

Registration No:
Co.0839 Et/2012

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

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

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

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PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

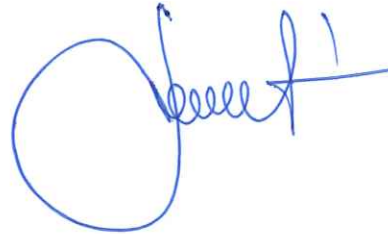
STATEMENT BY THE DIRECTORS

In the opinion of Directors, the accompanying condensed statement of financial position of Phnom Penh Water Supply Authority ("PPWSA") as at 30 September 2025, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and nine-month period then ended, and condensed notes to the interim financial information (collectively known as "Condensed Interim Financial Information") are presented fairly, in all material respects, in accordance with Cambodia International Accounting Standard 34 *Interim Financial Reporting*.

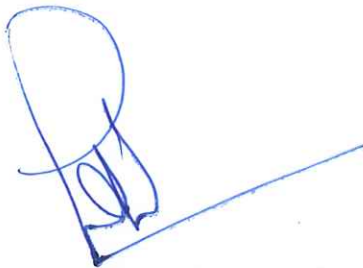
Signed on behalf of the Board of Directors, ✓



Ek SonnChan
Chairman of the Board of Directors



Long Naro
Director General



Deng Polyden
Deputy Director General
in charge of Finance

Phnom Penh, Cambodia
Date: 12th December 2025

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

Introduction

We have reviewed the accompanying condensed statement of financial position of Phnom Penh Water Supply Authority (“PPWSA”) as at 30 September 2025, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and nine-month period then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”). The Directors of the PPWSA are responsible for the preparation of and presentation of the Condensed Interim Financial Information. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

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

Conclusion

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


BDO (Cambodia) Limited
Phnom Penh, Cambodia
Date: 12 December 2025

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

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

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

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

Notes:

(1) The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

	Note	Share capital KHR'000	Reserves KHR'000	Retained earnings KHR'000	Total KHR'000
Unaudited					
Balance as at 1 January 2025		620,759,107	713,236,157	31,077,349	1,365,072,613
Profit for the financial period, representing total comprehensive income		-	-	61,770,360	61,770,360
Transactions with owners					
Capital contribution	6	15,842,877	-	-	15,842,877
Transfer to reserves	7	-	26,511,258	(26,511,258)	-
Dividends	12	-	-	(4,566,091)	(4,566,091)
Total transactions with owners		15,842,877	26,511,258	(31,077,349)	11,276,786
Balance as at 30 September 2025⁽¹⁾		636,601,984	739,747,415	61,770,360	1,438,119,759
Unaudited					
Balance as at 1 January 2024		620,759,107	647,148,782	126,609,582	1,394,517,471
Profit for the financial period, representing total comprehensive income		-	-	76,069,229	76,069,229
Transactions with owners					
Transfer to reserves	6	-	122,043,491	(122,043,491)	-
Dividends		-	-	(4,566,091)	(4,566,091)
Total transactions with owners		-	122,043,491	(126,609,582)	(4,566,091)
Balance as at 30 September 2024⁽²⁾		620,759,107	769,192,273	76,069,229	1,466,020,609

Notes:

(1) *The Condensed Statement of Change in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.*

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

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

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

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

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

	Note	Unaudited	
		Nine-month period ended 30.9.2025 ⁽¹⁾ KHR'000	30.9.2024 ⁽²⁾ KHR'000
Net increase cash and cash equivalents		3,022,969	2,287,080
Cash and cash equivalents at the beginning of financial period		<u>18,406,666</u>	<u>15,660,200</u>
Cash and cash equivalents at the end of financial period		<u>21,429,635</u>	<u>17,947,280</u>

Notes:

- (1) *The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *The comparative figures for the corresponding period were reviewed but not audited.*

PHNOM PENH WATER SUPPLY AUTHORITY
(Incorporated in Cambodia)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2025

1. CORPORATE INFORMATION

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

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

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

The condensed interim financial information was authorised for issue by the Board of Directors on 12 December 2025.

2. PRINCIPAL ACTIVITIES

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

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

3. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached herein.

The explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the PPWSA since the financial year ended 31 December 2024.

3. BASIS OF PREPARATION (continued)

The accounting policies and methods of computation adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024 except for the adoption of the following amendments:

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

Amendments to CIAS 21 *Lack of Exchangeability*

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

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

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

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

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

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

3. BASIS OF PREPARATION (continued)

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

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

These amendments clarify:

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

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

Annual Improvements to CIFRS Accounting Standards - Volume 11

The annual improvements address the following:

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

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

These amendments include:

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

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

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

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

3. BASIS OF PREPARATION (continued)

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

CIFRS 18 Presentation and Disclosures in Financial Statements (continued)

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

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

CIFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

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

Amendments to CIFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

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

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

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

5. SHORT-TERM INVESTMENTS

These represent fixed deposits placed with financial institutions for a period of twelve months (2024: nine and twelve months) and earn interest at rates 3.25% to 5.25% (2024: 3.50% to 5.25%) per annum.

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

6. SHARE CAPITAL

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

6. SHARE CAPITAL (continued)

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

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

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

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

7. RESERVES

	Capital reserve KHR'000	Legal reserve KHR'000	General reserve KHR'000	Development reserve KHR'000	Total KHR'000
As at 1.1.2025	1,648,435	50,321,444	50,321,444	610,944,834	713,236,157
Transfer from retained earnings	<u>-</u>	<u>4,252,146</u>	<u>4,252,146</u>	<u>18,006,966</u>	<u>26,511,258</u>
As at 30.9.2025 (Unaudited)	<u>1,648,435</u>	<u>54,573,590</u>	<u>54,573,590</u>	<u>628,951,800</u>	<u>739,747,415</u>
As at 1.1.2024 (restated)	1,648,435	43,990,965	43,990,965	501,562,301	591,192,666
Transfer from retained earnings	<u>-</u>	<u>6,330,479</u>	<u>6,330,479</u>	<u>109,382,533</u>	<u>122,043,491</u>
As at 31.12.2024 (Audited)	<u>1,648,435</u>	<u>50,321,444</u>	<u>50,321,444</u>	<u>610,944,834</u>	<u>713,236,157</u>

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

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

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

8. BORROWINGS

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

The maturity dates of these borrowings are as follows:

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

9. DEFERRED GOVERNMENT AND OTHER GRANTS

	EU grant KHR'000	Government grant KHR'000	JICA grant KHR'000	Other grants KHR'000	Total KHR'000
Balance at 1.1.2025	54,436,199	12,643,315	3,705,926	1,840,521	72,625,961
Addition	-	-	-	347,284	347,284
Amortisation charges	-	(1,389,754)	(99,380)	(18,297)	(1,507,431)
Balance at 30.9.2025 (Unaudited)	<u>54,436,199</u>	<u>11,253,561</u>	<u>3,606,546</u>	<u>2,169,508</u>	<u>71,465,814</u>
Balance at 1.1.2024	54,436,199	14,496,321	3,838,433	1,391,793	74,162,746
Addition	-	-	-	473,123	473,123
Amortisation charges	-	(1,853,006)	(132,507)	(24,395)	(2,009,908)
Balance at 31.12.2024 (Audited)	<u>54,436,199</u>	<u>12,643,315</u>	<u>3,705,926</u>	<u>1,840,521</u>	<u>72,625,961</u>

10. TRADE AND OTHER PAYABLES

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

11. CONTRACT ASSETS AND LIABILITIES

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

12. DIVIDEND

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

13. SALES

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

14. FINANCE INCOME/(COSTS)

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

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

15. TAX EXPENSE

Under the Cambodian Law on Taxation, the PPWSA has an obligation to pay tax on profit at 20% (2024: 20%) of the taxable profit or a minimum tax at 1% (2024: 1%) of total revenue, whichever is higher. It represents the minimum amount of tax that the PPWSA will pay to tax authorities. The PPWSA has a tax on profit liability that exceeds the minimum tax liability, thus, no minimum tax will be payable. Tax is payable even if the PPWSA is in a tax loss position.

16. EARNINGS PER SHARE

(a) Basic earnings per share

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

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

(b) Diluted earnings per share

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

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

17. RELATED PARTY TRANSACTIONS

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

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

(b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

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

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Credit risk

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

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

(b) Liquidity and cash flow risk

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

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

(c) Interest rate risk

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

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

19. CAPITAL COMMITMENTS

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

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

20. TAXATION CONTINGENCIES

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

21. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

- (a) On 29 May 2025, the Board of Directors approved the transfer of retained earnings to reserves amounting to KHR80,476,821,750.
- (b) On 29 May 2025, the Board of Directors of PPWSA proposed and the shareholders subsequently approved, a dividend of KHR350 per share in respect of the financial year ended 31 December 2024. The total dividend declared amounting to KHR4,566,091,250. This approval was made following the conclusion of the reporting period and reflects PPWSA's financial performance and commitment to shareholder returns.
- (c) On 30 June 2025, the MoEF increased its capital contribution to PPWSA through the transfer of two plots of land. These plots are intended for the construction of the Mlech Water Treatment Plant in Kampot Province and the Boeng Thom Water Treatment Plant in Phnom Penh. The total value of the land granted amounting to KHR15,842,877,000. This capital increase was made without the issuance of additional shares in PPWSA.
- (d) On 5 July 2025, the MoEF issued an approval letter in response to the Board of Directors' request for the determination of the land price to be recognised as capital contribution to PPWSA.