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INTEAN POALROATH RONGROEURNG LTD

ANNUAL REPORT 2023



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VISION MISSION AND VALUE



VISION

To be the leading
Cambodian Microfinance
Institution serving the
agriculture sector.



MISSION

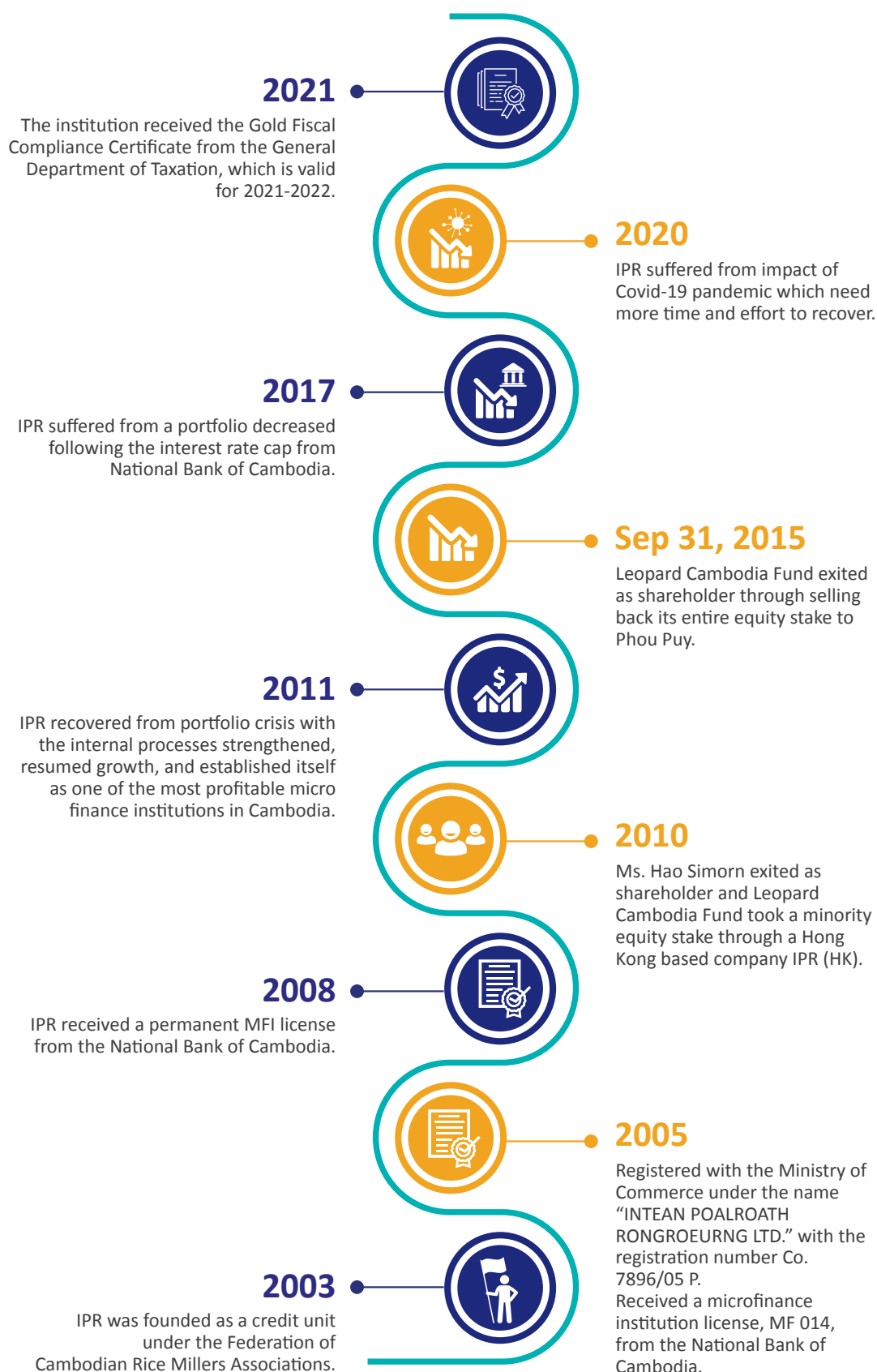
To provide convenient
financial services adapted
to agriculture-related
business in order to
improve the economic
conditions of farmers
while sustaining the
institution's profitable
growth.



VALUE

- . Integrity and Honesty
- . Accountability
- . Teamwork
- . Dignity and Respect

COMPANY BACKGROUND



CHAIRMAN'S MESSAGE



Mr. OKNHA PHOU PUY
CHAIRMAN OF THE BOARD
OF DIRECTORS

2023 has featured the continuing recovery of the global economy amidst several challenges, although at slower speed, the stability in the Cambodian economy, and a slight fall but still stable in IPR's operations.

Cambodia was able to achieve an economic growth rate of 5% in 2023, slightly lower than the 5.1% rate in 2022, backing by robust exports of non-garment products, a rebound in Tourism and increasing FDI inflows.

We are aware of the heightened geopolitical tensions and aggressive tightening of monetary policy in advanced countries with the goal to combat high inflation, However, despite pressure from external factors, thanks to the continuing efforts of the National Bank of Cambodia for closely monitoring potential risk to the whole system, and taking proactive approach in setting prudential measures to protect the financial stability, Cambodia's banking system has continued to be resilient. There has been a sharp slowdown in credit growth and rising credit risk for the whole sector, however, IPR will remain cautious and continue to provide funding to support the post-pandemic economic recovery.

IPR's performance has fell slightly compared to the previous year, yet we still managed to stand firm, despite the ongoing circumstances, and we were able to maintain strong liquidity buffer. Despite any circumstances, IPR will remain focused on its mission towards the agricultural sector that is the backbone of Cambodia's economy. With that being said, for IPR's future growth, agriculture sector will continue to be the main market segment for IPR in terms of its credit portfolio, in addition with other segments.

More importantly, our comprehensive business model along the agricultural value chain with complementary cooperation partners continue to be important. Our unique combination of profitability, low leverage, agricultural focus, and positive social impact on rural farmers makes us an attractive investment proposal, and with the introduction of more product choices, we hope to expand our reach to more consumer base that align with the current economic state. IPR remains a strong base microfinance in terms of equity and clear strategic market positioning. IPR will strive to continue achieving financial health and long-term growth.

I extend my continued gratitude and appreciation to our Board members, our business partners, our valuable clients, and IPR executive management team and all levels of IPR employees for their continued commitment and dedication.

Sincerely Yours,



Oknha PHOU Puy
Chairman of the Board of Directors

CEO'S MESSAGE



PHOU SOVANCHAN

CHIEF EXECUTIVE OFFICER

This year's economic activity has been slower than previously anticipated due to emerging structural bottlenecks and continued external headwinds, according to the World Bank Economic Update for Cambodia. Cambodia managed to achieve a GDP growth rate of 5%, slightly lower than the 5.1% rate in 2022. Credit growth has plummeted from 19% in 2022 to 4.2% in 2023 with higher interest rates, risen debt levels and increasing BFI's cautious lending. The rising Non-Performing Loans for the whole sector also caused worries however alerting the whole market player to be vigilant in their growth and at the same time, the directive of the BFI's Code of Conduct ensured that all banks and financial institutions serves the clients in a cautious and prudent manner. Cambodia's inflation also decreased from 5.4% in 2022 to 2.1% in 2023, and despite external pressure, Cambodia was able to maintain the KHR exchange rate at stable levels, thanks to the dedicated efforts of the National Bank of Cambodia.

Despite the rising in credit risk, the banking system remained resilient and continued to provide funding to support the post-pandemic economic recovery. Credit quality for the whole sector has deteriorated but remained manageable with adequate provision and strong capital position, as for IPR, our NPL by the end of 2023 has increased to 4.17%; however, IPR also built up strong loan loss reserve at 3.4% to cover this credit risk. IPR has rescheduled loans for clients who were facing short-term liquidity challenges given the slowdown of economic condition, at a ratio of 2.9%, to ensure IPR clients are able to cope with their economic downturn while receiving loosen debt burden for the time being.

Compared to the previous year, IPR loan portfolio has decreased due to the reduction in loan to related party and the strengthening of loan assessment process. however, we were able to keep our performance under control for the year 2023, our ROA and ROE was both 3.1% falling from 4.4% and 4.5% in 2022, respectively. Nonetheless, IPR holds firm our top priority that is to ensure we provide the assistance to our clients and employees, at any circumstances that deem needed. Thanks to the guidance of the board of directors and close cooperation among our Management team.

IPR is highly committed in continuing to comply with the Bank and Financial Institutions' Code of Conduct that was established since 2022, and it is with utmost importance that IPR lends responsibly to clients and that they are treated with fairness and professionalism. More than that, it is IPR's role in taking part to continue fostering the confidence in the whole banking and financial system of Cambodia. IPR is in the process of working on steps required to comply with the Client Protection Principle.

In the coming year, IPR has planned to revise its strategies and simplify its operating process to continue evolving with the market and technological development to serve its clients better. At the same time, IPR promised to strengthen its risk management process as well. IPR employees' capability continues to play a major role in supporting the company's strength, and IPR is committed to continue ensuring that necessary supports are provided to employees in order for them to perform their job effectively and efficiently. In 2023, IPR has enrolled all field staffs to undergo the course on Responsible Lending that was required by NBC, to ensure all credit officers are certified in providing lending service. IPR will continue to strengthen its staff capability and development through both internal and external trainings. Furthermore, in aligning with IPR's vision and mission, IPR has been working on the process on Agriculture value chain project with a key partner namely Baitang (Kampuchea) Plc., IPR planned start implement the project under proper guideline during the coming year, with positive outlook.

On behalf of IPR's management, I would like to express my sincere appreciation for all of IPR employees, the Board of Directors and the Shareholder for all the support and guidance; our partners and CMA for continuing assistance, and the National Bank of Cambodia, for the ongoing support and prudent supervision. We will continue working hard and smart under continuous reflection for the advancement of IPR and our stakeholders.

Sincerely Yours,

PHOU Sovanchan
Chief Executive Officer

BOARD OF DIRECTORS



MR. OKNHA PHOU PUY CHAIRMAN

Mr. Oknha PHOU Puy is the Founder and Chairman of the Board of Directors of IPR since the inception, he is a prominent entrepreneur in the agriculture sector of Cambodia, especially in the rice milling sector. Mr. PHOU Puy is also the chairman and CEO of Baitang (Kampuchea) Plc, the largest rice miller in Cambodia.



MR. HSU MING-YEE INDEPENDENT DIRECTOR

Mr. HSU Ming-Yee is an independent microfinance consultant and investor. He used to work as Adviser, then as Head of Operations department at IPR from 2011 to 2014. Before engaging with IPR, Mr. HSU Ming-Yee worked for ADA, a Luxembourg NGO specialized in microfinance, where he coordinated the set-up of the Luxembourg Microfinance and Development Fund and managed its investment portfolio in Asia and East Africa. Prior to ADA, he worked for the European Commission in Malaysia and for the Central Bank of Luxembourg. Mr. HSU Ming-Yee has published works on banking stability, the US personal savings rate and microfinance.



MRS. POK NIVILAY INDEPENDENT DIRECTOR

Ms. POK Nivilay has served as an independent director since April 2016. She has a long and distinguished career in Sales & Marketing, Communications and Public Relations. She previously worked as Head of Marketing and Communications, Corporate Sales Manager, and as a TV host of Law and health talk shows. Ms. Nivilay holds a Bachelor and a Master's degree of Business Administration with a major in General Management.



MR. PECH SANY INDEPENDENT DIRECTOR

Mr. Pech Sany was appointed as an independent director of IPR since January 2020. Beside IPR, he is currently a Deputy CEO in Charge of Operation Department and Admin and Finance Department of Agriculture Rural Development Bank (ARDB). H.E Pech Sany has more than two decades' banking experience to his name. He held various positions with NBC, RDB project and other Commercial Bank, starting from Supervision and Examination Department of NBC, Credit Officer of RDB, Chief Bureau in charge of MIS, Chief Bureau of R&D, Vice Head of Accounting and Finance Department and Head of Project Management Unit.

He has a Master degree in Finance from National University of Management in 2004 and Bachelor degree of Banking from the University of Banking, Vietnam in 1991.

EXECUTIVE MANAGEMENT



Miss. PHOU SOVANCHAN

CHIEF EXECUTIVE OFFICER

Miss. PHOU Sovanchan was appointed as Chief Executive Officer on 01 January 2021. Previously, she worked as Compliance Officer at IPR, serving this function since July 2019. Prior to that, she had worked as a trainee assistant to CEO for 6 months during 2018.

Sovanchan has obtained a Bachelor's degree in Accounting and Finance from Cam-Ed Business School, while at the same time, obtained a Certified Accounting Technician (CAT) certificate from the same school in 2018. In 2020, She has obtained a Master's degree in International Business, from Grenoble Ecole de Management, Singapore. During second year of Master's course, Sovanchan joined IPR during July 2019, as a Risk and compliance officer, and that was when she also obtained a Regulatory Compliance Certificate granted by The Institute of Banking and Finance, an institution owned by The Association of Banks in Cambodia. Sovannchan is currently pursuing a Charter Banker qualification offered by the Charter Banker Institute, UK.



MR. CHENG VANNET

HEAD OF OPERATION

Mr. CHENG Vannet served as Head of Internal Audit at IPR since 2016. He joined IPR in January 2010 and held various positions including Loan Recovery Manager, Main Branch Manager, Credit Manager and Acting Head of Operations. Prior to joining IPR, he worked as Credit Officer and Operations Manager with other MFIs.

Mr. Vannet obtained Master's Degree of Business Administration majoring in General Management from Panha Chiet University in 2014 and He also graduated Bachelor's Degree of Economics majoring in Rural Economic Development from RULE in 2002.



MR. HAY KIMKHORN

HEAD OF FINANCE AND ADMINISTRATION

Mr. HAY Kimkhorn serves as Head of Finance and Administration of IPR since 2009. He has been working with IPR for over 15 years since 2006 in different roles such as Branch Assistant, Branch Manager, and Head of Operation. Before joining IPR, he worked as a Bookkeeper of another MFI.

Mr. Kimkhorn holds a BBA in Finance and Accounting and MBA in Management from University of Management and Economic (UME), Battambang Province. He also has attended several training courses related to microfinance.



MR. PHOUK COVITH

ACTING HEAD OF INFORMATION TECHNOLOGY

Mr. PHOUK Covith, joined IPR as IT Manager in February 2020. Prior to joining IPR, He performed as IT Manager at Lyhour Exchange in 2018. And Senior Supervisor at Prudential Life Assurance Cambodia in 2017. And 2015, He worked for Amret MFI as Senior Programmer. From 2012 to 2014, He led a lot of projects to join I-ENVEX-2014 event at Malaysia.

He holds Bachelor's Degree of Computer Sciences of Norton University. His expertise with MFI and Life Assurance are developing and managing Core System, MIS Report, Data Warehouse, In-House Application and Support.



MR. SENG KAKADA

ACTING HEAD OF INTERNAL AUDIT

Mr. SENG Kakada was appointed as the Internal Audit Manager at IPR. in May 2020. Prior to joining IPR, he worked as a Senior Credit Officer at SAMIC Microfinance Plc. From 2014 to 2017. In 2019, he also continued his work at Canadia Bank as a Credit Analyst from April 2019 to April 2020. He has more than 6 years of work experience in the financial sector.

Mr. Kakada holds a Master's degree in Finance and Banking from Norton University and a Bachelor's degree in Finance and Banking from the University of Human Resources.

SHAREHOLDER AND LENDER



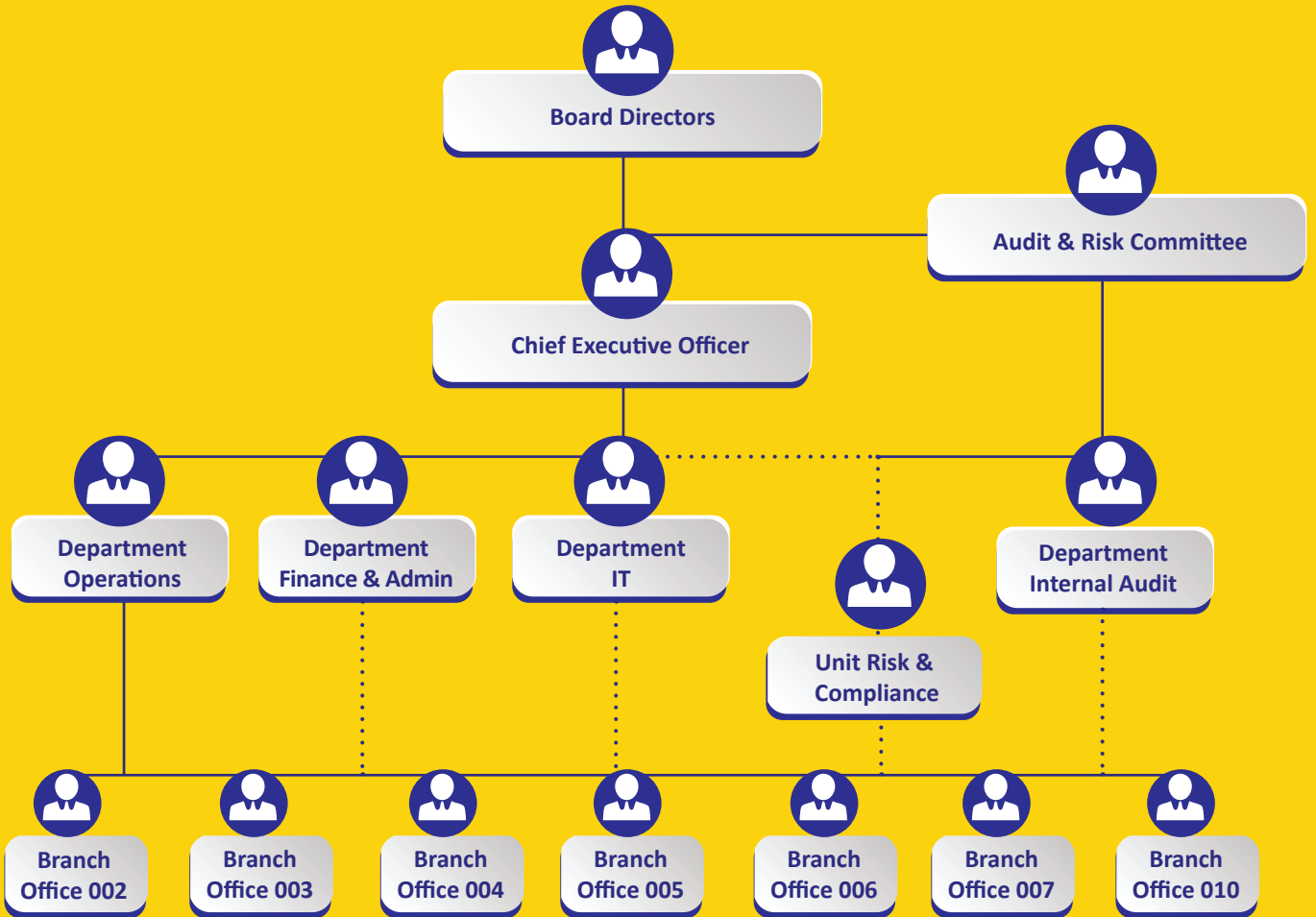
SHAREHOLDER

Mr. Oknha PHOU Puy

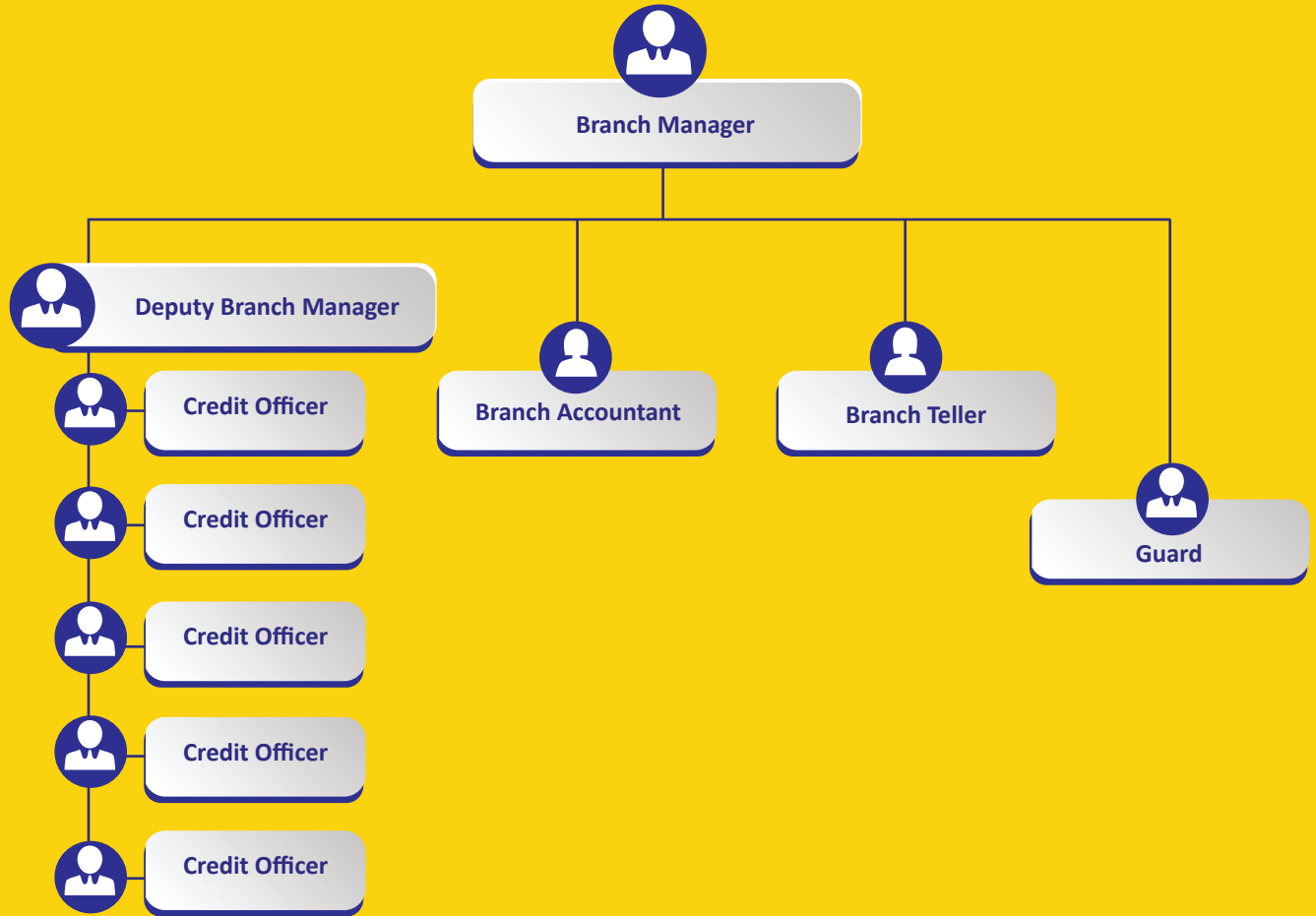
is a private Cambodian individual
shareholder and main founder of
INTEAN POALROATH RONGROEURNG Ltd.



ORGANIZATIONAL CHART



BRANCH STRUCTURE



CLIENTELE AND PRODUCT

IPR's LOAN PRODUCTS

IPR continue adjusted its credit policy and procedures and developed other relevant policies in adaptation to the concept of Client Protection Principal Standards for day-to-day operations and practices in all IPR's branches. Existing loan products were modified and new loan products were developed to suit the clients' needs, in particular the middle and low-income people in the rural areas of Cambodia. The diversification of different loan products aims to meet a larger segment of customers. The list of IPR's loan products is as bellowed:

AGRICULTURE LOAN



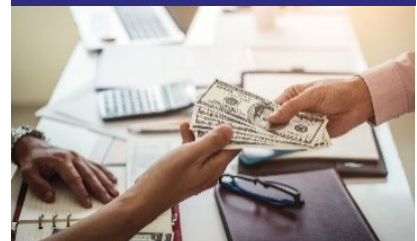
Mainly focus on general farmers and member Agriculture Value-Chain (AVC), for the purpose to purchase of agricultural equipment, which includes: seeds, fertilizers, pesticides, oil and agricultural fees, etc.

ASSET LOAN



The purpose of this loan is to purchase additional agricultural land to expand agricultural activities or to renovate existing houses, build new houses on privately owned land.

REVOLVING LOAN



The purpose of this loan is to support the operational needs of all types of businesses and manufacturing enterprises, including small and medium enterprises.

AGRI-EQUIPMENT LOAN



It is for general customers who focus on either farmers or rural business people who need to buy agricultural equipment for personal use or for family business purposes.

BUSINESS LOAN



The purpose of this loan is to support all small business owners, retailers, service providers who need money to support their business operation and/or purchase heavy equipment for their business purpose.

MOTOBIKE LOAN



For existing customers and other customers who need their own motorcycle for general or business use.

BRIDGING LOAN



For registered companies, SME and Retails Stores who had liquidity problem for a short period of time such as to pay to suppliers, to pay debt to the bank.

HOME APPLIANCE LOAN



tomers who need home appliances for family convenience or personal entertainment needs.

IPR's CLIENTELE

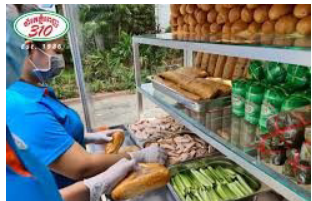
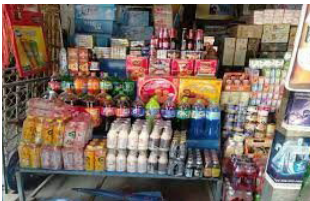
Farmers

Farmers who need money to support their farming activities, to invest for heavy equipment, or to buy addition farm land.



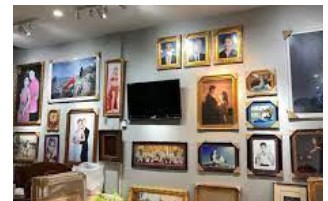
Small Business Owner

Small business owner, retail store, grocery store, cloth shop, fashion shop, service providers etc. who need working capital to support their business requirements and operation.



Small and Medium Enterprise

Registered SME, Private Company, Retail Store, Depo, super market etc. who faced with liquidity problem at a specific period of time to support their specific need to fulfil their stock or pay-off their loan with Bank of financial institution.



Other Consumer Clients: other general customer, including professor, public servants, private company staff (which have regular monthly salary), who want to buy motorcycle or home appliance (refrigerator, air conditioner, laundering machine, TV, water pumping, solar lamp etc...) for their personal use to provide better living condition or entertainment for their family.

IPR'S PERFORMANCES

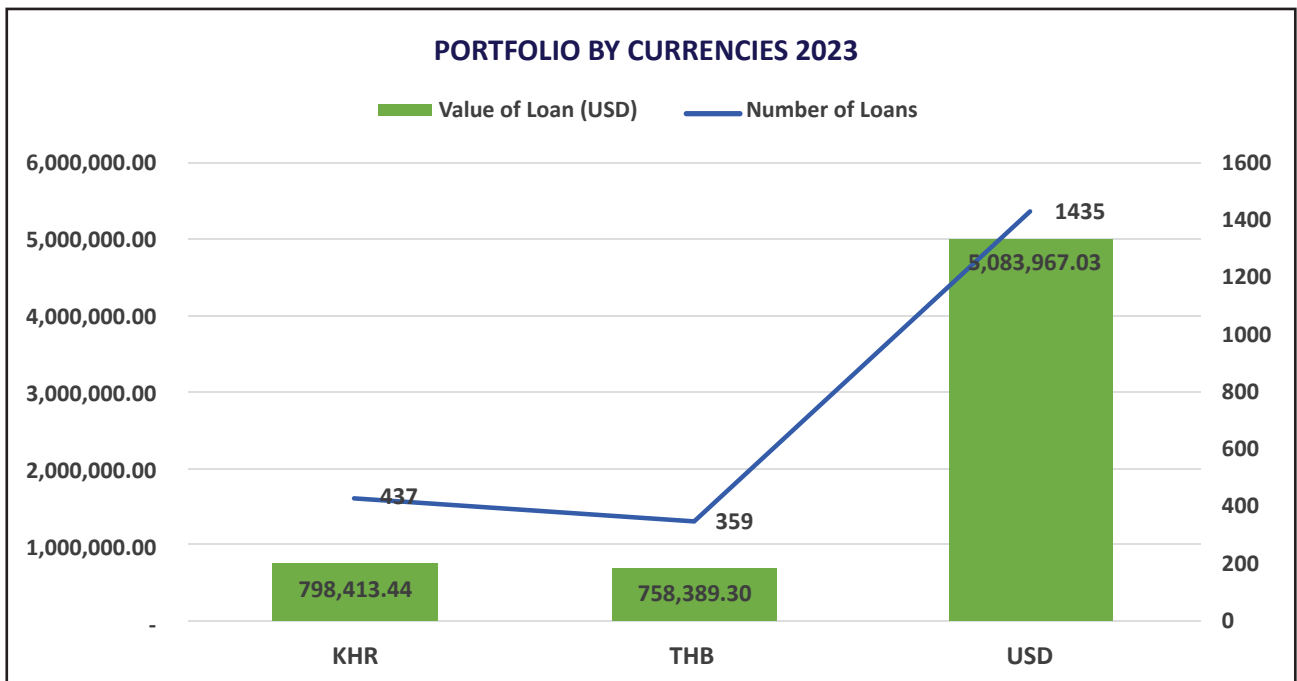
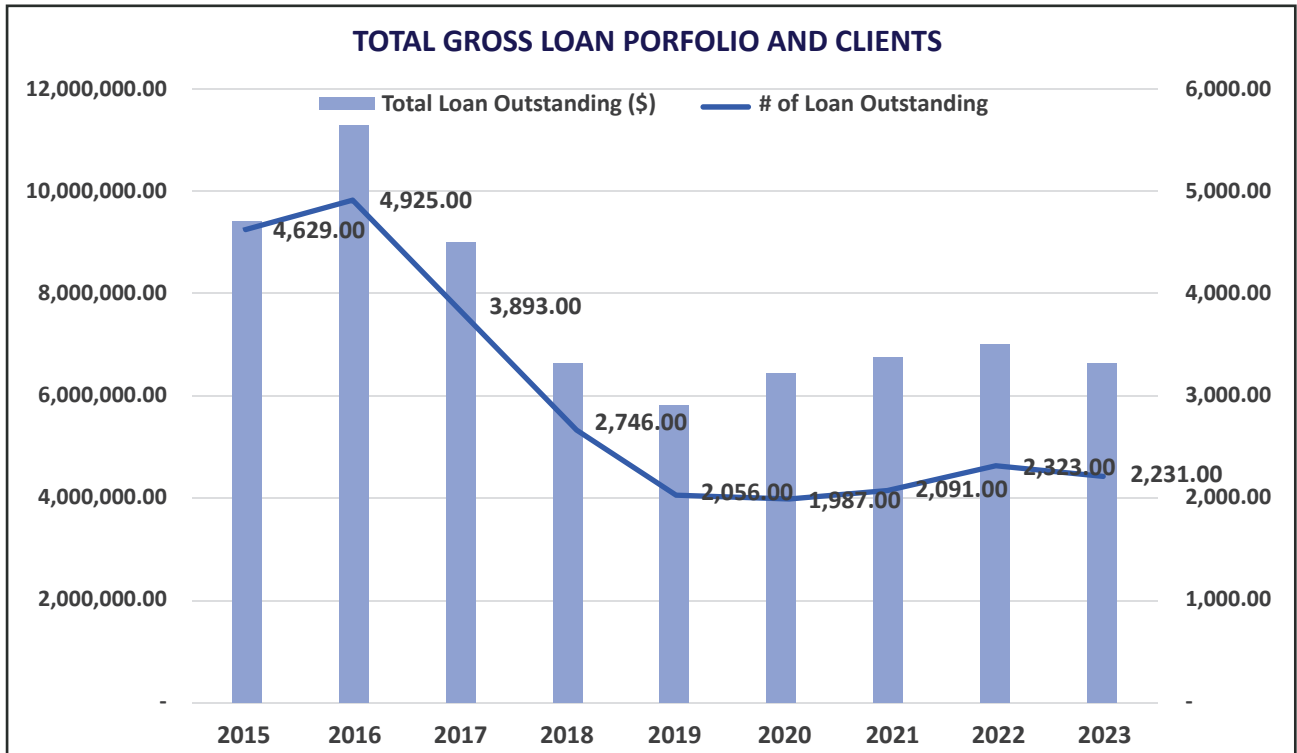


KEY FIGURES

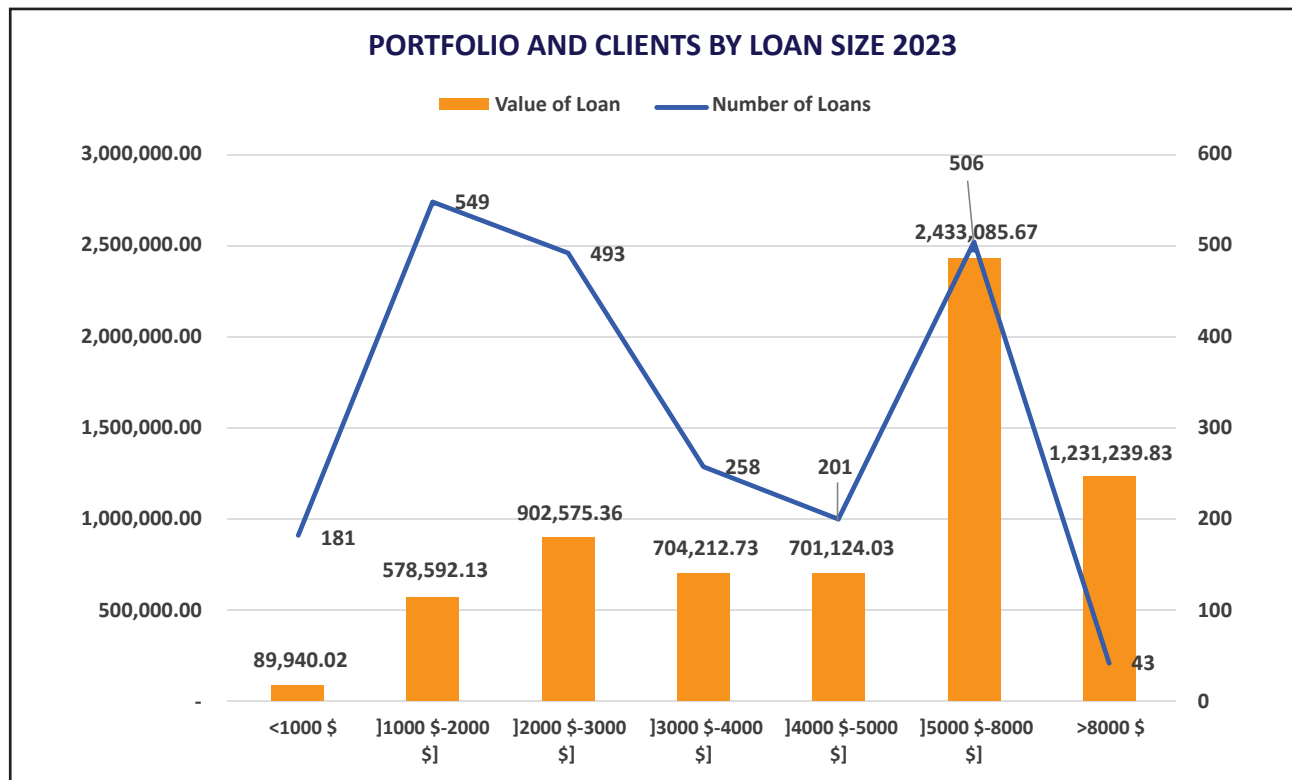
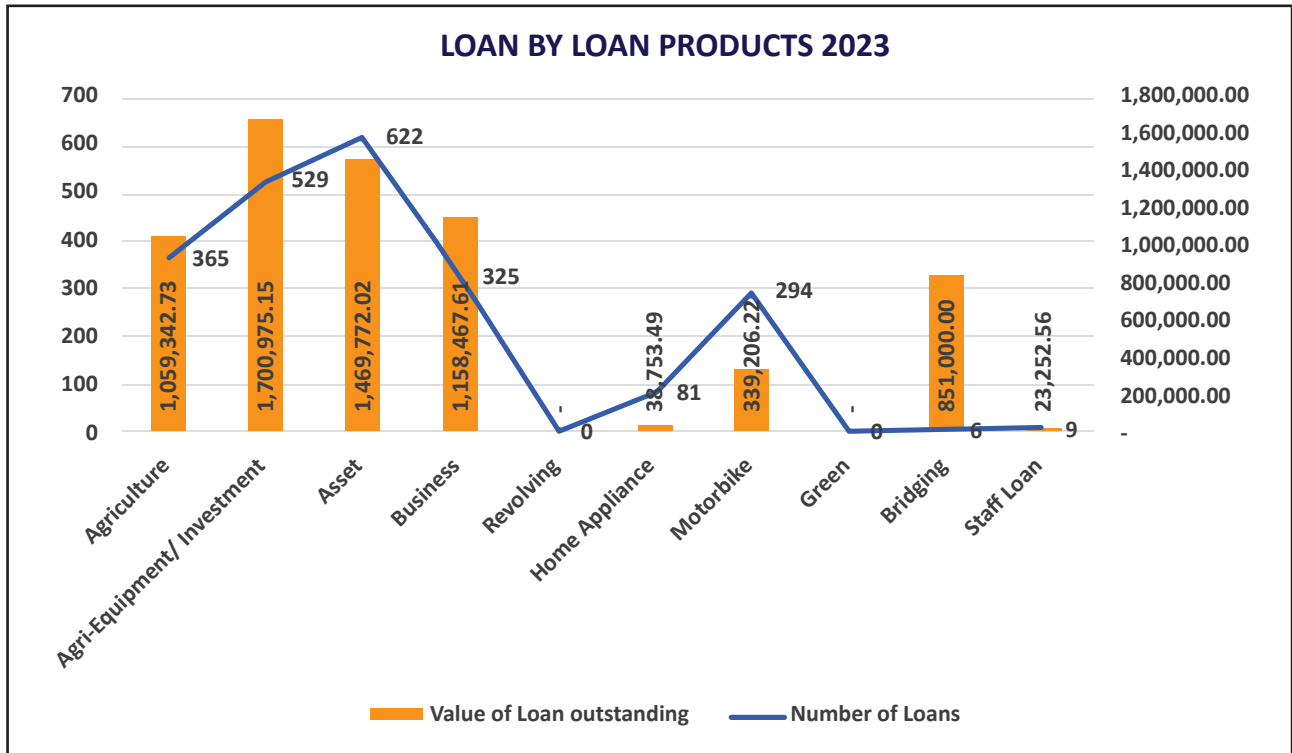
DICATORS	Measure	Audited 2023	Audited 2022	Audited 2021	Audited 2020
Operating provinces	-	5	5	5	8
Operating districts	-	32	36	32	38
Operating communes	-	127	136	138	164
Operating villages	-	492	512	494	526
Staff	-	73	72	72	76
Outstanding borrowers	-	2,035	2,119	1,949	1,987
Gross loan portfolio	US\$	6,587,336	7,060,589	6,808,084	6,457,611
Net profit	US\$	232,815	338,810	179,343	509,474
Total assets	US\$	7,673,604	7,473,651	8,028,570	7,862,044
Total equity	US\$	7,611,294	7,378,479	7,378,479	7,378,479
Women borrowers	%	60.98	67.01	77.94	86.71
Rural borrowers	%	97.62	97.62	95.43	95.22
Agriculture loans	%	40	34.01	42.68	48.90
Portfolio at risk (PAR>30 days)	%	4.17	3.13	2.05	2.29
Write-offs	%	2.87	0.69	1.48	1.96
Yield on portfolio	%	18.73	19.63	18.68	21.81
Cost of fund ratio	%	0.00	0.25	0.43	0.47
Operating expense ratio	%	12.57	12.08	14.1	13.9
Return on assets (ROA)	%	3.1	4.4	1.92	6.7
Return on equity (ROE)	%	3.1	4.5	2.02	7.04
Leverage ratio	%	1	5	5	5
Operational self-sufficiency	%	131	156	130	186

BUSINESS PERFORMANCE

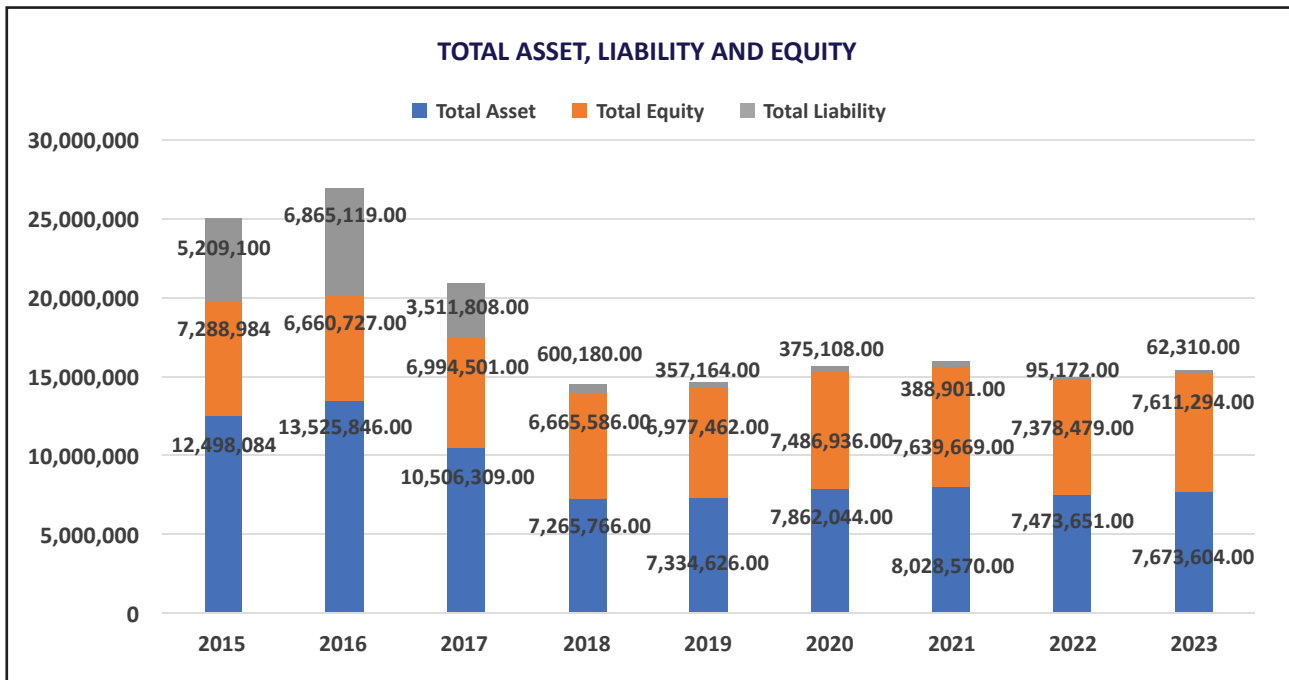
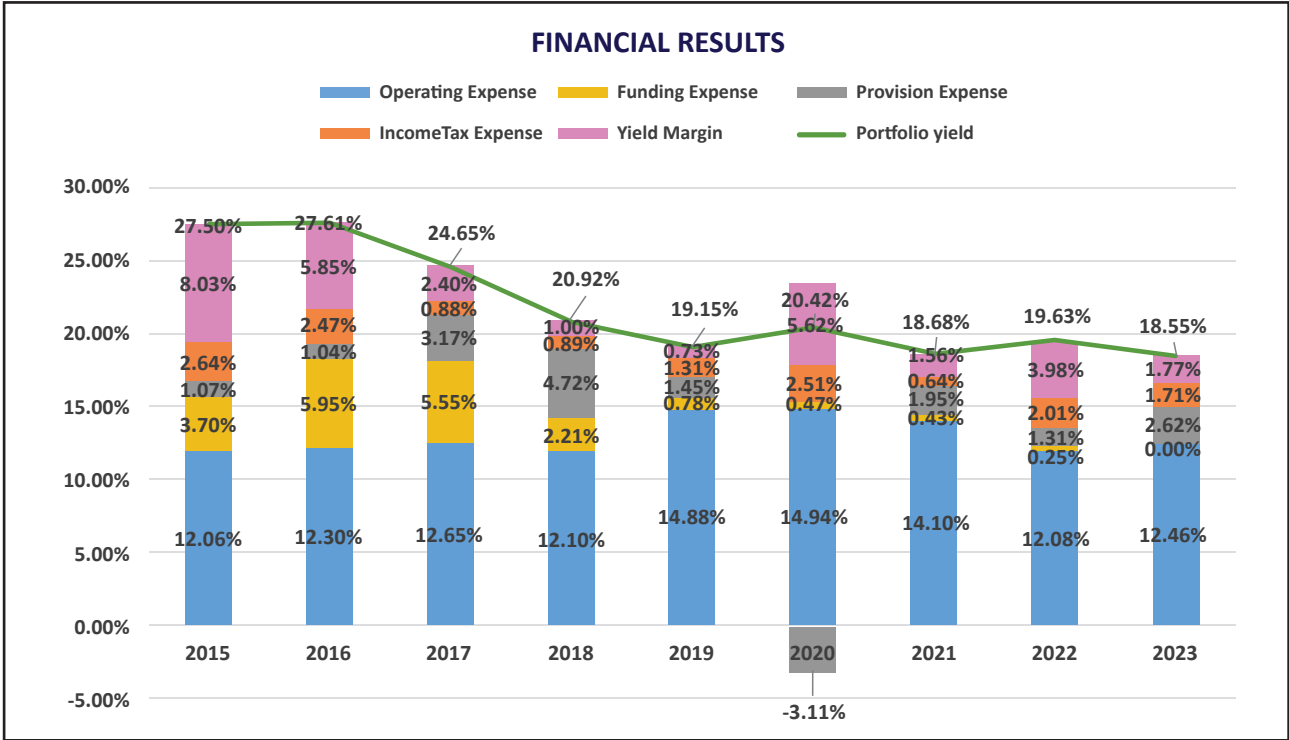
LOAN PORTFOLIO

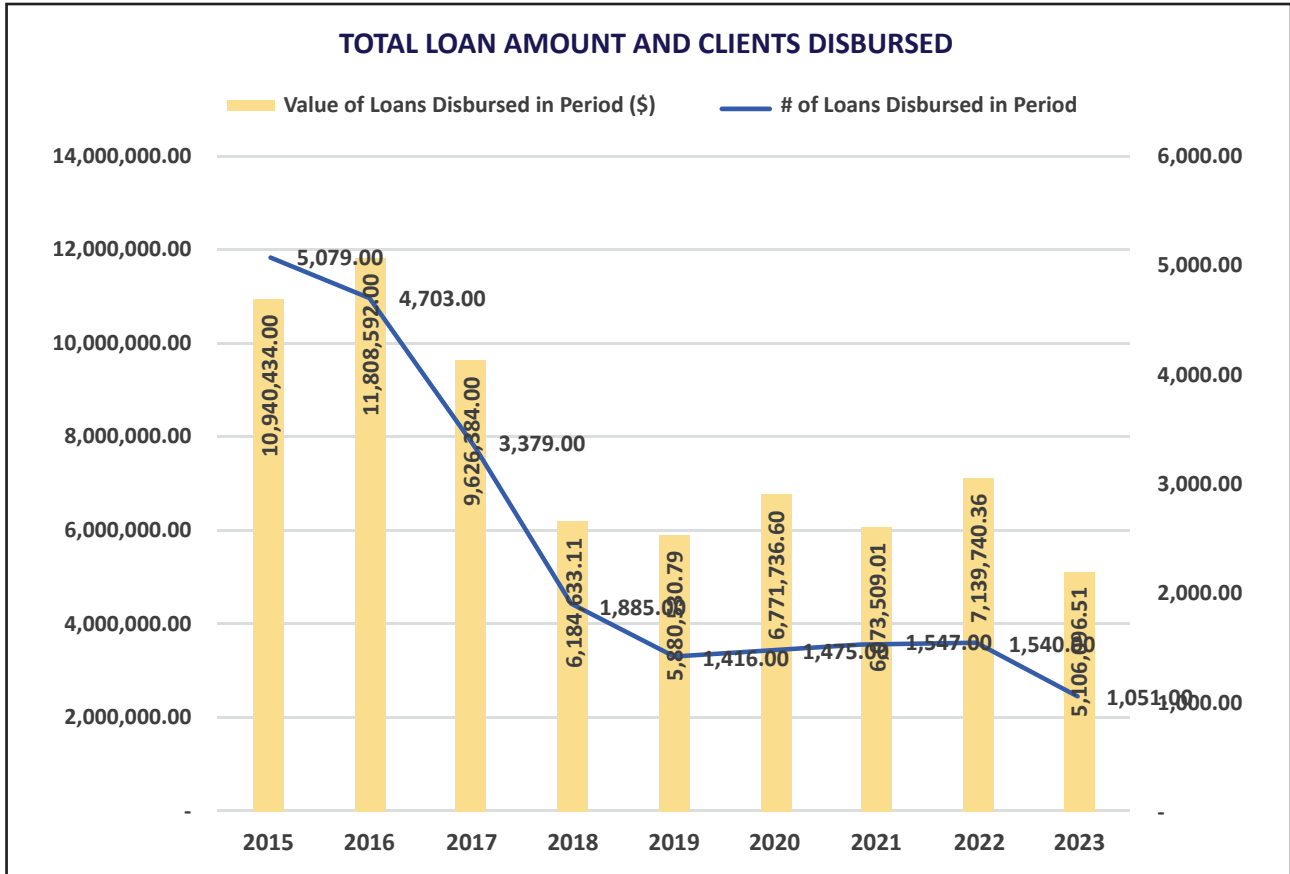
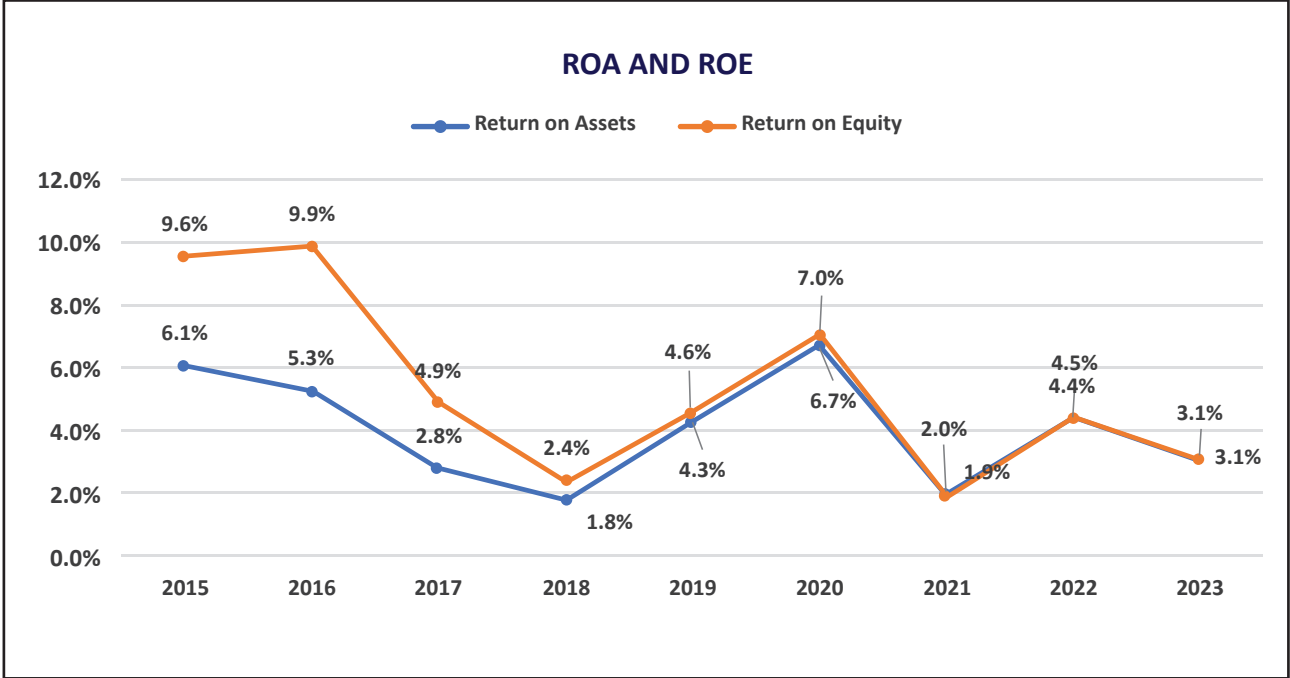


LOAN PORTFOLIO (Continued)



FINANCIAL RATIO





CLIENT'S SUCCESS STORY



Mrs. Leang Thavon, Phnom Prek District, Battambang Province

Mrs. Leang Thavon is a farmer who plants corn and cassavas on her farmland and her secondary business include papayas, long beans, corn, green garlicks, chilis, eggplant and bamboos. She is also a successful client of IPR at the Phnom Prek branch, Battambang Province. The client has been using the loan service with IPR since 2011 and she has borrowed 6 cycles by the end of 2023. The first cycle in 2011, she had used USD 8,000 to purchase a tractor and continuing loans to expand additional business. At the end of 2023, also in 6th cycles with the amount of USD 2,500 and she used the loan to expend her farming. The average loan amount has been between USD 2,500 to USD 8,000. Through the loan she had used with IPR, they have helped her family to ensure they were able to provide necessary health care, adequate meals and travel expense for the family. Moreover, her assets had increased, in particular, her farm land used to be only 3 hectares of farmlands and she had no electronic equipment or pumping machine. This day, she has up 6 hectares of farm lands, a tractor, a pumping machine, 3 motorbikes, and on the top of that she was able renovate her home to provide proper shelter for her family. Aside from that, she was also able to provide her children studies and necessary study materials.

CLIENT'S SUCCESS STORY



Mr. Sout Vin, Sampov Lun District, Battambang Province

Mr. Sout Vin is a farmer who plants multiple crops on his farmland including corn, cassavas, other fruits and vegetables. He is also a successful client of IPR at the Sampov Lun branch, Battambang Province. The client has been using the loan service with IPR since 2019 and he has borrowed 8 cycles by the end of 2023. The first cycle in 2019, he used THB 40,000 to expand crops on his plantation and continuing loans to buy additional land. At the end of 2023, also in 8th cycles with the amount of THB 200,000 and he used the loan to set up a water system for his plants. The average loan amount has been between THB 40,000 to THB 200,000. Through the loan he had used with IPR, they have helped him and his family to ensure they were able to provide necessary health care, adequate meals, buy clothes, and hygiene facility (proper toilet) for the family. Moreover, his assets had increased, in particular, his farmland used to be only 20 hectares of farmlands and he had no electronic equipment or pumping machine. This day, he has up 27 hectares of farmlands, a tractor, a walking-tractor, a pumping machine, 4 motorbikes, and 1 truck.

INTERNAL AUDIT AND CONTROL

Internal Audit is a dynamic profession involved in evaluating and improving the effectiveness of risk management, control, and governance processes in IPR. Internal Auditors work with management to systematically review systems and operations. These reviews aimed at identifying how well risks are managed including whether the right processes are in place, and whether agreed procedures are being adhered to. Internal Audit can also identify areas where efficiencies or innovations might be made.

Internal Audit Department has three staffs including one Internal Audit Manager and two operational auditors.

In 2023, Internal Audit Department conducted 3 audited cycles full scopes in each branch. As a result, the risk score and rating for each branch are either Acceptable and Mini Issue.

In the same year, the department organized three meetings with Audit and Risk Committee to discuss about the findings and action plan for next year.

As the secretary of Audit and Risk Committee, Acting Head of Internal Audit regularly send the risk limit and risk registration on a monthly basis and quarterly basis to Risk Committee and the Board of Directors for review and provide constructive recommendations.

Internal Audit Department moreover has put in place the **“Internal Audit Worksheet and Rating System” for non-performing loan and written off loan**. The new system identifies specific risks on loan recovery, loans follow-up and assess the effectiveness of the management of bad loan of each branches.



STAFF CAPACITY BUILDING

INDICATORS	2023	2022	2021	2020
Staff Information				
<i>Number of Total Staff</i>	73	72	72	76
<i>Number of Management</i>	14	14	13	14
<i>Percentage of Office Staff</i>	62%	58%	58%	56%
<i>Percentage of Field Staff</i>	38%	42%	44%	44%
Staff Education				
<i>Master's degree</i>	5%	6%	6%	7%
<i>Bachelor's degree</i>	56%	51%	49%	50%
<i>Association and under</i>	38%	43%	45%	43%



List of Trainings and Workshops in 2023



Internal Trainings

1. Induction Training to new recruited staff
2. Induction Training to new recruited
3. Refreshment Training on Human Resource and Administration Management
4. Refreshment Training on Client Feedback and Complaint Management
5. Refreshment Training on Internal Rule
6. Refreshment Training on Code of Conduct
7. Refreshment Training on ICT Policies
8. Internal Training on Collateral Guideline
9. Refreshment Training on Selling Skill
10. Refreshment Training on Customer Services
11. Refreshment Training on Internal Audit Scope
12. Refreshment Training on AML and CFI Policy
13. Internal Training on Loan Disciplinary Guideline
14. Internal Training on using Morakot Core Banking System

External Trainings and Workshops

1. Annual Tax Declaration and Deferred Tax Calculation
2. Certificate in Responsible Lending
3. Roles of Governance in Ensuring Commitment and Effective Implementation of Client Protection in Banks and Financial Institutions

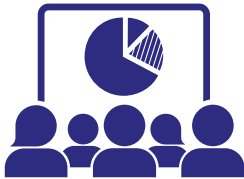
4. Effective Branch Management for Branch Manager
5. Dissemination Workshop on Anti-Money Laundering Law at the National Bank of Cambodia
6. Dissemination Workshop on Monthly Reports on Credit by Institutions and Economic Activities
7. Schedule for CTR STR Feedback Workshop Qtr1 2023
8. Gender Inclusion, Climate Finance, Ombudsman, Complain handling mechanism.
9. Financial Stability Review Report
10. Official promulgation of loan contract standards and loan contract standards for banking and financial institutions
11. Strengthening Techniques of Credit Assessment, Portfolio Management Boosting Effective Financial Products and WASH Selling Skill
12. Workshop on the role of governance of banking and financial institutions in ensuring effective customer protection practices
13. Dissemination Workshop on Risk Based Supervision (RBS) for Microfinance Institutions
14. Circular on Reschedule loan for Tourism in Siem Reab Province
15. Workshop on Dissemination of the Role of CFIU and Individuals Reporting on Anti-Money Laundering and Terrorist Financing for Specialized Banks and Microfinance Institutions

IPR'S CORPORATE RESPONSIBILITY



IPR'S SOCIAL RESPONSIBILITIES

IPR always strives to make a positive contribution to the socio-economic development and environment of the country. Towards this end, IPR forms clear strategies to fulfil the responsibility toward staff, clients, society, and the environment.



RESPONSIBILITY TOWARD STAFF

Staff's well-being and development are one of IPR's top priorities. That's why IPR constantly provides opportunities for growth, rewards, and assistances for deserving staff. Every year IPR provided staff orientation, internal training and external training and workshop.



RESPONSIBILITY TOWARD CLIENTS

IPR cares about the financial well-being of clients and always caters to their needs.

IPR is committed to fair consumer practice and protection. IPR prepared for obtaining the certification of Client Protection Principles (CPP) from CP partway.



RESPONSIBILITY TOWARD THE SOCIETY AND ENVIRONMENT

IPR is fully aware of and lives up to its responsibility to bring about positive impacts on the society and environment. Currently, IPR does not have any measures in place to assess its environmental footprint, however, we try to encourage our stakeholders to pay strong attention on the environment and be eco-friendly whether it is cutting down the use of papers and save water and electricity. Our duty to the public, IPR has made donations on multiple occasions for national emergencies and being responsive to clients' needs in their difficult times. The Chairman of IPR has always been taking part in helping the society especially farmers, and this has built the culture for IPR to always be a helping hand, no matter how small, IPR will always be a part to contribute to the society when they are in need.

By the end of 2023, IPR started control resource usage tracking as the following:

Electricity Consumptions:



in KWH: 77,489 KWH
in USD: 14,690.09 USD

Fuel Consumptions:



in Litter: 14,126.48 L
in USD: 15,073.89 USD

Water Consumptions:



in Cubic meter: 1,475.00 M3
in USD: 704.58 USD

Paper Usages:



In small box: 63 boxes
In USD: 1,041.18 USD

TAX PAID REPORT

INDICATORS	(\$) 2023	(\$) 2022	(\$) 2021	(\$) 2020
Patent Tax	3,671.97	3,643.43	3,681.89	3,679.18
Signboard Tax	2,797.70	2,292.76	426.88	485.74
Transportation Tax	97.92	2,307.09	2,292.76	426.88
Tax on Salary	20,992.00	97.16	98.18	98.89
Prepayment Profit Tax	13,832.76	18,689.47	13,678.17	13,243.41
Withholding Tax on Rental	8,032.17	14,885.31	14,186.70	13,678.17
Withholding Tax on Service (residence)	10,553.54	7,448.62	8,334.98	9,779.27
Withholding Tax on Service (non=residence)	334.59	10,545.37	15,621.68	11,417.06
Withholding Tax on Interest (residence)	-	1,837.47	1,798.85	1,768.26
Withholding Tax on Interest (non-residence)	-	-	-	-
Tax on Profit	28,031.01	4,206.86	3,294.12	48,219.50
Stamp Duties Tax	-	-	-	-
Others Tax	-	242.84	8,076.93	-

IPR'S AUDITED FINANCIAL STATEMENT



REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submits this report together with the financial statements of Intean Poalroath Rongroeurng Ltd. [“the Company”] as at 31 December 2023 and for the year then ended.

The Company

Intean Poalroath Rongroeurng Ltd. [“IPR” or the “Company”] was formerly known as a credit unit of the Federation of the Cambodian Rice Millers Association. The Company was incorporated in Cambodia under Registration No.00017643 issued by the Ministry of Commerce [“MOC”] on 19 July 2005 and obtained its licence from the National Bank of Cambodia [“NBC”] to operate as a microfinance institution on 18 August 2005. The Company obtained a permanent microfinance license from the NBC on 24 June 2008.

The original registered office of the Company was located at No. 779A, Kampuchea Krom Street (128), Sangkat Teuk Laak I, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia. Subsequently, the registered office of the Company was changed to No. 72B, Street 317, Phum 6, Sangkat Boeng Kok 11, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia starting 17 January 2022. An amendment to the Memorandum and Articles of Association has been approved by the MOC on 25 February 2022.

As at 31 December 2023, the Company has 77 employees (31 December 2022: 76 employees).

Principal activities

The principal activity of the Company is to provide credit services to improve the living standards of its customers in terms of rural development. Such credit services are offered by the Company in its head office in Phnom Penh and other provincial branches that are located in Takeo, Pursat, Battambang and Banteay Meanchey in Cambodia.

Results of operations

The results of the Company’s operations for the year ended 31 December 2023, and the state of its affairs as at that date are set out in the accompanying financial statements.

Dividends

The Board of Directors does not recommend the payment of any dividends for the year ended 31 December 2023.

Board of Directors

The members of the Board of Directors of the Company during the year and to the date of this report are as follows:

Name	Position
Oknha Phou Puy	Chairman
Mr. Hsu Ming Yee	Director
Mrs. Pok Nivilay	Director
Mr. Penh Sany	Director

Auditor

The financial statements as at 31 December 2023 and for the year then ended have been audited by the accounting firm of Grant Thornton (Cambodia) Limited.

Directors' benefits

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

Since the end of the previous financial year, no members of the Board of Directors of the Company have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Board of Directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with a firm of which a director is a member, or with a Company in which the director has substantial financial interest other than as disclosed in the financial statements.

Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- i.** adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities ["CIFRS for SMEs"] and guidelines of the NBC, which are supported by reasonable and prudent judgements and estimates, and then apply them consistently;
- ii.** comply with the disclosure requirements of the CIFRS for SMEs or, if there has been any departure from such requirements in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii.** maintain adequate accounting records and an effective system of internal controls;
- iv.** prepare the financial statements on a going-concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and,
- v.** effectively control and direct the Company 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 Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying statements of financial position, comprehensive income, changes in equity and cash flows, together with the notes thereto, have been properly drawn up to give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended, in accordance with CIFRS for SMEs and guidelines of the NBC.

On behalf of the Board of Directors



Oknha Phou Puy

Chairman

Phnom Penh, Kingdom of Cambodia 25 April 2024

INDEPENDENT AUDITOR'S REPORT

Grant Thornton (Cambodia) Limited
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Khan Daun Penh Phnom Penh
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To the Shareholder of Intean Poalroath Rongroeurng Ltd.

Opinion

We have audited the financial statements of Intean Poalroath Rongroeurng Ltd [“the Company”], which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities [“CIFRS for SMEs”] and guidelines of the National Bank of Cambodia (“NBC”).

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 Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Report of the Board of Directors, but does not include the financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements 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, our responsibility is to read the other information above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and respond to that matter in accordance with the requirements of CISA 720 [revised].

Responsibilities of the Board of Directors for the financial statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRS for SMEs, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 Company'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 the directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the Board of 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.

Grant Thornton
GRANT THORNTON (CAMBODIA) LIMITED
 Certified Public Accountants
 Registered Auditors



Ronald C. Almera
Ronald C. Almera
 Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
 25 April 2024

Certified Public Accountants and Auditors

A member of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered independent18 68 the member firms.

STATEMENT OF FINANCIAL POSITION

	Note	<u>31 December 2023</u>		<u>31 December 2022</u>	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Assets					
Cash and cash equivalents	5	1,005,774	4,108,587	421,590	1,735,686
Statutory deposits	6	154,432	630,855	154,432	635,797
Loans to customers, net	7	6,364,490	25,998,942	6,776,387	27,898,385
Other assets	8	92,785	379,027	26,155	107,680
Property and equipment	10	41,120	167,975	33,142	136,446
Deferred tax assets, net	11(c)	15,003	61,287	61,945	255,028
Total assets		7,673,604	31,346,673	7,473,651	30,769,022
Liabilities and equity					
Liabilities					
Other liabilities	10	12,202	49,846	12,120	49,899
Current income tax liability	11(d)	50,108	204,691	83,052	341,925
Total liabilities		62,310	254,537	95,172	391,824
Equity					
Share capital	12	3,088,645	12,468,860	3,088,645	12,468,860
Retained earnings		4,449,327	17,991,607	4,289,834	17,336,091
Regulatory reserves	13	73,322	301,353		
Currency translation differences			330,316		572,247
Total equity		7,611,294	31,092,136	7,378,479	30,377,198
Total liabilities and equity		7,673,604	31,346,673	7,473,651	30,769,022

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>For the year ended</u> <u>31 December 2023</u>		<u>For the year ended</u> <u>31 December 2022</u>	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Operating income					
Interest income	14	1,290,260	5,302,969	1,371,963	5,607,213
Interest expense	15			(17,647)	(72,123)
Net interest income		1,290,260	5,302,969	1,354,316	5,535,090
Other operating income	15	105,297	432,771	116,566	476,405
Net operating income		1,395,557	5,735,740	1,470,882	6,011,495
General and administrative expenses	17	(863,923)	(3,550,724)	(901,760)	(3,685,493)
Impairment loss of allowance for financial assets		(181,805)	(747,219)	(91,203)	(372,747)
Profit before income tax		349,829	1,437,797	477,919	1,953,255
Income tax expense	13(a)	(117,014)	(480,928)	(139,109)	(568,538)
Net profit for the year		232,815	956,869	338,810	1,384,717
Other comprehensive income					
Currency translation difference			(241,931)		320,669
Total comprehensive income for the year		232,815	714,938	338,810	1,705,386

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	US\$	KHR'000 (Note 3.2)	US\$	KHR'000 (Note 3.2)	US\$	KHR'000 (Note 3.2)	US\$	KHR'000 (Note 3.2)	US\$	KHR'000 (Note 3.2)	Total
	Share capital		Retained earnings		Regulatory reserves		Currency translation difference				
Balance as at 1 January 2023	3,088,645	12,468,860	4,289,834	17,336,091			572,247	7,378,479	30,377,198		
Net profit for the year			232,815	232,815				232,815			956,869
Regulatory reserve			(73,322)	(301,353)	73,322	301,353					
Currency translation difference							(241,931)				(241,931)
Balance as at 31 December 2023	3,088,645	4,449,327	4,289,834	17,336,091	73,322	301,353	330,316	7,611,294	31,092,136		
Balance as at 1 January 2022	3,088,645	12,468,860	4,551,024	18,403,574			251,578	7,639,699	31,124,012		
Net profit for the year			338,810	1,384,717				338,810	1,384,717		
Payment of dividends			(600,000)	(2,452,200)				(600,000)	(2,452,200)		
Currency translation difference							320,669				320,669
Balance as at 31 December 2022	3,088,645	12,468,860	4,551,024	18,403,574			251,578	7,639,699	31,124,012		

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

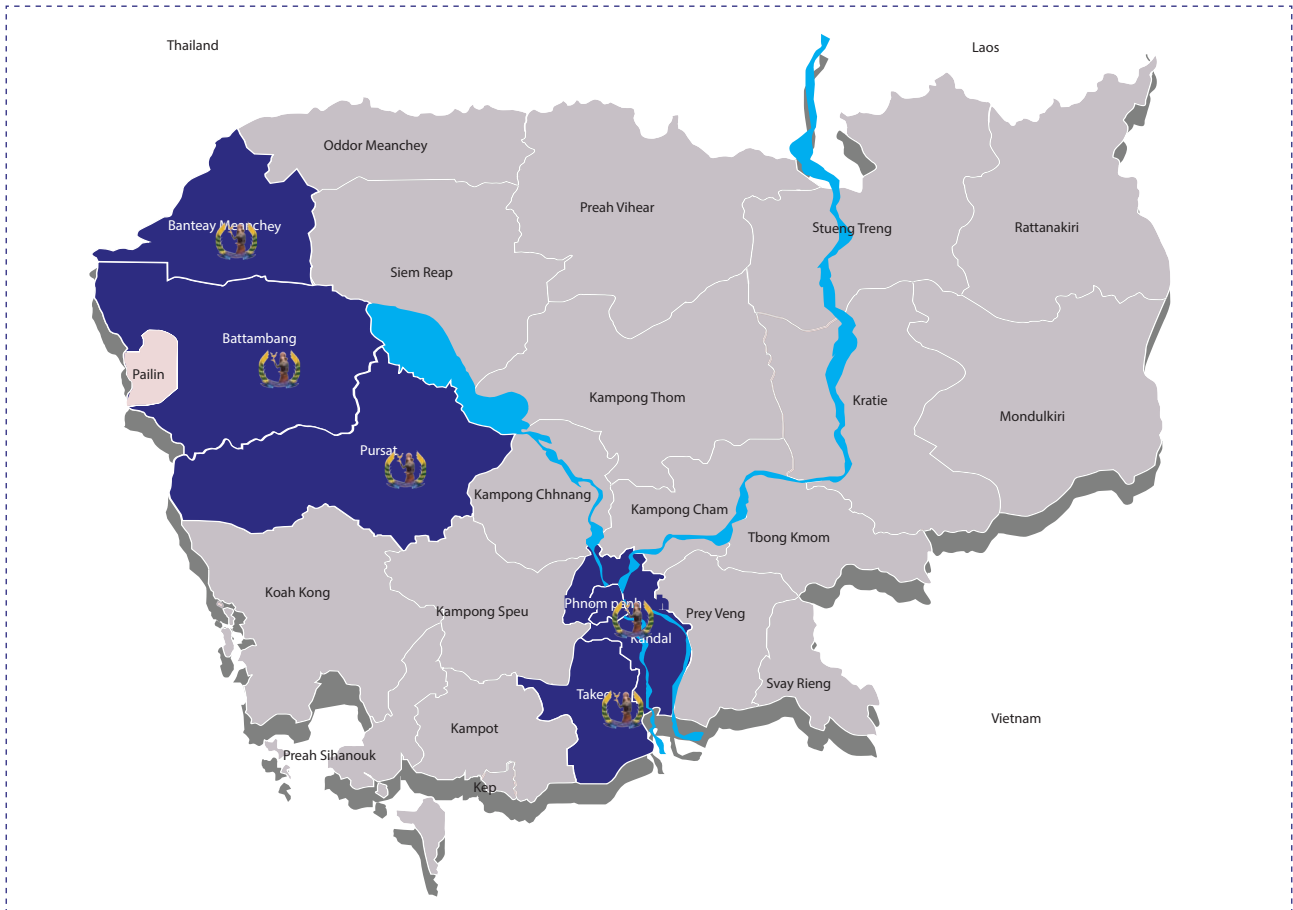
	Note	<u>For the year ended</u> <u>31 December 2023</u>		<u>For the year ended</u> <u>31 December 2022</u>	
		USD	KHR'000	USD	KHR'000
			(Note 3.2)		(Note 3.2)
Operating activities					
Profit before income tax		477,919	1,953,245	477,919	1,953,245
Adjustments for:					
Interest income	14	(1,290,260)	(5,302,969)	(1,371,963)	(5,607,213)
Interest expense	15			17,647	72,123
Unrealised gain on foreign exchange	16	(24,697)	(101,505)		
Depreciation and amortisation	10	14,852	61,042	14,222	57,855
Impairment loss of allowance for financial as-sets		181,805	747,219	91,203	372,747
Operating loss before working capital		(768,471)	(3,158,416)	(772,411)	(3,156,856)
Changes in working capital:					
Loans to customers		243,439	1,000,534	(291,952)	(1,193,208)
Other assets		(66,630)	(273,849)	4,605	18,821
Other liabilities		82	337	(6,844)	(27,971)
Cash used in operating activities		(591,580)	(2,431,394)	(1,066,602)	(4,359,214)
Interest received		1,301,610	5,349,617	1,359,430	5,555,990
Income tax paid	11(d)	(103,016)	(423,396)	(80,055)	(327,185)
Net cash from/used in operating activities		607,014	2,494,827	212,773	869,591
Investing activities					
Acquisitions of property and equipment	9	(22,830)	(93,831)	(9,874)	(40,353)
Proceeds from matured term deposits				12,500	51,088
Net cash from/used in investing activities		(22,830)	(93,831)	2,626	10,735
Financing activities					
Interest paid				(19,522)	(79,786)
Dividends paid				(600,000)	(2,452,200)
Repayments of principal portion of borrowings				(300,000)	(1,226,100)
Net cash used in financing activities				(919,522)	(3,758,086)
Net change in cash and cash equivalents		584,184	2,400,996	(704,123)	(2,877,760)
Cash and cash equivalents, beginning of year		421,590	1,735,686	1,125,713	4,586,155
Currency translation difference		-	(28,095)	-	27,291
Cash and cash equivalents, end of year		1,005,774	4,108,587	421,590	1,735,686

The accompanying notes are an integral part of these financial statements.

IPR'S CONTACT DETAILS



BRANCH NETWORK



PHNOM PENH
 Head Office: #72B, Road No. 317, Village 06,
 Sangkat Boeung Kak 02,
 Khan Toul Kork, Phnom Penh

BANTEAY MEANCHEY PROVINCE
 Banteay Meanchey Branch

TAKEO PROVINCE
 Takeo Branch

PURSAT PROVINCE
 Pursat Branch

BATTAMBANG PROVINCE
 Phnom Proek Branch
 Battambang Branch
 Sampov Lun Branch
 Samlout Branch



PHNOM PENH

Head Office

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TAKEO PROVINCE

Takeo Branch

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PURSAT PROVINCE

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BATTAMBANG PROVINCE

Phnum Proek Branch

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Battambang Branch

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E-mail: bm006@iprmfi.com

Sampov Lun Branch

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E-mail: bm007@iprmfi.com

Samlout Branch

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BANTEAY MEANCHEY PROVINCE

Banteay Meanchey Branch

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