PAYABLES (continued)**

	<b>Unaudited 30.9.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000</b>
<b>Other payables - current</b>		
Accrued staff incentive	9,055,291	11,505,191
Amount due to Phnom Penh Municipality	75,756,640	65,492,330
Amount due to employees	737,371	4,510,286
Performance guarantee	67,330	67,356
Other tax payable	104,463	972,848
Other payables	9,394,878	12,605,334
	<u>95,115,973</u>	<u>95,153,345</u>
	<u>186,861,951</u>	<u>179,944,621</u>
	<u>274,616,455</u>	<u>262,848,353</u>

**10. CONTRACT ASSETS/(LIABILITIES)**

	<b>Unaudited 30.9.2024 KHR'000</b>	<b>Audited 31.12.2023 KHR'000</b>
<b>Contract assets</b>		
Construction service receivable	3,677,118	6,551,201
Accrued water revenue	168,495,463	148,950,054
	<u>172,172,581</u>	<u>155,501,255</u>
<b>Contract liabilities</b>		
Deferred income	(5,278)	(5,278)
Unearned income	(5,150,592)	(4,248,860)
	<u>(5,155,870)</u>	<u>(4,254,138)</u>

**11. DIVIDEND**

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 KHR4,566,091,250.

## 12. SALES

	Unaudited		Unaudited	
	Three-month period ended		Nine-month period ended	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	KHR'000	KHR'000	KHR'000	KHR'000
Water sales:				
- households	31,234,577	38,581,654	95,648,418	98,490,028
- commercial	41,498,494	47,863,252	130,692,182	127,336,131
- public administration institution	6,067,979	6,314,999	18,347,035	17,481,888
- autonomous state authorities	325,637	195,564	792,387	774,770
- wholesalers	2,792,664	3,471,604	8,388,514	8,945,192
Rounding difference on water sales revenue	20,133	23,628	62,086	62,002
Less: Invoice cancellations	(48,733)	(84,441)	(1,528,248)	(740,668)
	<u>81,890,751</u>	<u>96,366,260</u>	<u>252,402,374</u>	<u>252,349,343</u>
Water connection revenue	2,929,633	1,517,093	8,874,066	6,104,066
Water meter replacement charges	1,320,477	1,226,993	3,592,230	3,383,755
Spare parts and meter sales	26,833	92,152	94,938	179,447
	<u>86,167,694</u>	<u>99,202,498</u>	<u>264,963,608</u>	<u>262,016,611</u>

## 13. FINANCE INCOME/(COSTS)

	Unaudited		Unaudited	
	Three-month period ended		Nine-month period ended	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	KHR'000	KHR'000	KHR'000	KHR'000
Finance income:				
- Interest income on bank deposits (a)	1,291,944	1,532,263	5,197,523	4,972,080
- Net foreign exchange gains on borrowings	15,581,391	4,756,505	33,165,928	21,551,446
	<u>16,873,335</u>	<u>6,288,768</u>	<u>38,363,451</u>	<u>26,523,526</u>
Finance costs:				
- Interest expense on borrowings (b)	(4,921,015)	(4,001,389)	(17,114,198)	(10,867,527)
- Net foreign exchange losses on borrowings	(3,919,707)	-	(24,580,452)	(19,023,542)
- Interest expense capitalised on qualifying assets	924,543	3,112,944	7,225,662	8,209,478
	<u>(7,916,179)</u>	<u>(888,445)</u>	<u>(34,468,988)</u>	<u>(21,681,591)</u>
	<u>8,957,156</u>	<u>5,400,323</u>	<u>3,894,463</u>	<u>4,841,935</u>

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

#### 14. TAX EXPENSE

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

#### 15. EARNINGS PER SHARE

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

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

	Unaudited		Unaudited	
	Three-month period ended	Three-month period ended	Nine-month period ended	Nine-month period ended
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	KHR'000	KHR'000	KHR'000	KHR'000
Profit attributable to equity holders (KHR'000)	21,550,872	39,773,814	76,069,229	91,415,498
Weighted average number of shares	<u>86,973,162</u>	<u>86,973,162</u>	<u>86,973,162</u>	<u>86,973,162</u>
Basic earnings per share (KHR)	<u>247.79</u>	<u>457.31</u>	<u>874.63</u>	<u>1,051.08</u>

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

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

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

#### 16. RELATED PARTY TRANSACTIONS

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

	Unaudited		Unaudited	
	Three-month period ended	Three-month period ended	Nine-month period ended	Nine-month period ended
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	KHR'000	KHR'000	KHR'000	KHR'000
<u>Common control</u>				
MoEF				
Interest on borrowings paid	<u>7,486,237</u>	<u>4,001,388</u>	<u>17,114,198</u>	<u>10,867,527</u>

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

Key management compensation during the financial period is as follows:

	Unaudited		Unaudited	
	Three-month period ended	Three-month period ended	Nine-month period ended	Nine-month period ended
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	KHR'000	KHR'000	KHR'000	KHR'000
Salaries and other expenses	<u>726,371</u>	<u>616,632</u>	<u>1,890,765</u>	<u>1,894,788</u>

## 17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### (a) Credit risk

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

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

### (b) Liquidity and cash flow risk

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

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

### (c) Interest rate risk

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

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

## 18. CAPITAL COMMITMENTS

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>30.9.2024</b>	<b>31.12.2023</b>
	<b>KHR'000</b>	<b>KHR'000</b>
Construction of water treatment plant	298,426,641	27,799,075
Consultation services	3,826,288	9,949,247
Purchase of iron pipes, fitting and accessories	8,088,842	21,870,848
	<u>310,341,771</u>	<u>59,619,170</u>

## 19. TAXATION CONTINGENCIES

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

## 20. COMPARATIVE FIGURES

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

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

## 21. PRIOR YEAR ADJUSTMENTS

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

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

## 22. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

On 10 April 2024, the PPWSA and VINCI Construction Grands Projects enter into agreement on Construction of Bakheng Water Production Facilities Phase 3 with the production capacity of 195,000m<sup>3</sup>/day. This construction contract is approximately US\$103 million which are 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 will be started by June 2024 and completed by third quarter of 2027.