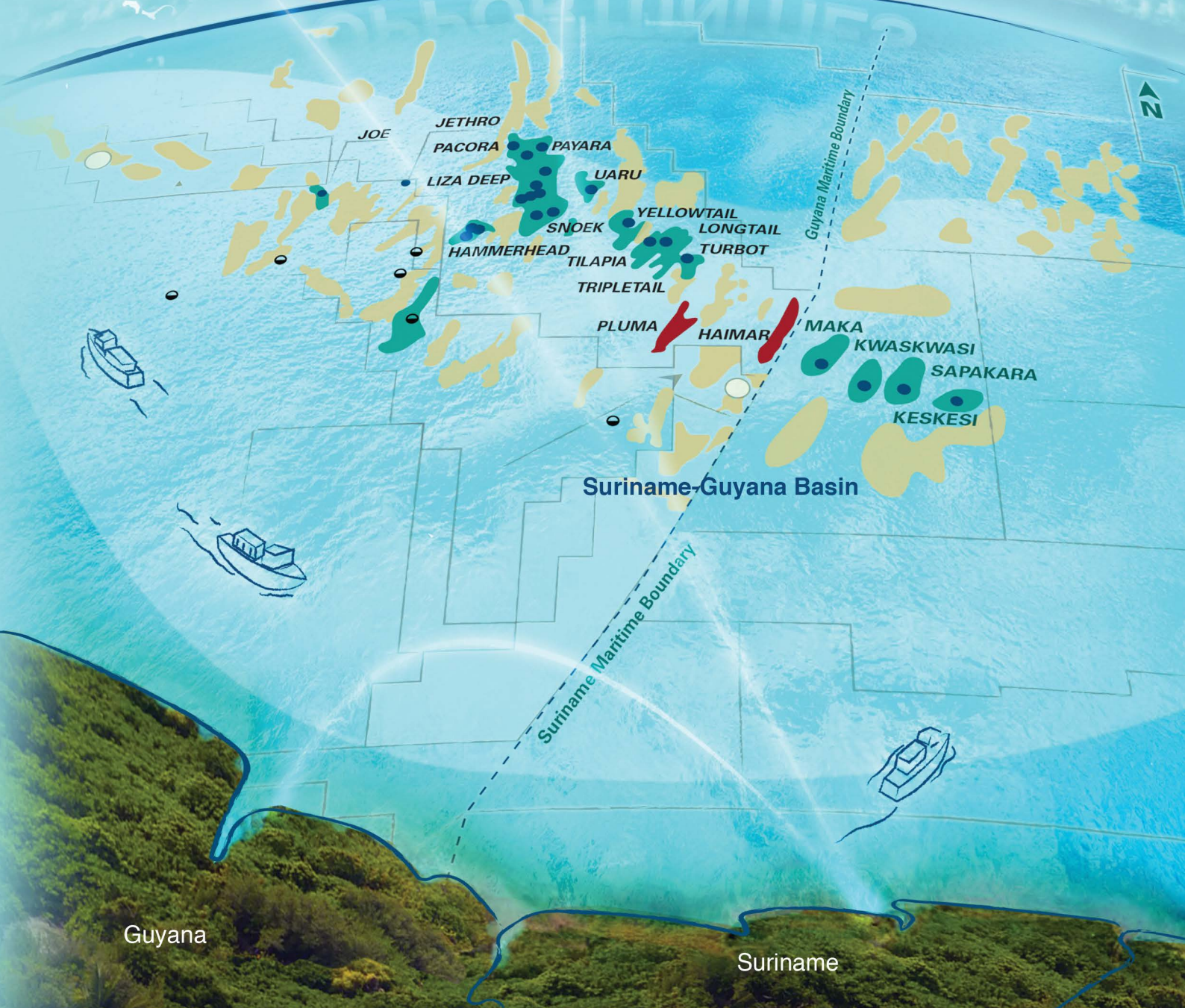


ANNUAL REPORT 2020



OPPORTUNITIES



Guyana

Suriname

ANNUAL REPORT 2020



OPPORTUNITIES



N.V. Verenigde Surinaamse Holdingmij.-
United Suriname Holding Company

Guyana

Suriname

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1959

Toeti Froeti Bar and Grill.

1982

Opening Steel Fabricating (VSH STEEL) plant 15 May 1982.

1993

First Export order of the Steel Company (VSH STEEL) to French Guiana.

1999

CIC first export to the Caribbean.

2001

October 2001 VSH-United (USA) L.L.C. commences operations in Miami, Florida offering air- and ocean freight services in Suriname.

2015

6 November 2015 official opening of the new subsidiary VSH-United (Guyana) Inc. in Georgetown, Guyana.

2018

1 January 2018 VSH-United (Nederland) purchase of 51% shares of IFC Holding BV in the Netherlands.

On 11 September 2018 VSH REAL ESTATE GUYANA INC. is founded.

2020

16 January 2020 - VSH TECH BV is founded in the Netherlands.

1958

In 1958 Jim Healy and Leo Tjin a Djie Founded the first company that ultimately led to become VSH.

1973

Head office: Van 't Hogerhuysstraat 9-11 Since 15 November 1973.

1990

31 August 1990 Purchase of substantial shareholding in De Nationale and Hotel Torarica major companies in the insurance and hotel sector.

1998

7 August 1998 The Company increases its shareholding in Consolidated Industries Corporation, a household detergent manufacturer, to 42%.

2000

September 2000 we are able to purchase a block of shares in Margarine- en Vettenfabriek N.V. (VSH FOODS).

2002

December 2002 Margarine- en Vettenfabriek (VSH FOODS) received first export order to Curaçao.

2017

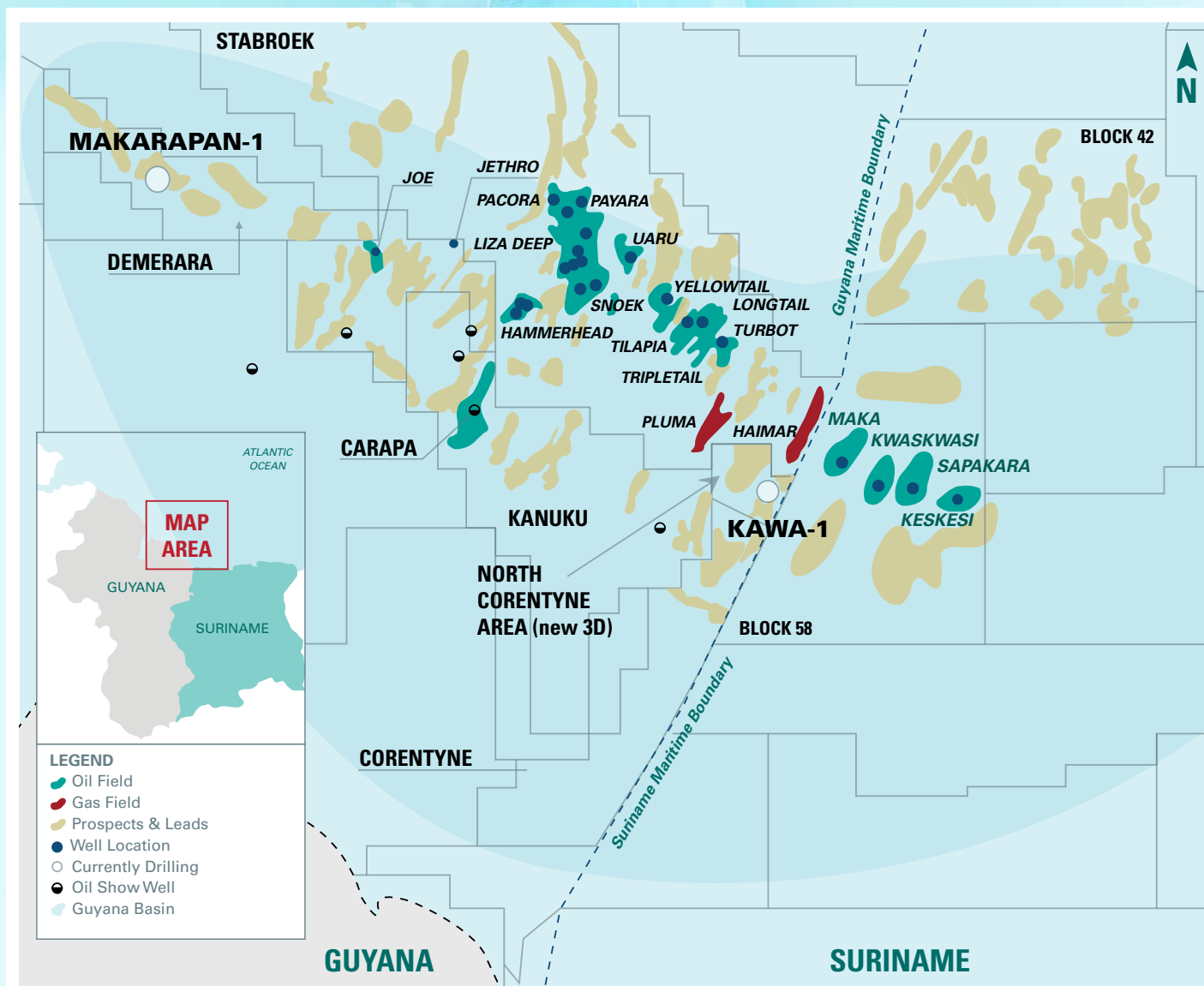
1 December 2017 VSH-United (Nederland) BV is founded.

2019

June 2019 - discontinue the steel production facility.

THEME

OPPORTUNITIES



The Guyana-Suriname offshore oil exploration activities dated back to the 1950s and resulted in the “first-oil” discovery in Guyana waters in 2015 and the “first-oil” discovery in Suriname waters in 2020. By April 2021, a total of 23 discoveries have been announced by the various block operators in Guyana (19 wells) and Suriname (4 wells), with a combined gross discovered recoverable resource estimate of over 13 billion barrels of oil and gas.

Guyana and Suriname are attracting foreign investments in the developing offshore industry, creating **opportunities** for the private sector and their respective communities. Both Guyana and Suriname business communities are aware of their responsibilities to step up capacity-building efforts to compete in the newly developing oil industry **opportunities** – on and offshore. Government policies and foreign investor initiatives must support this

capacity-building effort to ensure a level playing field for local businesses in this newly developing industry.

The VSH Group 2016-2021 multi-year strategic plan heavily focused on the professionalization of the business processes while making the necessary investments to support further capacity-building efforts to strengthen the VSH brand in all “segments and regions” we operate. These capacity-building efforts will ensure that the **VSH Group** can continue to grow in a **corporate socially responsible manner**, particularly in the Suriname and Guyana economies driven by new offshore business **opportunities**.

“The greatest asset, even in this country, is not oil and gas. It's integrity. Everyone is searching for it, asking, 'Who can I do business with that I can trust?'”

George Foreman

PORT ACTIVITIES

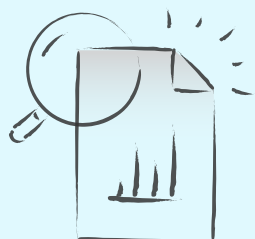


CORE VALUES



THE VSH GROUP OF COMPANIES

WHAT WE DO



Holding

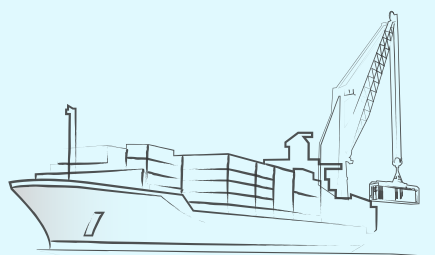
Suriname

**N.V. VERENIGDE SURINAAMSE HOLDINGMIJ.-
UNITED SURINAME HOLDING COMPANY**

The Netherlands

VSH-UNITED (NEDERLAND) B.V.

I.F.C. (HOLDING) B.V.



Logistics

Suriname

N.V. VSH SHIPPING

N.V. VSH LOGISTICS

N.V. BEST MARITIME SERVICES

N.V. VSH LABOUR SERVICES

N.V. VSH TRANSPORT

Guyana

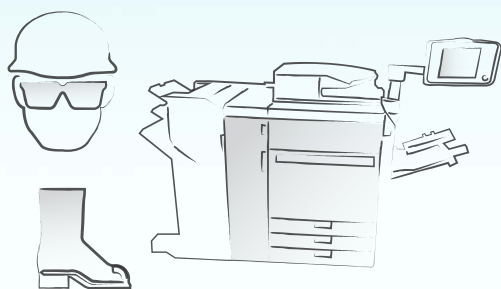
VSH-UNITED (GUYANA) INC.

USA

VSH-UNITED (USA) L.L.C.

The Netherlands

I.F.C. INTERNATIONAL FREIGHT (CARIBBEAN) B.V.



Trading

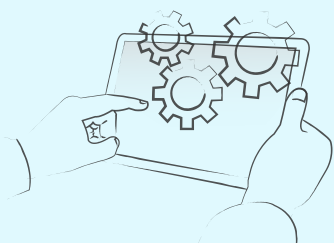
Suriname

N.V. VSH TRADING

Guyana

VSH-UNITED (GUYANA) INC.

THE VSH GROUP OF COMPANIES

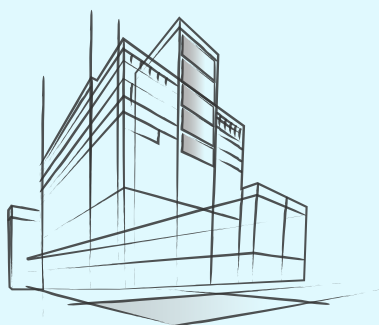


Industry

Suriname

N.V. VSH FOODS

**N.V. CONSOLIDATED INDUSTRIES CORPORATION
(CIC)**



Real Estate

Suriname/ Guyana

N.V. VSH REAL ESTATE

└ **VSH REAL ESTATE GUYANA INC.**

The Netherlands

IFC VASTGOED B.V.



Services & Investment

Suriname

N.V. VSH STEEL

ASSURIA N.V.

TORARICA HOLDING N.V.

N.V. VSH INVESTMENT

VSH MARKETING COMPANY LTD.

The Netherlands

VSH TECH B.V.



N.V. VSH TRADING



MANAGEMENT OF THE GROUP

M. Ramsundersingh

Managing Director,
Chief Legal Officer (CLO)

P. Healy

Managing Director,
Chief Executive Officer (CEO)

P. Brahim

Managing Director,
Chief Financial Officer (CFO)

R. Steenland

Assistant Managing Director,
Chief Business Development Officer
(CBDO)

V. Finck

Head Internal Audit

G. Tai-Apin

Assistant Managing Director,
Chief Information Officer (CIO)

MANAGEMENT OF THE GROUP (SUBSIDIARIES)



B. Weekes
Managing Director
VSH Trading

S. Kenswil
Managing Director
VSH Shipping

S. Poort
Managing Director
VSH Transport

K. Healy
Managing Director CIC

W. Martoredjo
Managing Director
VSH Steel

M. Telting
Managing Director
VSH FOODS

J. Liong-A-San
Managing Director
VSH-UNITED (USA)

MANAGEMENT OF THE GROUP (SUBSIDIARIES)

E. Mau Asam

Assistant Managing Director
Best Maritime Services

B. Makhanlal

Assistant Managing Director
VSH Logistics



D. Healy

Country Manager
VSH-UNITED (GUYANA)

C. Lie Wah Hing

Assistant Managing Director
VSH Real Estate

N.V. VSH FOODS



SUPERVISORY BOARD OF DIRECTORS



◀ Diana R. Halfhide (60)

Chairman of the Board

- Elected member of the Supervisory Board in 2010
- COO Suriname Alcoholic Beverages N.V./Managing Director, SAB Distribution N.V. (current)
- President Board Foundation Bejaardenwerk Gerardus Majella
- Member National Labour Advisory Board (Arbeidsadvies College)
- Board member Foundation STIBEKA (Stichting Behoud Kathedraal)
- Board member Suriname Arbitration Institute (SAI)
- Board member Academic Hospital Suriname
- Secretary Board STIVASUR (Stichting Verantwoord Alcoholgebruik)
- Master's degree in Notary Law
- Post-doctoral degree in Notary Law
- Master's in business administration, Corporate Strategy and Economic Policy
- Post-doctoral degree International & Comparative Law
- Post-graduate diploma Digital Business

Robert Hahn (45) ▶

Vice President of the Board

- Elected member of the Supervisory Board in 2010
- Member of the Audit committee of the Board
- CEO of Datasur (2014 - June 2019)
- Manager Corporate ICT at Staatsolie Maatschappij Suriname N.V. (current)
- Over 20 years' experience in the ICT industry in Suriname and the Netherlands
- Chairman of the ICT Association in Suriname (2011 - Jan 2018)
- Board Member of the National Blood bank (since 2015)
- Master's degree in Information Technology
- Master's degree in Business Administration
- Certified Information Systems Auditor (CISA)
- Elected member of the Supervisory Board of Finabank N.V. in 2021 (Subject to CBvS approval)



◀ Philip Fernandes (51)

Board member

- Elected member of the Supervisory Board in 2018
- Member of the Remuneration & Appointment Committee
- CEO of John Fernandes Ltd (current)
- Director of Guyana Energy Support Services Ltd, John Fernandes Ltd, Bounty Farm Ltd, J.P. Santos & Co. Ltd, JPSTrading Inc., Fernandes Holdings Ltd, Fairfield Investments Ltd, Value 4 U Inc.
- Chairman of Guyana Biscuit Holding Ltd
- Chairman of Shipping Association of Guyana
- Bachelor's degree in Finance



SUPERVISORY BOARD OF DIRECTORS



◀ Vincent Kenswil (50)

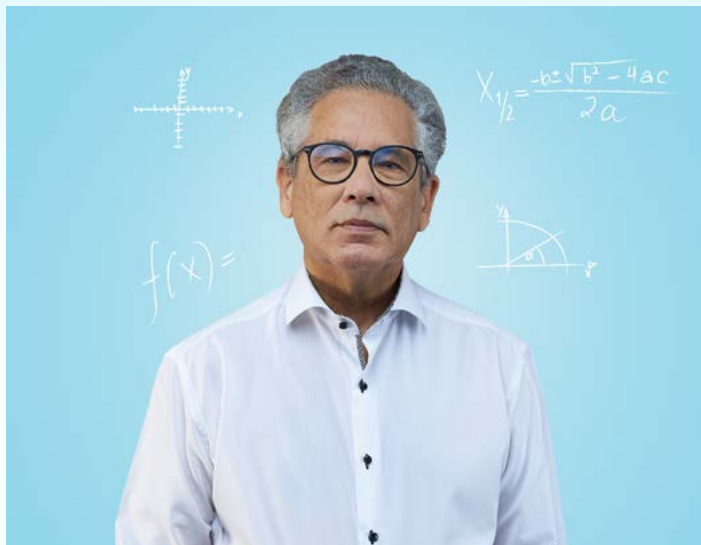
Board member

- Elected member of the Supervisory Board in 2018
- Member of the Audit Committee
- Chief Innovation Igniter of 21Q Caribbean
- Co Founder of Digital Talents Academy
- Co Founder and Servant Catalyst of Spang Makandra Studio
- Secretary of Creative Talents Foundation
- Secretary of ICT Association Suriname (2012-2018)
- Bachelor's degree in Architectural Engineering

Kenneth Lim A Po (65) ▶

Board member

- Elected member of the Supervisory Board in 2016
- Member of the Remuneration & Appointment committee of the Board
- CEO of Bouwbedrijf Kiesel (current)
- Member of the Board of Ariba (1981 – 1986)
- President of Ponderosa Equestrian Center
- Member of the Technical commission of Oase (2 years)
- Bachelor's degree in mechanical engineering
- Bachelor's degree in Business Administration



◀ Stephen Smit (66)

Board member

- Elected member of the Supervisory Board in 2017
- Member of the Audit committee of the Board
- From 1991 until retirement in 2017 served as CEO of Assuria N.V.
- Member of the Supervisory Board of Directors of Assuria N.V., Assuria General (GY) Inc., Assuria Life (GY) Inc., Gulf Insurance Ltd. and Assuria Life (T&T) Ltd.
- Member of the Supervisory Board of Directors of N.V. VSH FOODS.
- Chairman of the Supervisory Board of Directors of N.V. Consolidated Industries Corporation and Torarica Holding N.V.
- Member of the Social Economic Counsel (SER)
- Chairman of the Board of the Stichting Nationale Volksmuziekschool
- Honorary Member of the Caribbean Actuarial Association
- Master's degree in Mathematics and Actuarial Science

REPORT OF THE SUPERVISORY BOARD OF DIRECTORS

To the Shareholders

The Supervisory Board of Directors performed its duties in accordance with Surinamese law, the Company's bylaws, and Corporate Governance Code. We advised management on relevant matters and monitored management performance in relation to goals set. Management of the Holding and the subsidiaries regularly informed us, both verbally and in writing, on policy and material aspects of business strategy, corporate planning, major events, investments, and transactions. Besides information of the company and the group as a whole, we also received detailed monthly reports from management on the current business position of the Group's subsidiaries while we were kept abreast of results and the financial position, risks and risk management, HR and IT performance and planning in a thorough manner. The Supervisory Board of Directors was directly involved in all decisions of fundamental importance to the Group. In addition, we discussed strategic issues with management on a regular basis while the Chairman of the Supervisory Board and the Managing Directors maintained a constant exchange of information.

Consultation and decision making

The Supervisory Board of Directors held regular monthly meetings, 13 in total. The board members regularly attended the board meetings. In addition, resolutions on urgent matters were adopted in writing or by electronic communication and later approved during official meetings.

The subjects discussed in the meetings included the financial position and results, status of the company's long-term strategy 2016 - 2021, Company policy, business plans and appraisals, health, safety and environment, investments, internal audit reports, management development, and appointments. In the board meeting held on 27 April 2020 management presented a review of the budget 2020 based on the first quarter of the year. Evaluation was necessary because of concerns of the economic outlook and related currency fluctuations. Also, a presentation of VSH Steel was presented with regard to the prospects of the new business model namely Engineering services. In the meeting held on 17 August 2020 the long-term strategy of VSH-UNITED (Guyana) was presented to the board. In the board meeting held on 22 October 2020 the positions within the board were determined and the Executive Performance Payment 2020 was determined for the Holding and the subsidiaries. The capital expenditures of VSH Transport were also discussed in the same meeting. In the board meeting held on 17 October 2020, management presented financial statements

over the first half year 2020. In the board meeting held on 19 November 2020 management presented the operational plans for 2021 and the multi-year projections for 2021-2022 and the Supervisory Board approved capital expenditures for 2021 for the VSH Group. In the same meeting the board approved the loan for the purchase of a new Harbor Crane. In a meeting held on 1 March 2021 management presented an outline of the Long-Term Strategy of the VSH Group for 2022 - 2027 which will be finalized by the Holding and the subsidiaries and will be presented to the board for approval in October 2021.

Crisis management

The Supervisory Board of Directors is responsible for safeguarding the governance, reputation, viability, and future value of the organization. In 2020, management had to deal with crisis management with regards to the COVID-19 pandemic. They had to keep the interest of employees in mind and keep shareholders and key business relations informed while also paying attention to the impact of COVID-19 to the community. The necessary items were discussed, and management was ensured of the board's support in keeping focus on a forward-looking agenda. In the near future the company must focus on business recovery where necessary and align strategically with the new normal that will follow after this high-impact event subsides which might change industry trends.

Corporate Governance

In the board meeting of 20 February 2020, the Corporate Governance Code was reviewed. There were minor adjustments. In the meeting of 19 November 2020 an update of the IT Risk-treatment plan 2020 was presented. In the meeting held on 18 February 2021 the results of the internal audits 2020 were presented and the internal audit plan for 2021 was approved.

Audit and Risk Committee

(S. Smit, R. Hahn, and V. Kenswil)

In a meeting held on 17 August 2020 the Audit and Risk Committee and the external auditor discussed the annual figures 2019 and the follow up by management of the recommendations noted in the management letter 2019. Special attention was given to the adoption of International Financial Reporting Standards (IFRS) as we progress towards full IFRS compliance, cost control and the development of an Enterprise Risk Management (ERM) framework which will be implemented by the end of 2021. In a meeting held on 8 December 2020 the draft half year figures 2020 were discussed. In the same meeting an assessment of the external auditor was discussed,

REPORT OF THE SUPERVISORY BOARD OF DIRECTORS

and the overall performance of the Head of the Internal Department was evaluated. During each board meeting company's action points from the Audit Committee were monitored.

Remuneration Committee

(K. Lim A Po, P. Fernandes, and S. Smit)

Management performance and Executive Performance Pay

Management remuneration was evaluated and approved in the board meeting held on 8 December 2020.

On 8 December 2020, the Supervisory Board of Directors evaluated the overall performance of the Managing Directors of the United Suriname Holding Company and found the performance to be good. Specific areas of attention were discussed with the Management including business development opportunities, information security awareness, further development of financial administration software tools, to identify risk and establishing risk tolerance parameters and monitoring developments at the overseas companies.

On a consolidated basis, the VSH United Group attained a return on capital employed of 44.41% which is above the minimum target of 15%. Therefore, the CEO will receive a short-term bonus of SRD 561,510, the CLO will receive a short-term bonus of SRD 264,863 and the CFO will receive a short-term bonus of SRD 233,080.

In a meeting held on 29 July 2021 the Remuneration Committee approved the payment of the above mentioned short-term bonuses for the Managing Directors of N.V. Verenigde Surinaamse Holdingmij.-United Suriname Holding Company.

VSH Trading is measured against a yearly minimum target of 20% of return on capital employed. Based on the return on capital employed of 48.14% the Managing Director will receive a short-term bonus amounting to SRD 68,414.

I.F.C. (Holding) B.V. is measured against a yearly minimum target of 20% of return on capital employed. Based on the return on capital employed of 24.50% the Managing Director received a short-term bonus amounting to EURO 8,630.

CIC is measured against a yearly minimum target of 15% of return on capital employed. Based on the return on capital employed of 39.27% the

Managing Director received a short-term bonus amounting to SRD 171,565.

The other subsidiaries either did not meet their respective minimum target of return on capital employed or were not eligible to receive the short-term bonus.

Supervisory Board of Directors changes and appointments

In accordance with article 7.20 of the bylaws all directors resigned during the Annual General Meeting of Shareholders on 4 September 2020. In this meeting 6 members, Mrs. D. Halfhide, Mr. R. Hahn, Mr. S. Smit, Mr. K. Lim A Po, Mr. V. Kenswil and Mr. P. Fernandes were re-elected as members of the Supervisory Board of Directors. Having reached the retirement age for supervisory board directors as stipulated in Article 7.12 of the bylaws, Mr. J. J. Healy Jr. did not offer himself for re-election. Mr. J. J. Healy Jr. has been a member of the Board since 1 July 2013.

Being eligible, the members Mrs. D. Halfhide, Mr. R. Hahn, Mr. S. Smit, Mr. K. Lim A Po, Mr. V. Kenswil and Mr. P. Fernandes offer themselves for re-election in the Annual General Meeting of Shareholders to be held on 13 August 2021. The Supervisory Board of Directors recommends that the members mentioned be re-elected. The Supervisory Board of Directors also recommends the appointment of Mrs. N. Beijer- de Bekker.

Management changes and appointments

Effective 1 January 2020, Mrs. B. Klaverweide-Weekes was appointed Managing Director of N.V. VSH Trading.

Effective 1 January 2020, Gregory Tai-Apin and Dennis Brommert were appointed as Managing Director of VSH Tech BV in the Netherlands.

Effective 1 May 2020, Mrs. E. Mau Asam was appointed Assistant Managing Director of N.V. Best Maritime Services.

Performance of the Supervisory Board of Directors

In a meeting held on 8 December 2020 the Supervisory Board of Directors evaluated the performance of the board. Based upon individual appraisals they found the performance collectively as well as individually to be satisfactory. The board identified key areas of attention including risk management, the long-term strategic plan (e.g., digitization, business development and oil & gas opportunities), and more involvement in the foreign subsidiaries.

REPORT OF THE SUPERVISORY BOARD OF DIRECTORS

Dividend Policy and Interim Dividend

The policy of the Company is to pay a dividend in the order of 30%-35% of the net earnings, not included the other comprehensive income, unrealized exchange rate gains, and after deduction of unrealized profit from subsidiaries and the associate Assuria. Depending on circumstances the Supervisory Board of Directors may elect to deviate from this target.

Financial Statements and Division of Profit

In compliance with the requirements of article 9.20 of the bylaws, management presented the financial statements 2020 to the Supervisory Board of Directors on 29 July 2021.

These financial statements can be found on pages 28 to 35 of this annual report.

The independent external auditor, Lutchman & Co N.V., audited the financial statements. Their independent auditor's report can be found on the pages 55- 56.

The net earnings attributable to Shareholders amounts to SRD 95,821,216 (2019: SRD 32,322,155). We recommend that the Shareholders approve the financial statements as presented.

The Supervisory Board of Directors endorses the recommendation of the Management to pay a cash dividend for the year 2020 of SRD 7,448,768. If approved, total dividend will amount to SRD 3.75 per share and the balance of the net earnings amounting to SRD 88,372,448 will be added to retained earnings. No interim dividend has been paid so the proposed dividend of SRD 3.75 per share will be paid out as final dividend. Total dividend represents a payout ratio of 35.08% of realized net earnings which is in line with the group's dividend policy of 30% - 35% pay-out ratio. We recommend that the Shareholders approve the proposed dividend as recommended.

Remuneration of the Supervisory Board of Directors

The remuneration of the Supervisory Board of Directors amounts to SRD 246,768 per year and was last adjusted on 4 September 2020.

The Supervisory Board of Directors endorses the recommendation of the Management to increase the remuneration of the Supervisory Board of Directors to SRD 385,572 per year, effective 1 August 2021.

Appreciation

Our thanks and appreciations go to the members of management, and all the employees of the VSH Group, its subsidiaries, and the associated company for their contribution in 2020.

Their collective hard work and commitment helped the VSH Group to a good performance in a challenging market environment and to make substantial progress towards achieving the goals set out in its long-term strategic plan.

Paramaribo, 29 July 2021

The Supervisory Board of Directors,

D. Halfhide, Chairman

R. Hahn, Vice Chairman

K. Lim A Po

S. Smit

P. Fernandes

V. Kenswil

CONSOLIDATED SALIENT FIGURES

in SRD	2020	2019	2018	2017	2016
Revenue	313,390,564	180,531,582	172,972,709	125,214,325	123,853,321
Earnings from continuing operations	92,283,599	35,288,412	40,715,669	24,060,469	34,453,587
Income from associate, joint venture and investments	47,694,515	14,272,348	8,617,048	8,971,915	17,504,547
Net earnings to Shareholders	95,821,216	32,322,155	31,034,468	20,719,097	36,799,667
Cashflow	120,447,294	46,546,334	42,353,246	29,291,737	44,287,285
Working capital	161,801,762	76,682,568	79,947,928	84,727,528	79,916,406
Shareholders' equity	396,656,608	229,600,612	212,422,034	183,738,100	185,825,295
Paid-in capital ¹	198,634	198,634	198,634	198,634 ¹	19,863

Per share of SRD 0.10 ¹

Cash dividend	3.75	2.25	4.00	2.65	2.80
Intrinsic value	199.69	115.59	106.94	92.50	93.55
Market value	77.00	77.00	77.00	72.00	72.00

Exchange rates per end of the year

USD	17.50	8.20	7.60	7.55	7.50
EURO	21.50	9.20	8.70	9.04	7.93
GYD (per 100)	7.95	3.73	3.53	3.51	3.57

¹ Conversion of SRD shares from nominal SRD 0.01 to SRD 0.10

REPORT OF THE MANAGING DIRECTORS

Introduction

The VSH United Group of Companies was established on August 26, 1958, and has grown to become one of the most diversified groups in Suriname. Market expansion ambitions saw the Company establish subsidiaries in Miami/U.S.A. (2001), Georgetown/Guyana (2015) and Moerdijk, the Netherlands (2018). The Group's major activities include logistics, trading, manufacturing, real estate, steel engineering project management and specialized information technology services. VSH United is involved in the insurance and hotel business through associated companies.

The COVID-19 virus pandemic continued to affect global health and economic conditions negatively. All communities we serve were experiencing the third wave of the COVID-19 pandemic, with medical services at overcapacity on this report date.

The VSH Community Fund continued to support the Suriname private sector Su4Su initiative to facilitate fundraising, purchase and distribute essential medical products to assist with Suriname's fight against the further spread of the disease and support vaccination awareness campaigns.

The effects of the pandemic on the world economy have reshaped the way we do business. The VSH Group's stringent COVID-19 work floor safety measures continue to focus on protecting our employees and customers while guaranteeing essential services, product manufacturing, and distribution to support the communities we serve.

The Business Environment

The projected economic crisis in Suriname in 2020, fueled by years of excessive government spending mainly funded by loans, was exacerbated by the COVID-19 pandemic and election year uncertainties that caused the economy to decline by 13.5%¹ 2020 (2019: 0.3% GDP growth). The new Government that took office on July 16, 2020, consists of 4 political parties that jointly control 33 (65%) of the 51 seats in the Suriname parliament. This new Government faced an economy in crisis with "default" rating scores by international credit rating agencies, who see this lowest rating score as the last step before a country's bankruptcy.

Economic crisis indicators as a reflection of the business environment:

- The Central Bank of Suriname (CBVS) SRD-USD exchange rate depreciated in September 2020 from SRD 7.52 to SRD 14.29 and in July 2021 to a daily market-based exchange rate of over SRD 21.00.
- The VSH 2020 administration SRD-USD average exchange rate was SRD 13.71 (2019: SRD 7.92) and increased in July 2021 to SRD 21.00 for USD 1.00. On this report date, the floating daily market-based

exchange rate was +/- SRD 21.30 for USD 1.00.

- The Suriname December 2019 to December 2020 inflation rate was 60.8%² (2019: 4.2%)
- Public debt at the end of 2020 is reported at 159.1% of GDP³ (2019: 86.6% of GDP), and debt payments alone comprised 40% of the government expenditures.
- Effective February 2021, the Government imposed a solidarity tax levy, increasing wage and income taxes up to 48%, depending on income scale levels. In addition, the Corporate tax rate also increased from 36% to 46%. These tax increases will remain in effect for 11 months ending December 31, 2021.

The Guyana economy (GDP) grew in 2020 by 43.4%¹ (2019: 5.4%), primarily due to the effects of the start of the offshore oil production by the first Floating Production Storage Offloading (FPSO) vessel, the LIZA Destiny.

Extraction Industries Gold

Production from the Newmont gold mining project at Nassau in eastern Suriname and Iamgold Saramacca mine production reports lower gold production results due to COVID-19 effects on the workplace. The average world market gold prices did increase in 2020 to USD 1,771.60/oz.

The small-scale gold mining sector, given the number of ongoing land and water (skalians) mining operations, is an essential economic revenue stream but is still mainly operating in the grey economy. The ordering of the small-scale gold mining sector is necessary not only for a fair distribution of income in the Surinamese community but even more critical for transforming it into a transparent sector with equal opportunities for existing and new investors. The Central Bank of Suriname reports an increase in gold export revenues over 2020.

Oil & Gas

Staatsolie Maatschappij Suriname N.V. (Staatsolie), despite Suriname's economic situation and the significant impact of the COVID-19 pandemic on revenues and operations, closed the financial year 2020 with a consolidated profit after tax of USD 71 million (2019: USD 120 million). Continued on-shore and near-shore oil exploration, combined with cost-cutting efforts and income from their interest in the gold mine of Newmont Suriname, ensured profitability for the company. It is important to note that their production costs remained among the lowest in the industry. Several significant oil discoveries were made in the offshore area of Suriname during the year, opening up vast opportunities for Staatsolie and Suriname.

¹ IMF April 2021 ² Central Bureau of Statistics ³ Republic of Suriname - Ministry of Finance & Planning

REPORT OF THE MANAGING DIRECTORS

Other industries

The Central Bank of Suriname reported a +/- 7% reduction in export revenues for agriculture and fish/shrimp, while lumber exports reported a +/- 24% increase. The lockdown effects of COVID-19 were more severe on the airline and tourism industry. Most airline operations were scaled down, while others stopped their services to Suriname. Hotels, resorts and restaurants creatively attempted to generate business from the local community and targeted the extraction industries passenger movements and business opportunities.

VSH United

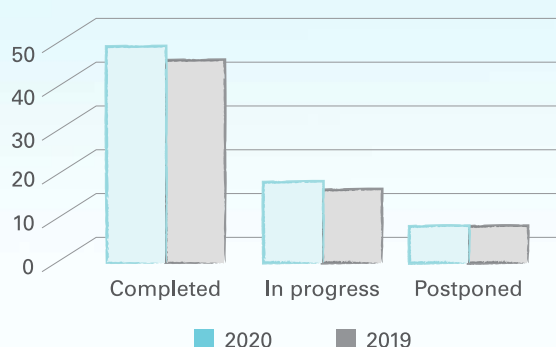
Group results for the year 2020 were higher in comparison to the year 2019. All segment's revenue improved. Income from associate companies and investments were higher in 2020 compared to 2019.

At the Annual General Meeting of Shareholders held on September 4, 2020, the consolidated financial statements 2019 and a dividend of SRD 4,469,261 or SRD 2.25 per share of nominal SRD 0.10 were approved.

The VSH Corporate Governance Code is an integral part of the Group's management policy. The Governance Code and related Internal Audit/plan 2021 was presented and approved in the board meeting of February 18, 2021.

The Internal Audit Department (IAD) capacity and activities can be summarized as follows:
- 4 FTE's (2019: 3 FTE's)

Released Audits 2020 vs 2019



All audits in progress are completed in Q1 of the following year and the outstanding audits are included in the Internal Audit Plan of the next year. Significant progress is made regarding the implementation process of the International Financial Reporting Standards (IFRS). Full compliance with the standards is expected by the end of 2021. Additionally, an Enterprise Risk Management (ERM) framework will also be implemented by the end of 2021. The Long-term Strategic Plan 2016-2021 objective to professionalize

the Information Technology (IT) strategy focused on overall improved user experience. Group system Management activities:

- Maintain Exact support activities with a focus on infrastructure
- Maintain Scansys/Exact interface automation software for purchasing
- Continue Information Security awareness and platform
- Further adoption/adaptation of Microsoft Office 365 (TEAMS; One drive; Sharepoint)
- Help Desk improvements

VSH Tech B.V. developing - 7 FTE's - logistical software solutions, consultancy and support services under the Center Suites platform:

- Center Warehousing
- Center Freight Forwarding
- Center Agency

Individual companies upgraded business-specific software and production systems to improve business processes.

Manufacturing product innovation was again at the forefront with, for example, the introduction of sanitizing products and improved product packaging to stand out in the consumer market.

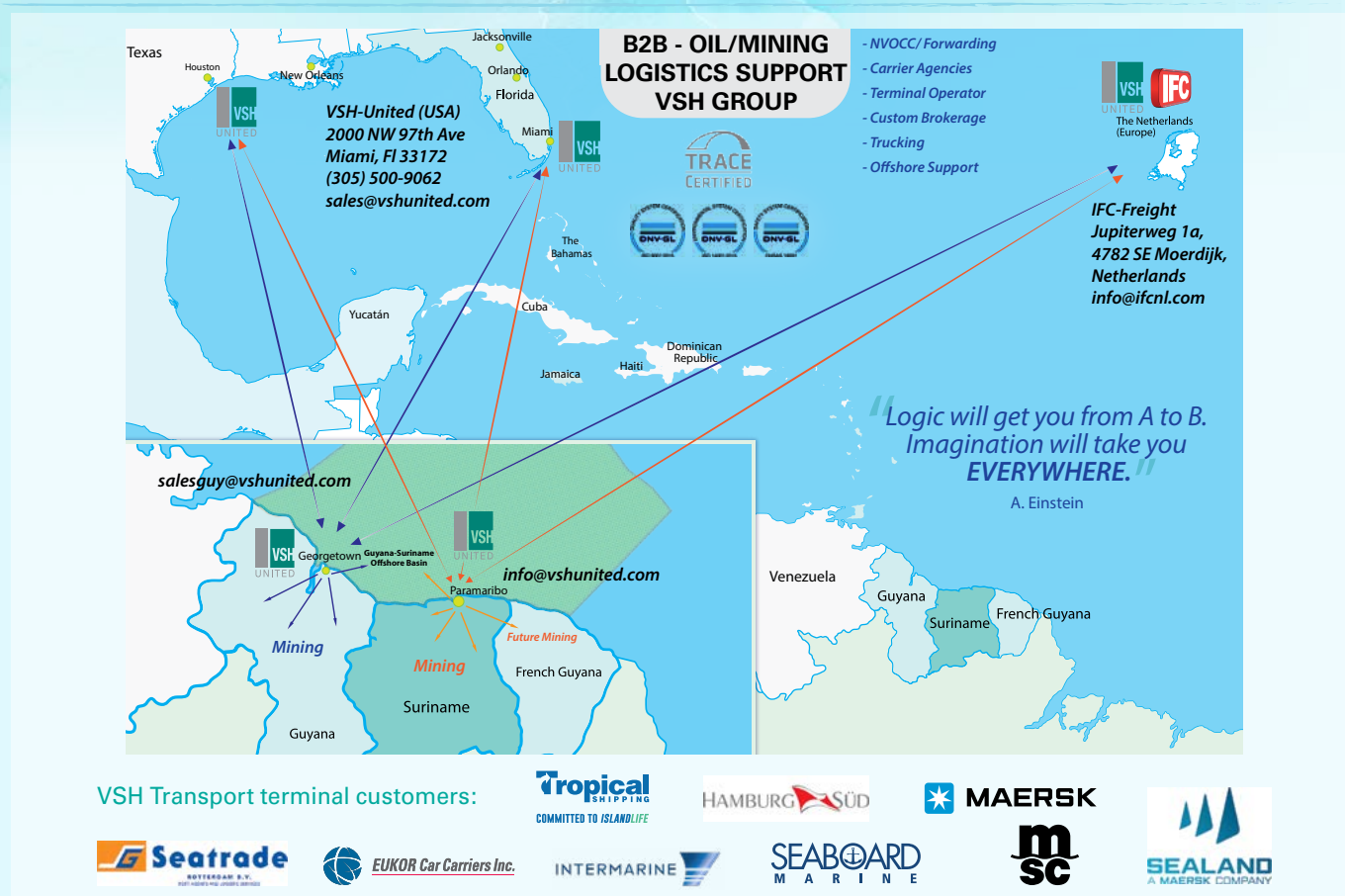
VSH Real Estate (Guyana) Inc.'s strategic land improvements and warehouse building design project supported the regional dominance strategy. Despite the COVID-19 pandemic and its effect on global logistics, VSH-United (Nederland) B.V. produced better than expected results. The production companies reported an increase in export volumes.

The Group's Financial Overview

- Revenue SRD 313,390,564 (2019: SRD 180,531,582)
- Other income SRD 2,813,094 (2019: SRD 4,095,628)
- Operating expenses SRD 221,358,969 (2019: SRD 149,403,844)
- Earnings from continuing operations SRD 92,283,599 (2019: SRD 35,288,412)
- Exchange rate gains and finance costs SRD (2,561,090) (2019: SRD 65,046)
- Associate, joint venture and investment income SRD 47,694,515 (2019: SRD 14,272,348)
- Earnings before income tax SRD 139,978,114 (2019: SRD 49,560,760)
- Net earnings SRD 105,811,214 (2019: SRD 37,162,248)

The increase in revenue and other income of 71% and operating cost increase of 48% can be attributed to improved overall segment performance and the effects of currency devaluation. The income from the associate, joint venture and investments increased by 234%. Earnings before tax increased by 182%, while net earnings increased by 185%.

REPORT OF THE MANAGING DIRECTORS



Segment Performance and Reporting Logistics Segment

• **Ship Agency** companies **VSH Shipping, VSH Logistics, Best Maritime Services and VSH-United (Guyana)** represent carriers that offer liner services from North America, Europe, Latin America, the Caribbean and the Far East. In addition, these ship agency companies also provide vessel agency services to various incidental project cargo and bulk carriers.

• **NVOCC** (non-vessel operating common carrier) companies **VSH-UNITED (USA) L.L.C. and IFC – International Freight Caribbean B.V. (a subsidiary of VSH-United Nederland B.V.)**, specialized in cargo movements from North America/ EU/Far East to Paramaribo, Guyana and the Dutch-speaking Caribbean.

• **Paramaribo Port Terminal Operator N.V. VSH Transport** is active as cargo-stevedore, terminal cargo handling, offshore shore base services, warehousing, project logistic support, customs brokerage and trucking services.

• **VSH Labour Services** provides the required specialized personnel to support the activities of VSH Transport.

- Revenue SRD 182,003,648 (2019: SRD 103,297,891)
- Operating expenses SRD 115,003,338 (2019: SRD 68,629,536)
- Earnings from continuing operations SRD 79,801,944 (2019: SRD 35,493,432)

Revenue improved by 76% compared to 2019, partly due to the increase in the exchange rate. This increase in revenue is also due to a rise in terminal and clearance activities related to the offshore industry.

Operating expenses increased by 68% compared to 2019, mainly because of increased personnel cost due to inflation. Subsequently, **earnings from continuing operations** increased by 125%.

	Full Containers only			
TEU (Twenty foot Equivalent Unit)	2020		2019	
Total discharge Port Stats	43027	-16%	51467	
VSH Transport - marketshare	22970	53%	31717	62%
Total loaded Port Stats	38863	-4%	40355	
VSH Transport - marketshare	14965	39%	15010	37%
Total TEU Port Stats	81890	-11%	91822	
VSH Transport - marketshare	37935	46%	46727	51%

“N.V. Havenbeheer Suriname” port statistics indicate a decrease of 16% in import full container volumes and a 4% decrease in full export containers. VSH Transport total full import and export container volumes decreased by 18%, with an import full container market share of 53%.

Offshore support services – VSH Transport continued to support the Apache (Total) oil exploration activities in the now-famous Block 58, resulting in the first oil find at the Maka Central-1 location. In addition, other offshore support service contracts were awarded in 2020 for block exploration activities expanding our offshore footprint.

REPORT OF THE MANAGING DIRECTORS

Customs Brokerage – VSH Transport’s custom clearance division complements our one-stop-shop logistics marketing approach.

Risk Management

To ensure a safe working environment and to comply with international best practices, the following certifications are maintained:

- ISO 9001:2015/14001:2015 certified - VSH Shipping, VSH Transport and VSH United (Guyana) Inc.
- OSHAS 28001certified – VSH Transport
- Trace Certified – VSH Group

These certifications address the operational, safety, environmental and anti-bribery risks of logistics-related business activities. Process and safety appraisals enhance internal industry risk discussions and mitigation. Anti-bribery risk management solutions under the TRACE membership helps to confirm the VSH Group Corporate Governance Policy commitment to conduct business ethically and in compliance with local and international anti-bribery legislation.

The multiple shipping agencies (Suriname and Guyana) representing competing carriers and supported by Business to Business (B2B) cargo contracts through our NVOCC’s network (USA and EU) maintained cargo volumes for the terminal/ cargo handling company (Suriname). Terminal “smart” investments in specialized software systems, terminal equipment and personnel training are required to support the Logistics Segment strategies. Expanding offshore agency networks and offshore specialized terminal services are vital to allow logistics segment growth targeting the extraction industries in general and the developing offshore **opportunities** in particular.

Trading Segment

- **N.V. VSH Trading** (VSH Trading)
- **VSH-UNITED (Guyana) Inc.** (VSH Guyana)

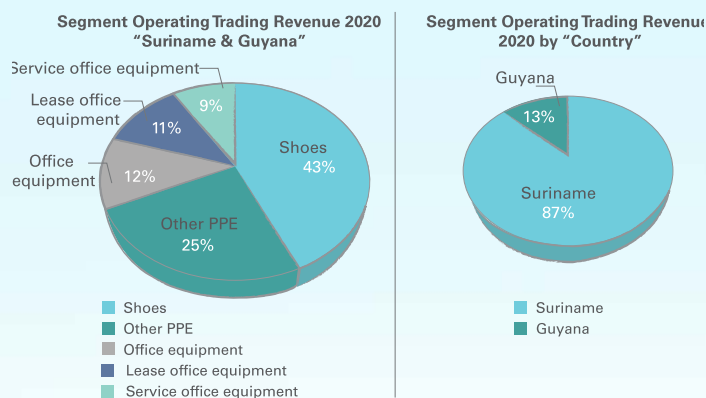
VSH Trading is the distributor for Canon office equipment in Suriname and holds a significant market share for copiers, printers and scanners. In addition, document management systems are an important element of the “new office” environment and Canon-developed products are offered to the market. VSH Trading and VSH Guyana are the official distributors for Red Wing products in Suriname/Guyana and they supply major industries with quality footwear for the workplace. In addition, a full line of Personal Protective Equipment (PPE) complements the assortment available to the thriving extraction industry and other customers.

- Revenue SRD 21,803,248 (2019: SRD 11,919,112)
- Operating expenses SRD 13,274,317 (2019: SRD 8,942,614)
- Earnings from continuing operations SRD 11,100,989 (2019: SRD 3,226,958)

Trading revenue is stated after deduction of the cost of goods sold.

Revenue improved by 83% compared to 2019 due to increased sales volumes and higher sales prices due to the increase of the exchange rate. Operating expenses increased by 48% compared to 2019 due to increased personnel expenses and increased administrative costs due to inflation. Earnings from continuing operations improved by 244% compared to 2019.

Improved trading segment revenue was generated by increased office equipment and PPE sales by VSH Trading. VSH Guyana PPE focused business model resulted in improves sales and profit margins. In addition, the introduction of a new user-friendly cloud-based administrative software with Web-Shop and innovative stock analysis features supported “smart” inventory management. This innovative software as a sales tool has strengthened the VSH Guyana brand, resulting in improved profitability in 2020 and the first quarter of 2021.



The dedicated support staff at VSH Trading and VSH United (Guyana) equipped with innovative sales tools will ensure that the trading segment can improve operating income and results. Offshore business development experienced in Guyana will support targeting Suriname offshore trading **opportunities**.

Manufacturing Segment

- **N.V. VSH FOODS** (64.30% share position)
- VSH FOODS is the producer and distributor of margarine, butter and shortening with established quality brands in Suriname and the Caribbean.



REPORT OF THE MANAGING DIRECTORS

- Revenue SRD 28,213,374 (2019: SRD 19,597,409)
- Operating expenses SRD 19,523,061 (2019: SRD 14,702,734)
- Earnings from continuing operations SRD 770,539 (2019: SRD 4,175,244)

Revenue increased by **44%** compared to 2019 due to domestic price increases, export volume growth and related currency devaluation. Suriname's economic market conditions required increased sales prices to offset the increase in raw material and logistical expenses. **Operating expenses** increased by 33% compared to 2019, mainly due to the rise in personnel expenses and increased marketing, ICT, office and manufacturing expenses mainly driven by inflation. Export-led strategic objectives expanded overall volumes by 16.6% compared to 2019 and contributed to 32.9% of total volume (2019: 29.8%). **Earnings from continuing operations** decreased significantly compared to 2019, primarily due to exchange rate losses and increased operating expenses.

Risk Management

- COVID-19 special safety procedures implemented ensured continuity of production with screened skeleton teams.
- Good Manufacturing Practice (GMP) increases the involvement and awareness of personnel supporting the Food Safety Management systems. GMP audit resulted in a 91% score (2019: 93%) and surpassed the GMP target of 90%.
- A new melting station and automated production line commissioned with remote support from the supplier improved overall production efficiencies.
- Personnel training programs in finance, sales, purchasing activities and safety supports individual and Company development.

• N.V. Consolidated Industries Corporation (CIC) (60.40% share position)

CIC is the producer and distributor of industrial/household powder detergents, liquid detergents, insect repellent and plastic packaging materials. The Company's quality products that support clean living are the market leader in Suriname and exported to 13 Caricom countries.



- Revenue SRD 77,175,706 (2019: SRD 42,594,943)
- Operating expenses SRD 48,047,404 (2019: SRD 37,884,871)
- Earnings from continuing operations SRD 16,736,625 (2019: SRD 3,913,203)

Revenue improved by 81% compared to 2019, focusing on overall profitability considering effects of currency devaluation, product innovation in the retail markets affected by the COVID 19 pandemic and reduced consumer buying power. However, production volumes decreased by 8%, with powder and liquid detergents having the largest share in the decline while disinfectant products grew by 25%. Considering the volatile regional retail landscape, the company maintained export sales in 2020 at 34% of total sales (2019: 34%). **Operating expenses** increased by 27% compared to 2019; the significant increase in personnel and administrative/manufacturing expenses is due to local currency devaluation and related inflation.

Earnings from continuing operations improved by 328% compared to 2019.

Risk Management

- The proactive risk management processes in place minimized the impact of the COVID-19 pandemic on overall production. The Business Continuity Plan is an integral part of the risk management process and was put to the test with this pandemic.
- The quality management ISO 9001:2015 and Environmental Management ISO 14001:2015 certified systems were remotely audited and successfully extended.
- Investments in production systems improved production efficiencies
- Internal appraisal sessions support competitive, economic and strategic risks discussions, including personnel advancement and safety training.

VSH FOODS and CIC have shown their resilience in this challenging pandemic year. COVID 19 pandemic supply chain disruptions and raw material shortages in 2020 have rolled over into 2021 and demand innovative purchasing strategies. Expansion plans should examine overall production capacity and focus on more innovative production methods to support market growth in the post-pandemic period. The strong brand portfolio and management processes will ensure revenue growth in these ever-changing domestic and highly competitive export markets.

Real Estate Segment

- **N.V. VSH Real Estate**, subsidiary: VSH Real Estate (Guyana) Inc.
- Revenue SRD 14,732,221 (2019: SRD 9,441,382)
- Operating expenses SRD 10,914,769 (2019: SRD 5,002,017)
- Earnings from continuing operations SRD 5,727,472 (2019: SRD 4,652,082)

These companies own, develop and manage real estate objects for use by the Group or limited rental to external tenants.

REPORT OF THE MANAGING DIRECTORS

Revenue increased by 56% and **operating expenses** increased by 118% in comparison to 2019. **Earnings from continuing operations** increased by 23%.

The office and warehouse buildings at van 't Hogerhuysstraat are fully occupied, while the buildings at Kromme Elleboogstraat and Waterkant had minimal occupancy.

Subsidiary IFC Vastgoed B.V (Netherlands) is administrated under VSH-United (Nederland) B.V./I.F.C. (Holding) B.V.

We continue to explore real estate **opportunities** in developing the strategic lots owned in Paramaribo, Paranam (Suriname) and Georgetown (Guyana).

Services and investment segment

The services and investment segment comprises of earnings from services, not included in the other segments, and earnings from investment activities in the following companies:

- N.V. Verenigde Surinaamse Holdingmij,-/United Suriname Holding Company
- N.V. VSH Steel
- N.V. VSH Investment
- VSH Marketing Ltd. (dormant)
- The Associate Company Assuria N.V.
- The joint venture Company VSH Tech B.V.
- The strategic investment Torarica Holding N.V.
- Other investments in local companies

- Revenue SRD 54,871,061 (2019: SRD 20,250,557)
- Operating expenses SRD 5,417,296 (2019: SRD 5,842,317)
- Earnings from continuing operations SRD 70,580,916 (2019: SRD 15,072,425)

Revenue increased by 171% mainly due to improved results from the Associate Company Assuria. Operating expenses decreased by 7% in comparison to 2019 due to declining activities at VSH Steel. Earnings from continuing operations increased by 368%.

• N.V. VSH Steel

VSH Steel's 2020 new business model provided engineering and construction project management services specialized in buildings utilizing prefabricated steel structures.

- Revenue SRD 1,776,157 (2019: SRD 1,925,650)
- Operating expenses SRD 5,402,621 (2019: SRD 5,831,458)
- Loss from continuing operations SRD (3,201,576) (2019: SRD (3,800,043))

Revenue declined by 8% and **operating expenses** decreased by 7% in comparison to 2019. However, **earnings from continuing operations** continued at a loss. From assessing the new business model in the

new pandemic business environment, the decision was made to end all business services under the VSH Steel brand by the second quarter of 2021. The sale of remaining assets is ongoing in 2021 and property management has been transferred to VSH Real Estate.

• Assuria N.V. (25.24% share position), Associated Company

Assuria is the largest insurance company in Suriname, offering a broad range of life, property & casualty, motor and health insurance products in Suriname, Guyana, Trinidad and Tobago and other Caribbean territories. Subsidiaries Gulf Insurance Ltd. (Trinidad) and Assuria (Guyana) overall performance continued to improve in 2020.

- Share price SRD 83,25 (2019: SRD 83,25)
- Share in equity SRD 174,074,520 (2019: SRD 77,508,933)
- Share in net profit SRD 47,926,661 (2019: SRD 12,619,429)
- Dividend receipt SRD 4,962,931 (2019: SRD 742,416)

• Torarica Holding N.V. (15.3% share position), strategic investment

Torarica Holding operates three hotels in prime locations along the Suriname River. The Royal Torarica is a 105-room luxury hotel located next to Torarica Resort, a 130 first-class room hotel in the entertainment center of Paramaribo. A short walk from Torarica Resort is a fine 122-room hotel called Eco Torarica. The effects of the COVID-19 Pandemic on travel have negatively affected the income of the hotel industry, and they closed off the financial year 2019/2020 with a loss. The decision made in September 2020 to close Eco Torarica was short-lived. The developing offshore industry requires regular personnel and crew movements.

The Torarica group provided a significant share of the needed accommodations, including a contract for the exclusive use of the Eco Torarica facility for one year starting March 2021.

• N.V. VSH Investment

VSH Investment operates as a broker on the Suriname Stock Exchange. The Suriname Stock Exchange meets every other week and 12 companies are listed. The turnover in 2020 showed a decrease compared to 2019. The total turnover value decreased from SRD 397,797 in 2019 to SRD 233,383, decreasing 41%. The stock market index rose from 9,207 at the end of 2019 to 9,578 at the end of the year, increasing 4% at an inflation rate of 61%. The increase was mainly due to a rise in the share price of Hakrinbank and the Surinaamse Brouwerij. The net profit increased from SRD 1,792 to SRD 304,226 in 2020, mainly due to an exchange rate gain of SRD 293,119.

REPORT OF THE MANAGING DIRECTORS

• **VSH Tech B.V.**, a joint venture company of VSH United (Nederland) (50% share position), established January 16, 2020 - VSH Tech is an information technology services company.

Proposed Dividend

Net earnings attributable to the Company's Shareholders amounted to SRD 95,821,216 (2019: SRD 32,322,155).

The dividend proposal is based on the net realized profit of SRD 21,235,288 calculated after deduction of the following:

- unrealized exchange rate gains of SRD 21,354,762;
- unrealized share¹ in the result of the subsidiaries:
 - VSH FOODS: SRD 442,878;
 - CIC : SRD 5,138,355;
 - VSH-United (Nederland): SRD 4,686,203.
- unrealized share¹ in the result of the associate Assuria of SRD 42,963,730

Management proposes a total dividend of SRD 7,448,768 or SRD 3.75 per share of nominal SRD 0.10 per share and the balance amounting to SRD 88,372,448 to be added to retained earnings. This dividend proposal represents 35.08% of the net realized profit which is in line with the Group's dividend policy of 30% to 35% pay-out ratio. Should the proposed dividend be approved, Shareholder's equity will amount to SRD 396,656,608 at the end of the year.

Share Price

At the end of the year, the price for shares of the Company at the Suriname Stock Exchange amounted to SRD 77.00 per share (2019: SRD 77.00 per share).

Financial Condition

Liquidity and capital resources

The consolidated cash flow statement illustrates that cash and cash equivalents at year end increased to SRD 83,113,813 (2019: SRD 42,452,629).

In 2020 operating activities generated SRD 93,497,142 (2019: SRD 34,897,924) in cash and cash equivalents. Investments in financial and fixed assets amounted to SRD 82,134,000 (2019: SRD 25,945,910) and were partially financed by own means.

Assets and capital structure

Equity and debt

The group capital structure is as follows:

The Group's capital structure is	2020	2019
as follows:		
Interest-bearing loans and borrowings	196,840,815	48,031,760
Cash and cash equivalents	(83,113,813)	(42,452,629)
Total equity	443,107,236	256,846,109
Total net capital employed	556,834,238	262,425,240

Investments financed by own means amounted to SRD 62,593,281 (2019: SRD 18,515,636).

Human resource management

Personnel and Organization:

- 10 Managing Directors;
- 4 Assistant Managing Directors
- 35 specialized staff members
- 452 employees total Group (2019: 448 employees).
- 34% - 66%, female to male ratio

The diversified nature of VSH-United requires a wide range of personal and professional skills.

The Company encourages individual development through financial assistance for career development through specialized training.

Remuneration structure:

- Salary increases 10% effective January 1, 2020, and 20% effective July 1, 2020.
- Bonuses paid for the year amounted to SRD 12,871,707 (2019: SRD 9,989,971). (Bonuses and salary adjustments are based on performance evaluation)
- A medical insurance plan provides medical services to employees and their families.
 - Employees contribute 4% and the Management 6% of gross wages to the medical insurance plan.
 - Medical insurance for employees of VSH Labour Services is insured with a "Nationale Basis Zorgverzekering". Employees of VSH Labour Services contribute 50% of the premium to the medical plan.
- The VSH Pension Fund is incorporated in a separate legal entity governed by a board consisting of four members. VSH Management appoints the Chairman and Secretary and the Pension Fund participants elect two other members.
- At the end of 2020 the key figures of the Fund are:
 - 255 active pension fund members;
 - 86 persons with deferred pension;
 - 32 pensioners, 2 widows and 4 orphans receiving pension.
 - Premium reserve SRD 90,833,441 (2019: SRD 61,183,824)
 - Equity SRD 107,296,729 (2019: SRD 82,162,401)²
- CIC has 118 employees with pension benefits that are insured.
- 43 pensioners and 4 persons with disability pension.
 - VSH Labour Services has 88 employees that have pension benefits that are secured in "Algemeen Pensioen Fonds", which is maintained by a foundation managed by the Government.

* 1 The difference between the Company share in the result of the subsidiaries and associate and the received dividend is defined as unrealized. * 2 Unaudited

REPORT OF THE MANAGING DIRECTORS

Personnel Activities

Due to COVID-19 pandemic restrictions, no Personnel Activities were held in 2020. Employees of the Group celebrating 10, 12½, 15, 20, 25, 30, 35 and 40 years of Service were honored in restricted settings at the individual company locations.

We honored in total 54 employees for:

- 10 Years of Service: 12 employees;
- 12½ Years of Service: 1 employee;
- 15 Years of Service: 12 employees;
- 20 Years of Service: 4 employees;
- 25 Years of Service: 13 employees;
- 30 Years of Service: 9 employees;
- 35 Years of Service: 2 employees.
- 40 Years of Service: 1 employee.

We honored Mr. H. Ramdin (38 years of Service CIC), Mr. I. Kalaykhan (24 years of Service CIC), Mr. C. Plato (23 years of Service VSH Labour Services), Mr. D. Verwey (23 years of Service VSH Labour Services) and Mr. B. Haricharan (9 years of Service VSH Labour Services) all five of them retired on January 1, 2021.

Community Activities

The VSH Community Fund is incorporated in a separate legal entity governed by a board consisting of three members of Management.

The Fund supports sustainable community projects in education, environment and healthcare.

During the year, especially during religious holidays and school vacations, donations are made to churches, educational vacation projects, community organizations to comfort the elderly and support the youth and the disadvantaged.

For the year, the foundation donated a total amount of SRD 798,603 to various organizations.

Outlook

Suriname and Guyana are on a downward trend with respect to new COVID-19 cases, as per this report date. The majority of the VSH Group of companies personnel responded to the call to vaccinate. By the end of the second quarter of 2021, the company barometer stood at 71% partially or fully vaccinated. Donated vaccines from friendly countries supported an aggressive vaccination campaign led by the Ministry of Health with strong support from numerous private and community stakeholders. We are confident that this public-private vaccination campaign will bring the COVID-19 pandemic under control and get the Suriname economy back to work.

The Suriname government has announced an economic recovery plan which includes government debt restructuring.

The Suriname economic and financial conditions forced the Government to request IMF support and a staff-level agreement was reached with the IMF for a USD 690 million 36 months program. Political, public and private sector commitment to the IMF-supported restructuring program is required to succeed. The extractive industries in Suriname and Guyana continue to support positive economic prospects. The gold mining industry, which trades at high market prices, continues to attract potential foreign investors. The oil and gas discoveries in the "Guyana-Suriname basin" offer many business **opportunities**. The VSH Group will continue to build on its multi-year strategy to professionalize its business processes, innovate its products and services while building its regional dominance market position. This, to ensure that the VSH Group can compete and grow in the **"new economy"**.

Appreciation

We want to thank the Supervisory Board of Directors for their advice and support during this exceptional year.

VSH Group employees are also confronted with challenging economic conditions during a pandemic; still, they show their commitment to support the goals and objectives of the VSH Group. Their commitment is the basis of the strong VSH foundation.

To our customers and suppliers, we express our appreciation for their loyalty and contribution.

Paramaribo, July 29, 2021

Patrick Healy

*Managing Director
Chief Executive Officer*

Malini Ramsundersingh

*Managing Director
Chief Legal & HR Officer*

Paul Brahim

*Managing Director
Chief Financial Officer*

**N.V. CONSOLIDATED INDUSTRIES
CORPORATION (CIC)**



STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

before appropriation of earnings

ASSETS	2020 SRD	2019 SRD
Non-current assets		
Property, plant and equipment	1,326,871	1,751,686
Intangible assets	509,553	739,913
Financial assets	23,045,771	21,368,553
Subsidiary interest	235,854,609	147,709,938
Investment in associate	174,074,520	77,508,933
Total non-current assets	434,811,324	249,079,023
Current assets		
Subsidiary receivables	60,420,377	24,496,221
Trade and other receivables	5,373,246	2,763,781
Cash and cash equivalents	40,342,285	25,460,398
Total current assets	106,135,908	52,720,400
Total assets	540,947,232	301,799,423
EQUITY AND LIABILITIES		
Equity		
Issued capital	198,634	198,634
Capital in excess of par value	61,654	61,654
Retained earnings	203,768,851	171,434,692
Net earnings	95,821,216	32,322,155
Revaluation reserves	96,806,253	25,583,477
Total equity	396,656,608	229,600,612
Liabilities		
Non-current liabilities		
Deferred tax	20,982,050	8,964,936
Lease liabilities	673,181	-
Total non-current liabilities	21,655,231	8,964,936
Current liabilities		
Subsidiary payables	92,331,461	41,510,340
Provision	19,625,911	6,684,728
Income tax payable	1,234,113	52,352
Trade and other payables	9,443,908	14,986,455
Total current liabilities	122,635,393	63,233,875
Total equity and liabilities	540,947,232	301,799,423

The accompanying notes are an integral part of these financial statements

Paramaribo, 29 July 2021
Supervisory Board of Directors
D. Halfhide, Chairman
R. Hahn, Vice Chairman
K. Lim A Po
S. Smit
P. Fernandes
V. Kenswil

Managing Directors
P. Healy
M. Ramsundersingh
P. Brahim

STATEMENT OF INCOME

for the year ended 31 December 2020

	note	2020 SRD	2019 SRD
Income from			
Subsidiaries		44,740,375	16,972,583
Share of profit in associate		47,926,661	12,619,429
Investments		593,544	1,636,816
Other		4,000,994	1,708,324
		97,261,574	32,937,152
Earnings			
Earnings before income tax		97,261,574	32,937,152
Income tax		(1,440,358)	(614,997)
Net earnings		95,821,216	32,322,155
Division of net earnings			
Interim dividend	9	-	4,469,261
Final dividend	9	7,448,768	-
Surplus		88,372,448	27,852,894
		95,821,216	32,322,155

The accompanying notes are an integral part of these financial statements

Paramaribo, 29 July 2021
Supervisory Board of Directors
D. Halfhide, Chairman
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S. Smit
P. Fernandes
V. Kenswil

Managing Directors
P. Healy
M. Ramsundersingh
P. Brahim

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

before appropriation of earnings

	note	2020 SRD	2019 SRD
ASSETS			
Non-current assets			
Property, plant and equipment	5	247,299,689	114,748,321
Intangible assets	5	1,026,447	979,297
Subsidiary interest	6	200,000	200,000
Discontinued operations	6	1,376,471	1,348,295
Financial assets	6	58,456,618	36,869,001
Investment in associate and joint venture	7	175,763,722	77,508,933
Total non-current assets		484,122,947	231,653,847
Current assets			
Inventories	8	96,970,575	53,659,188
Trade and other receivables	9	166,812,886	80,064,652
Cash and cash equivalents	10	83,113,813	42,452,629
Total current assets		346,897,274	176,176,469
Total assets		831,020,221	407,830,316
EQUITY AND LIABILITIES			
Equity			
Issued capital	11	198,634	198,634
Capital in excess of par value	11	61,654	61,654
Retained earnings	11	203,768,850	171,434,692
Net earnings		95,821,216	32,322,155
Revaluation reserves	11	96,806,254	25,583,477
Equity attributable to equity holders of the parent company		396,656,608	229,600,612
Non-controlling interest		46,450,628	27,245,497
Total equity		443,107,236	256,846,109
Liabilities			
Non-current liabilities			
Long-term borrowings	12	58,386,288	28,761,942
Deferred tax	14	38,249,007	14,953,445
Lease liabilities	12	99,223,169	1,795,961
Long-term provisions		6,959,009	5,978,958
Total non-current liabilities		202,817,473	51,490,306
Current liabilities			
Trade and other payables	13	117,024,285	74,005,766
Short-term borrowings	12	39,231,358	17,473,857
Current tax payable	14	18,149,931	6,199,016
Short-term provisions		10,689,938	1,815,262
Total current liabilities		185,095,512	99,493,901
Total equity and liabilities		831,020,221	407,830,316

The accompanying notes are an integral part of these financial statements

Paramaribo, 29 July 2021
Supervisory Board of Directors
D. Halfhide, Chairman
R. Hahn, Vice Chairman
K. Lim A Po
S. Smit
P. Fernandes
V. Kenswil

Managing Directors
P. Healy
M. Ramsundersingh
P. Brahim

CONSOLIDATED STATEMENT OF INCOME

for the year ended 31 December 2020

	note	2020 SRD	2019 SRD
Revenue			
Trading		21,803,248	11,919,112
Industry		105,471,890	62,240,957
Logistics		182,003,648	103,297,891
Real estate		4,111,778	3,073,622
		313,390,564	180,531,582
Other income	15	2,813,094	4,095,628
Personnel expenses	15	(108,489,761)	(77,145,498)
Administrative expenses	15	(88,243,130)	(58,034,167) *
Depreciation and amortisation	5	(24,626,078)	(14,224,179)
Earnings from operations		94,844,689	35,223,366
Exchange rate gains		4,337,327	2,602,680
Finance costs		(6,898,417)	(2,537,634)
Earnings from continuing operations		92,283,599	35,288,412
Share of profit in associate and joint venture	7	47,061,367	12,619,429
Investments		633,148	1,652,919
Earnings			
Earnings before income tax		139,978,114	49,560,760
Income tax expense	14	(34,166,900)	(12,398,512)
Net earnings		105,811,214	37,162,248
Attributable to:			
Non-controlling interests		9,989,998	4,840,093
Equity holders of the parent Company		95,821,216	32,322,155
Weighted average number of shares	11	1,986,338	1,986,338
Earnings per share	11	48.24	16.27

*Changed for comparative purposes

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	2020 SRD	2019 SRD
Net earnings	105,811,214	37,162,248
Non-controlling interests	(9,989,998)	(4,902,630)
	95,821,216	32,259,618
Other comprehensive income		
Actuarial gain/ (loss) on defined benefit obligation	-	246,752
	-	246,752
Income tax	-	(88,831)
Other comprehensive income net of income tax	-	157,921
Total comprehensive income	95,821,216	32,417,539

The accompanying notes are an integral part of these financial statements

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

in SRD	Share capital	Capital in excess of par value	Retained earnings	Revaluation reserve	Total	Non-controlling interest	Total
Equity at 1 January 2019	198,634	61,654	175,792,140	29,616,056	205,668,484	24,564,670	230,233,154
Earnings after tax	-	-	32,322,155	-	32,322,155	4,840,093	37,162,248
Earnings distributions	-	-	(4,469,261)	-	(4,469,261)	(382,020)	(4,851,281)
Revaluation	-	-	-	(3,920,766)	(3,920,766)	(1,487)	(3,922,253)
Realized revaluation	-	-	111,813	(111,813)	-	-	-
Correction previous year	-	-	-	-	-	(128,090)	(128,090)
Other comprehensive income	-	-	-	-	-	62,537	62,537
Unclaimed dividend	-	-	-	-	-	6,922	6,922
Change in subsidiaries position	-	-	-	-	-	(1,717,128)	(1,717,128)
Equity at 31 December 2019 before appropriation of earnings	198,634	61,654	203,756,847	25,583,477	229,600,612	27,245,497	256,846,109
Appropriation of earnings							
Final dividend	-	-	-	-	-	-	-
Equity at 31 December 2019 after appropriation of earnings	198,634	61,654	203,756,847	25,583,477	229,600,612	27,245,497	256,846,109
Earnings after tax	-	-	95,821,216	-	95,821,216	9,989,998	105,811,214
Earnings distributions	-	-	-	-	-	(396,175)	(396,175)
Revaluation	-	-	-	71,234,780	71,234,780	9,574,213	80,808,993
Realized revaluation	-	-	12,003	(12,003)	-	-	-
Correction previous year	-	-	-	-	-	(636)	(636)
Unclaimed dividend	-	-	-	-	-	37,731	37,731
Equity at 31 December 2020 before appropriation of earnings	198,634	61,654	299,590,066	96,806,254	396,656,608	46,450,628	443,107,236
Appropriation of earnings							
Proposed final dividend	-	-	(7,448,768)	-	(7,448,768)	-	(7,448,768)
Equity at 31 December 2020 after appropriation of earnings	198,634	61,654	292,141,298	96,806,254	389,207,840	46,450,628	435,658,468

The accompanying notes are an integral part of these financial statements

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CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	2020 SRD	2019 SRD
Cash flows from operating activities:		
Earnings before income tax	139,978,114	49,560,760
Adjusted for:		
Depreciation and amortisation	24,626,078	14,224,179
Unrealized share of profit in associate and joint venture	(47,061,367)	(12,619,429)
Revaluation loss/ (gain) on lease liabilities	36,397,009	-
Maintenance and insurances on lease	1,412,341	-
Effect of exchange rate changes on foreign subsidiaries	19,546,926	(525,261)
Investment income	(633,148)	(1,652,919)
Finance costs	6,898,417	(65,046)
Product warranty	155,934	-
Personnel costs related to defined benefit obligation	1,437,054	-
Provisions	12,529,850	1,667,658
Cash flow from operations before changes in working capital	195,287,208	50,589,942
<i>Changes in working capital</i>		
Change in inventories	(43,311,387)	2,929,053
Change in trade and other receivables	(86,748,234)	2,982,682
Change in trade and other payables	43,018,519	(4,593,410)
Adjustments regarding provisions	(3,030,945)	(993,573)
<i>Other</i>		
Payments of medical for pensioners	(457,003)	(407,985)
Redundancy payments	(776,109)	(700,194)
Cash generated from operations	103,982,049	49,806,515
Claims paid	(4,054)	(2,670)
Paid income tax	(10,480,853)	(14,905,921)
Net cash from operating activities	93,497,142	34,897,924
Cash flows from investing activities:		
Purchase of property, plant & equipment	(108,848,503)	(39,366,895)
Transfer of property, plant & equipment	66,529,697	15,418,584
Translation results property, plant and equipment	(42,677,414)	(1,347,504)
Disposal of property, plant and equipment	2,792,276	1,170,542
Purchase of non-current financial assets	-	(1,820,637)
Acquisition of shares in subsidiaries	(1,243,000)	(1,707,172)
Sale of non-current financial assets	70,054	5,108
Dividends received	1,460,296	4,396,629
Net cash used in investing activities	(81,916,594)	(23,251,346)
Cash flows from financing activities:		
Proceeds and repayments of loans	50,450,654	5,644
Lease payments	(18,158,707)	-
Finance income received/ (paid finance costs)	(3,211,311)	65,046
Dividend paid	-	(11,520,761)
Net cash from/ (used in) financing activities	29,080,636	(11,450,071)
Net increase in cash for the year	40,661,184	196,508
Cash and cash equivalents at 1 January	42,452,629	42,256,121
Cash and cash equivalents at 31 December	83,113,813	42,452,629

The accompanying notes are an integral part of these financial statements

Paramaribo, 29 July 2021
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V. Kenswil

Managing Directors
P. Healy
M. Ramsundersingh
P. Brahim



VACCINATIE CAMPAGNE



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.) Information on the reporting entity

N.V. Verenigde Surinaamse Holdingmij./United Suriname Holding Company (the Company) is a public company incorporated in the Republic of Suriname in 1958. The Company's registered office is located at Van 't Hogerhuysstraat 9-11, Paramaribo, Suriname. The consolidated financial statements of the Company for the year ended 31 December 2020 comprise the Company, its subsidiaries, its associate and joint venture (together referred to as the Group). The VSH United Group is involved in Logistics, Trading, Manufacturing, Real Estate and Services and Investment in Suriname, the wider Caribbean region, The Netherlands and the USA. The Company is listed on the Suriname Stock Exchange.

These financial statements have been prepared by management and were authorized for issue by the Supervisory Board and will be submitted for approval in the Annual General Meeting of Shareholders on 13 August 2021.

Subsidiaries

The subsidiaries with the percentage held by the Company, their respective country of incorporation and the segment as at 31 December 2020, are listed below.

Entity	Country of Incorporation	Segment	Percentage equity held by the Company	Percentage equity held by the Group	Percentage equity held by Non-Controlling Interest
N.V. VSH Shipping	Suriname	Logistics	100%	100%	-
N.V. VSH Transport	Suriname	Logistics	100%	100%	-
N.V. VSH Logistics	Suriname	Logistics	100%	100%	-
N.V. VSH Labour Services	Suriname	Logistics	100%	100%	-
N.V. Best Maritime Services	Suriname	Logistics	100%	100%	-
VSH-United (USA) L.L.C.	Suriname	Logistics	100%	100%	-
VSH-United (Nederland) B.V.	The Netherlands	Logistics	100%	100%	-
- I.F.C. (Holding) B.V.	The Netherlands	Logistics	-	51%	49%
• IFC International Freight (Caribbean) B.V.	The Netherlands	Logistics	-	51%	49%
• IFC Vastgoed B.V.	The Netherlands	Real Estate	-	51%	49%
N.V. VSH Trading	Suriname	Trading	100%	100%	-
VSH-UNITED (GUYANA) INC.	Guyana	Trading	100%	100%	-
N.V. VSH Steel	Suriname	Services	100%	100%	-
N.V. VSH Real Estate	Suriname	Real Estate	100%	100%	-
- VSH Real Estate Guyana INC.	Guyana	Real Estate	-	100%	-
N.V. VSH Investment	Suriname	Investment	100%	100%	-
VSH Marketing Company Ltd.	Anguilla	Dormant	100%	100%	-
N.V. VSH FOODS	Suriname	Manufacturing	64.30%	64.30%	35.70%
N.V. Consolidated Industries Corporation (CIC)	Suriname	Manufacturing	60.40%	60.40%	39.60%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Associate and Joint venture

The associate and joint venture are as follows:

Entity	Country of Incorporation	Nature of Business	Nature of Relationship	Group's Percentage Interest	
				2020	2019
VSH TECH B.V	The Netherlands	IT services and application development	Joint Venture	50%	-
Assuria N.V.	Suriname	Insurances	Associate	25.24%	24.63%

Strategic and other investments, subsidiary, joint venture or associate

The Company has other equity investments in the following companies, which are not considered a subsidiary or associate:

- | | |
|------------------------------|------------------------------|
| 1. Torarica Holding N.V. | 4. De Surinaamsche Bank N.V. |
| 2. Surinaamse Brouwerij N.V. | 5. Hakrinbank N.V. |
| 3. Self Reliance N.V. | 6. Royal Bank of Scotland |

2.) Basis of preparation

2.1) Statement of compliance

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles. According to the Act on annual reporting ("Wet op de jaarrekening" (S.B. 2017 No.84)), all "large" Surinamese legal entities should be fully compliant with International Financial Reporting Standards (IFRS) as of the financial year 2020. Considering the turbulent economic conditions and impact of the COVID-19 pandemic in 2020, a request was submitted through a ministerial committee in 2021 to postpone the effective date of this Act with at least one year. Although VSH United has made substantial progress in the IFRS adoption process, some standards remain in the implementation process.

2.2) Application of IFRS standards

Certain provisions from the following IAS and IFRS were applied to these consolidated financial statements:

- IAS 1: Presentation of Financial Statements
- IAS 2: Inventories
- IAS 7: Statement of Cash Flows
- IAS 12: Income taxes
- IAS 16: Property, Plant and Equipment
- IAS 19: Employee Benefits
- IAS 24: Related Party Disclosures
- IAS 27: Separate Financial Statements
- IAS 28: Investments in Associates and Joint Ventures
- IAS 33: Earnings Per Share
- IFRS 3: Business Combinations
- IFRS 8: Operating Segments
- IFRS 9: Financial Instruments
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 15: Revenue from Contracts with Customers
- IFRS 16: Leases

2.3) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Suriname Dollars (SRD), which is the Company's presentation and functional currency. All financial information presented in SRD has been rounded to the nearest dollar.

2.4) Use of estimates, judgments and assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The use of available information and application of judgement are inherent in the formation of estimates. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.) Accounting Policies

The accounting policies adopted are consistent with those of previous financial year, except for the following:

3.1) Change accounting policies

Leases

CIC and VSH FOODS adopted IFRS 16 'Leases' as of 1 January 2019. The other subsidiaries of the Group adopted this standard as of 1 January, 2020, resulting in full adoption by the Group as of 1 January 2020. This standard sets out the principles for the recognition, measurement, presentation and disclosures of leases. It replaces the guidance in IAS 17, which made a distinction in the classification between leases that transfer substantially all of the risks and rewards incidental to ownership of an underlying asset (finance leases) and those that do not (operating lease). For a lessee, finance leases were recognized as an asset that was depreciated over the lease term and the amount due to the lessor recognized as borrowings; while operating leases were recognized as a periodic rental payment that was treated as a current expense in the statement of income.

IFRS 16 introduces a single lease accounting model for leases. It requires lessees to recognize a lease liability reflecting future lease payments and a right-of-use asset for virtually all lease contracts. The standard includes an optional exemption for certain short-term leases and leases of low value assets.

This resulted in changes in the accounting policies and adjustments to the amounts recognized in the financial statements. The Group applied the modified retrospective approach, which does not require restatement of comparative periods. Details of the new accounting policy in relation to IFRS 16 are outlined in section 3.17 and the total impact of the adoption of IFRS 16 in the consolidated statement of financial position is as follows:

Effect on the Consolidated Statement of Financial Position at 1 January, 2020

(before appropriation of earnings)

	1 January 2020 SRD	Adjusted SRD	31 December 2019 SRD
ASSETS			
Non-current assets			
Property, plant and equipment	145,730,109	30,981,788	114,748,321
Intangible assets	979,297	-	979,297
Subsidiary interest	200,000	-	200,000
Discontinued operations	1,348,295	-	1,348,295
Financial assets	36,869,001	-	36,869,001
Investment in associate	77,508,933	-	77,508,933
Total non-current assets	262,635,635	30,981,788	231,653,847
Total current assets	176,176,469	-	176,176,469
Total assets	438,812,104	30,981,788	407,830,316
EQUITY AND LIABILITIES			
Total equity	256,846,109	-	256,846,109
Liabilities			
Non-current liabilities			
Long-term borrowings	28,761,942	-	28,761,942
Deferred tax	14,953,445	-	14,953,445
Lease liabilities	25,397,631	23,601,670	1,795,961
Long-term provisions	5,978,958	-	5,978,958
Total non-current liabilities	75,091,976	23,601,670	51,490,306
Current liabilities			
Trade and other payables	74,005,766	-	74,005,766
Short-term borrowings	16,239,634	-	16,239,634
Lease liabilities	8,614,341	7,380,118	1,234,223
Tax payables	6,199,016	-	6,199,016
Short-term provisions	1,815,262	-	1,815,262
Total current liabilities	106,874,019	7,380,118	99,493,901
Total equity and liabilities	438,812,104	30,981,788	407,830,316

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.2) Subsidiaries

Subsidiaries are all entities over which the Company has control, defined as the power to govern the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are recognized in the Parent Company according to the equity method. A provision will be formed in the Parent Company, for subsidiaries with a negative equity, to the amount of the equity or the obligation with regards to the shareholder's position.

Subsidiaries are fully consolidated and the financial statements of the subsidiaries are prepared for the same reporting year as the Company. Inter-company balances, transactions, income and expenses between Group companies are eliminated. Non-controlling interests represent the portion of earnings and net assets not held by the Company and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position.

Associate and Joint Venture

Within the framework of IAS 28 associates are those companies over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint ventures are entities over which a Company has joint control and has rights to the net assets of the investment.

The investment in an associate or joint venture is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the associate or joint venture after the date of acquisition. The Company's share in the profit or loss of the associate or joint venture is recognized in the Company's consolidated statement of income. Dividend received reduces the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Company's proportional interest in the associate or joint venture arising from changes in the revaluation of property, plant, equipment and other assets.

Under IAS 28.6 the Company meets the requirement of significant influence by virtue of:

- The share position of 25.24% in Assuria, which makes the Company the largest shareholder in Assuria
- The Company holds two out of six positions on the Assuria Supervisory Board

3.3) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company at the free-market exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at reporting date are translated to the functional currency at the exchange rate at that date. Exchange differences arising are recognised in the consolidated statement of income.

The exchange rates used for the USD, the EURO and the GYD at 31 December 2020 are:

in SRD	2020	2019
USD	17.50	8.20
EURO	21.50	9.20
GYD (per 100)	7.95	3.73

Foreign operations

The results and financial position of all the Group entities (none of which are in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at year-end;
- income and expenses for each statement of income are translated at average exchange rates and;
- all resulting currency (exchange) differences are recognized in the consolidated statement of other comprehensive income.

3.4) Property, plant and equipment (PP&E)

All property, plant and equipment are initially recorded at cost. Land was subsequently carried at revalued amount. All other property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. At the end of each reporting period, management reviews if there are any indicators of impairment. If confirmed, an impairment test is conducted to ensure that the carrying amount of the asset is greater than its estimated recoverable amount. Impaired assets are then written down to its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Depreciation is calculated using the straight-line method to write off the costs of individual assets to their residual values over their estimated useful lives as follows:

Freehold Buildings	20 - 40 years
Land improvement	5 - 10 years
Machinery and equipment	5 - 10 years
Leasehold Motor vehicles	5 years
Other assets	3 - 5 years
Freehold land is not depreciated	

All property, plant and equipment assets residual value and useful life is reviewed, and adjusted if appropriate, at each statement of financial position date.

Leasehold land is depreciated over the shorter of the asset's useful economic life and the lease term.

When a major repair is performed, its cost is recognized in the carrying amount of the PP&E as a replacement or as a separate asset, if the recognition criteria are satisfied. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the consolidated statement of income within 'other income'.

Investments in progress are carried at cost on the basis of expenditure at reporting date. Investments in progress are not depreciated. Upon completion, the total costs are transferred to the relevant PP&E.

3.5) Intangible assets

Intangible assets can be divided in Goodwill and Software.

3.5.1 Goodwill

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the Company's interest in net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

3.5.2 Software

Costs associated with the maintenance of existing software programs are expensed as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available;
- and the expenditure attributable to the software product during its development can be reliably measured

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed five years.

Acquired software licenses are capitalized, based on costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful life of the software, which ranges from 3 to 5 years.

3.6) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity. Financial instruments carried on the consolidated statement of financial position include financial assets, trade and other receivables, cash and cash equivalents, trade and other payables and long and short-term borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.7) Financial Assets

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured at fair value (either through other comprehensive income (OCI), or through statement of income)
- Those to be measured at amortized cost

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

Debt instruments

Debt instruments are measured at amortized cost. Amortized cost represents the net present value (NPV) of the consideration receivable as of the transaction date. This classification of financial assets comprises the following captions:

- Cash and cash equivalents
- Trade and other receivables

Due to their short-term nature, the Company initially recognizes trade and other receivables at the original invoiced or transaction amount less expected credit losses.

Equity instruments

The Company measures an equity investment at fair value.

Application of the Simplified Approach

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. Balances are individually assessed in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

Financial liabilities

Classification

The Company classifies its financial liabilities in the following measurement categories:

- Those to be measured at fair value
- Those to be measured at amortized cost

Measurement

All financial liabilities are recognized initially at fair value. Subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in their individual policy notes.

3.8) Inventories

Inventories are stated at weighted average cost and net realizable value less provision for reduced marketability. Costs comprise direct materials and all costs incurred to bring inventories to their present location and condition net of discounts, rebates and bonuses.

Finished products and work in progress are valued based on the raw and packaging materials used.

3.9) Trade and other receivables

Trade and other receivables are measured at original invoice value less any expected credit loss. Trade receivables do not carry interest.

3.10) Cash and cash equivalents

Cash and cash equivalents comprise of cash in banks, cash on hand and short term-deposits and or carried at cost.

3.11) Borrowings and overdrafts

Loans are recognized at the fair value of the consideration received net of transaction costs. After the initial recognition interest bearing loans are subsequently measured at amortized cost using the effective interest method. Some overdraft accounts earn an interest if the account is in a surplus.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.12) Income tax and deferred tax

Taxes on income are accrued in the same period as the revenues and expenses to which they relate. Current tax receivables and payables for the current and prior periods are measured at nominal value at the amount expected to be recovered from or paid to the Tax Authorities. The tax rates and the tax laws used are those that are enacted or substantively enacted at reporting date. Deferred taxes are recorded, using the reporting date method, for temporary differences between the carrying amounts of assets and liabilities for commercial purposes and the amounts used for taxation purposes. Deferred taxes are recorded, using the balance sheet method, for temporary differences between the carrying amounts of assets and liabilities for commercial purposes and the amounts used for taxation purposes. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.13) Provisions

Provisions are recognized for actual (legal or constructive) obligations and when a reliable estimate of the amount of the obligations can be made, existing at reporting date and arising from past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation. Some of the Company's subsidiaries provide warranties on products sold. Provisions are made for the estimated costs arising under these warranties upon the date of sale of the relevant products.

3.14) Trade and other payables

Trade and other payables are recognized at fair value and subsequently stated at amortized cost.

3.15) Employee benefits

Post-employment benefits

Pensions

Except for overseas operations, pension is provided through Stichting VSH Pensioenfonds (VSH Pension Plan). This pension plan is a defined contribution plan. The VSH Pension Plan also includes provisions for widows and orphans, which is based on an actuarial calculation. The Company's contribution is recorded under personnel expenses in the statement of income.

Pension for N.V. Consolidated Industries Corporation (CIC) management and all new personnel starting from 2018 is also provided through the VSH Pension Plan and the remaining employees are covered by Assuria Levensverzekering N.V.. Employees of VSH Labour Services are covered in the Government Pension Plan (Algemeen Pensioen Fonds). The Government Pension Plan was initiated by the Government through the Act 'Wet Algemeen Pensioenfonds' (S.B. 2014 No. 113) (APF). With respect to the premiums due, reference is made to this Act where this is formalized.

Post-employment medical care

CIC has a scheme for post-employment medical care for some of its employees, which is categorized as a defined benefit plan. The risk and liability of the plan is based on an actuarial calculation.

Short term employee benefits

Paid Annual Leave

Paid annual leave per employee is re-calculated per balance sheet date and the liability is reserved. This transaction is recognized in the consolidated statement of income.

Profit-sharing and bonus payments

Within the Group an executive performance pay system is applicable, which is split in three areas:

- a year-end bonus, recognized upon payment at the end of the year
- a short-term bonus, recognized as a provision in the consolidated statement of income within the year the performance targets are met. The actual payment is made after the financial statements are approved by the Annual General Meeting of Shareholders.
- a long-term bonus, recognized in the consolidated statement of income after the financial statements are approved by the Annual General Meeting of Shareholders.

Other long-term benefits

Jubilee Payment

Jubilee payments are awarded to long serving employees and commences from as early as 10 service years and as concludes at 40 service years. Currently, the jubilees are recognized in the year that the liability falls due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.16) Revenue

Sale of Goods and Services

Revenue from the sale of products and services in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of sales taxes, customer discounts and other related discounts. Revenue is recognized in the consolidated statement of income when performance obligations are satisfied over time or at a point in time. The transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer.

Rental Income

Rental income from investment properties leased out under an operating lease is recognized in the consolidated statement of income on a straight-line basis over the lease term.

Other income

Other income comprises of income from sale of PP&E, transfer fees, broker provisions, proceeds from sales of empty drums, proceeds from promotional items, fees for consulting and other services.

Dividend Income

Dividend income is recognized when the right to receive payment is established.

3.17) Leases

The companies within the VSH Group are committed to lease contracts for:

- Computers
- Vehicles for periods exceeding twelve (12) months
- Warehouse (VSH USA)
- Terminal (VSH Transport)

Except for the Terminal lease, these lease contracts are typically made for fixed periods of 3 - 4 years, containing both lease and non-lease components. The terminal lease covers a period of 15 years. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Leases are recognized as a right-of-use asset and a corresponding liability at the lease commencement date. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external sources that reflect the terms of the lease and the type of asset leased. The right-of use asset is measured at cost comprising of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Payments made under operating leases are recognized in the consolidated statement of income on a straight-line basis over the term of the lease.

Short-term leases and leases of low value assets for VSH Group

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low value assets (less than USD 5,000) and short-term leases (shorter than twelve months). The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As lessor

The accounting treatment of leases of lease assets is based on the classification into operating leases and finance leases. The classification is made based on the distribution of risks and rewards incidental to ownership of the lease asset.

If the lease is an operating lease, the Company is exposed to the material risks and rewards. The lease asset is recognized at carrying amount in the Company's non-current assets and the lease installments collected in the period are recognized as income in the consolidated statement of income.

Assets leased out under operating leases are recognized at cost and depreciated to their estimated residual value using the straight-line method over the term of the lease. Impairment losses identified as a result of an impairment test in accordance with IAS 36 are recognized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Under a finance lease, the material risks and rewards are transferred to the lessee. The lease asset is derecognized from the Company's non-current assets, and instead a receivable is recognized in the amount of the net investment in the lease.

3.18) Finance income and finance costs

Finance income comprises of bank interest received and is recognized when incurred.

Finance costs comprises of borrowing cost and is recognized as an expense when incurred.

3.19) Earnings per share

Earnings per share is calculated by dividing the net earnings attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding for the period.

4.) Segment reporting

A segment is a distinguishable component of the Company that is a separate legal entity or a group of separate legal entities, which are subject to risks and rewards that are different from those of other segments. Management has determined the operating segments based on the reports reviewed by the Company Directors and the Supervisory Board that are used to make strategic decisions. The Company has five (5) segments which are based on the different types of products and services that it offers. These products and services are described below. The Company evaluates performance on the basis of earnings before tax expense not including holding costs. Segment information excludes discontinued operations.

The Company is organized into five business segments:

- Logistics
- Trading
- Manufacturing
- Real Estate
- Services and Investment

The logistics segment comprises logistics activities of the following subsidiaries:

- VSH Shipping
- VSH Transport
- VSH Logistics
- VSH Labour Services
- VSH-United (USA) L.L.C.
- VSH-United (Nederland) B.V.
 - I.F.C. (Holding) B.V.
- VSH-UNITED (GUYANA) INC.
- N.V. Best Maritime Services

The trading segment comprises of trading activities of the following subsidiaries:

- VSH Trading
- VSH-UNITED (GUYANA) INC.

The manufacturing segment comprises of food production and distribution and distribution of detergents and packaging material of the following subsidiaries:

- VSH FOODS
- CIC

The real estate segment comprises real estate rental and service income of the following subsidiary:

- VSH Real Estate
 - VSH Real Estate Guyana

The services and investment segment comprises of income from steel engineering services (VSH Steel), IT services and application development (VSH TECH), income from the associate Assuria, strategic investment Torarica Holding N.V., investments in other shares held in local companies (VSH Investment) and other income from non-core activities from the subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Operating Segments Reporting

x SRD 1,000	Logistics		Trading		Manufacturing	
	2020	2019	2020	2019	2020	2019
Segment revenue	182,004	103,298	21,803	11,919	105,389	62,192
Inter-segment revenue	-	-	-	-	-	-
Associate and joint venture income	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Segment operating revenue	182,004	103,298	21,803	11,919	105,389	62,192
Segment earnings from continuing operations	79,802	35,493	11,101	3,227	17,507	8,088
Reportable segment assets	414,438	144,175	53,968	28,642	139,753	98,235
Reportable segment liabilities	263,931	73,874	52,434	22,273	78,300	47,583
Investments	56,916	4,545	1,966	281	6,118	16,739
Depreciation and amortisation	14,615	4,992	816	596	6,062	5,543
Employees of the reportable segment	201	196	28	26	181	178

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Real estate		Services and Investment		Elimination		Consolidated	
2020	2019	2020	2019	2020	2019	2020	2019
4,112	3,074	2,896	4,145	-	-	316,204	184,628
10,620	6,368	4,281	1,834	(14,901)	(8,202)	-	-
-	-	47,061	12,619	-	-	47,061	12,619
-	-	633	1,653	-	-	633	1,653
14,732	9,442	54,871	20,251	(14,901)	(8,202)	363,898	198,900
5,727	4,652	70,581	15,074	(44,740)	(16,973)	139,978	49,561
41,374	26,613	571,085	323,925	(389,597)	(213,760)	831,020	407,830
18,281	5,838	148,336	74,151	(173,369)	(72,735)	387,913	150,984
16,916	1,334	218	4,749	-	-	82,134	27,648
1,619	1,312	1,513	1,781	-	-	24,626	14,224
9	9	33	38	-	-	452	447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.) Property, plant & equipment and intangible assets

Changes in property, plant and equipment and intangible assets are as follows:

in SRD	Total	Property	ROU Property	Machinery and Equipment	Furniture and Fixture	Motor Vehicles	ROU Motor Vehicles	Investments in progress	Intangible assets
Cost									
Balance at 1 January 2020	195,997,195	83,906,933	-	61,790,988	30,372,980	-	6,087,181	13,839,113	4,100,388
Effect adopting IFRS 16	30,981,787	-	29,008,849	-	-	-	1,972,938	-	-
Additions for the year	152,347,413	1,308,733	41,589,892	4,769,191	3,226,447	115,960	2,448,973	98,888,217	539,955
Transfers	(66,529,697)	-	-	-	-	-	-	(66,529,697)	-
Disposals	(9,261,029)	(5,375,189)	-	(1,281,543)	(2,443,758)	-	(160,539)	-	-
Corrections	(2,049,732)	(5,161)	-	17,190,135	(5,718,176)	-	(1,330,393)	(12,186,137)	60,379
Translations results	48,166,277	44,170,365	-	1,623,062	2,349,789	-	-	23,061	1,504,009
Balance at 31 December 2020	349,652,214	124,005,681	70,598,741	84,091,833	27,787,282	115,960	9,018,160	34,034,557	6,204,731
Accumulated depreciation									
Balance at 1 January 2020	(81,248,874)	(20,925,488)	-	(35,816,900)	(22,444,084)	-	(2,062,402)	-	(3,121,091)
Depreciation charge for the year	(24,099,174)	(2,868,417)	(8,851,823)	(6,548,718)	(3,478,657)	(18,875)	(2,332,684)	-	(526,904)
Corrections	1,933,775	5,161	-	(2,597,073)	4,138,471	(64,052)	451,268	-	(52,496)
Written back on disposals	6,576,827	3,781,178	-	809,239	1,907,124	-	79,286	-	-
Translation results	(5,515,079)	(3,007,185)	-	(622,463)	(1,882,934)	-	(2,497)	-	(1,477,793)
Balance at 31 December 2020	(102,352,525)	(23,014,751)	(8,851,823)	(44,775,915)	(21,760,080)	(82,927)	(3,867,029)	-	(5,178,284)
Net Carrying amount									
Balance at 1 January 2020	114,748,321	62,981,445	-	25,974,088	7,928,896	-	4,024,779	13,839,113	979,297
Balance at 31 December 2020	247,299,689	100,990,930	61,746,918	39,315,918	6,027,202	33,033	5,151,131	34,034,557	1,026,447

in SRD	Total	Property	ROU Property	Machinery and Equipment	Furniture and Fixture	Motor Vehicles	ROU Motor Vehicles	Investments in progress	Intangible assets
Cost									
Balance at 1 January 2019	177,900,227	75,157,002	-	57,563,513	26,891,261	-	3,845,672	14,442,779	3,488,811
Additions for the year	38,848,262	10,048,701	-	6,251,118	4,788,352	-	2,945,173	14,814,918	518,633
Transfers	(15,418,584)	-	-	-	-	-	-	(15,418,584)	-
Disposals	(6,934,658)	(2,650,270)	-	(2,023,643)	(1,451,246)	-	(809,499)	-	-
Corrections	-	-	-	-	-	-	-	-	-
Translations results	1,601,948	1,351,500	-	-	144,613	-	105,835	-	92,944
Balance at 31 December 2019	195,997,195	83,906,933	-	61,790,988	30,372,980	-	6,087,181	13,839,113	4,100,388
Accumulated depreciation									
Balance at 1 January 2019	(72,996,974)	(19,938,265)	-	(31,890,189)	(19,890,828)	-	(1,277,692)	-	(2,571,659)
Depreciation charge for the year	(13,761,572)	(2,975,267)	-	(5,576,907)	(3,675,199)	-	(1,534,199)	-	(462,607)
Written back on disposals	4,954,617	2,064,384	-	1,650,196	1,240,037	-	-	-	-
Written back on disposals	809,499	-	-	-	-	-	809,499	-	-
Translation results	(254,444)	(76,340)	-	-	(118,094)	-	(60,010)	-	(86,825)
Balance at 31 December 2019	(81,248,874)	(20,925,488)	-	(35,816,900)	(22,444,084)	-	(2,062,402)	-	(3,121,091)
Net Carrying amount									
Balance at 1 January 2019	104,903,253	55,218,737	-	25,673,324	7,000,433	-	2,567,980	14,442,779	917,152
Balance at 31 December 2019	114,748,321	62,981,445	-	25,974,088	7,928,896	-	4,024,779	13,839,113	979,297

The property, plant, equipment and intangible assets are insured against fire up to USD 31,891,362 (SRD 558,098,835).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.) Financial assets, discontinued operations and subsidiaries' interest

Financial assets comprise of shares in other companies and term deposits. The shares are measured at their fair value, which is the closing price of the last trading session of the stock exchange where the shares are listed in December 2020.

in SRD	Number of shares	Price per share	2020	2019
Assuria N.V.*	4,010	83.25	333,833	324,675
Torarica Holding N.V.	202,810	86.00	17,441,660	16,224,800
Surinaamse Brouwerij N.V.	1,291	3,550.00	4,583,050	4,131,200
De Surinaamsche Bank N.V.	23,232	9.00	209,088	246,366
Self Reliance N.V.	15,241	63.00	960,183	950,276
Hakrinbank N.V.	-	420.00	-	41,616
Royal Bank of Scotland	297	32.63	9,691	7,131
Total shares			23,537,505	21,926,064
Other			1,136	1,291
Goodwill			34,917,977	14,941,646
Total financial assets			58,456,618	36,869,001

* The Assuria shares are held by VSH FOODS and VSH Investment

Discontinued operations and subsidiaries' interest

Discontinued operations

Discontinued operations represents the subsidiary of CIC in which they hold 98.9% of the shares.

Subsidiaries' interest

Subsidiary interest represents the subsidiary of VSH FOODS which is dormant.

in SRD	2020	2019
Subsidiary of CIC	1,376,471	1,348,295
Subsidiary of FOODS	200,000	200,000
Balance at 31 December	1,576,471	1,548,295

7.) Investment in Associate and Joint Venture

Changes in carrying amount in associate and joint venture are as follows:

in SRD	2020	2019
Balance at 1 January	77,508,933	69,800,094
Share of profit	47,061,367	12,619,429
Profit distribution	(4,841,841)	(742,416)
Adjustments other	36,997,142	(3,511,225)
Adjustments revaluation reserve	19,038,121	(656,949)
Balance at 31 December	175,763,722	77,508,933

Financial statements of the Associate for the year ended 2020 are to be adopted by the Annual General Meeting of Shareholders on 06 August 2021. Financial statements of the Joint Venture for the year ended 2020 are adopted by the Annual General Meeting of Shareholders on 09 July 2021.

8.) Inventories

in SRD	2020	2019
Raw materials and packaging	39,160,582	19,752,840
Goods for sale	28,145,872	18,507,609
Finished goods	6,374,320	3,172,172
Supplies and spare parts	6,136,994	5,014,124
Goods in transit	17,426,530	7,617,923
Provision for reduced marketability	(273,723)	(405,480)
Total inventories	96,970,575	53,659,188

In 2020 a provision for reduced marketability of SRD 105,558 (2019: SRD 371,912) was considered necessary. The inventories are insured against fire up to USD 6,077,308 (SRD 106,352,890).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9.) Trade and other receivables and dividends paid and proposed

Trade and other receivables

in SRD	2020	2019
Trade receivables	127,170,425	70,281,124
Advance to personnel	616,877	410,830
Prepayments and deposits	3,591,438	1,424,494
Advanced project payments	21,371,889	-
Insurance	428,279	287,390
To be settled import duties	396,688	231,810
Other receivables	13,237,290	7,429,004
Total trade and other receivables	166,812,886	80,064,652

At 31 December 2020 trade receivables are shown net of an allowance for uncollectible amounts of SRD 3,895,815 (2019: SRD 3,600,609).

Dividends paid and proposed

The following dividends were declared and paid by the Company.

in SRD	2020	2019
Fourth quarter interim dividend previous year SRD 0.00 per share (2018: SRD 0.15)	-	297,950
Final cash dividend previous year SRD 0.00 per share (2018: SRD 3.40)	-	6,753,550
Interim dividend SRD 0.00 per share (2019: SRD 2.25)	-	4,469,261
Declared and paid	-	11,520,761
After the balance sheet date 2020		
Final dividend SRD 3.75 per share (2019: 0.00 per share)	7,448,768	-

The proposed dividend 2019 was adopted by the Annual General Meeting of Shareholders of 04 September 2020.

10.) Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks, cash on hands and short-term deposits.

The cash and cash equivalents are at free disposal of the Group.

in SRD	2020	2019
Cash and cash equivalents		
Denominated in SRD	7,379,563	4,437,160
Denominated in USD	38,359,034	15,169,065
Denominated in EURO	29,775,227	19,100,601
Denominated in GYD	7,524,989	1,556,002
Total cash and cash at banks	83,038,813	40,262,828
Short-term deposits		
Denominated in SRD	75,000	125,000
Denominated in USD	-	2,064,801
Total cash and cash equivalents	83,113,813	42,452,629

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11.) Issued capital, capital in excess of par value, reserves

Issued capital

in SRD	2020	2019
Issued capital at 1 January	198,634	198,634
Issued capital at 31 December	198,634	198,634

At 31 December 2020 the issued share capital comprised of 1,986,338 shares (2019: 1,986,338 shares). The shares have a par value of SRD 0.10. All issued shares are fully paid.

Capital in excess of par value

The capital in excess of par value relates to the difference between the nominal value and the price of shares issued in 2010, 2007 and 2006 minus the amount paid up in 2017 by disbursement of SRD 0.09 nominal per share with regards to the conversion of the nominal value of the shares from SRD 0.01 to SRD 0.10.

Revaluation reserve

This reserve has arisen from the revaluation of property and financial assets less deferred taxes and yearly realized depreciation from the revaluation of PP&E. The yearly realized transfer of the revaluation reserve of the property is based on the difference between the commercial depreciation and fiscal depreciation. Also booked to the revaluation reserve are changes in the Company's share in the equity of the associate which are not recognized in the associate's statement of income.

Retained earnings

In 2020 the interim dividend of SRD 0 (2019: SRD 4,469,261) over the year has been charged to retained earnings.

Earnings per share

All shares of the Company are extra ordinary shares with a par value of SRD 0.10. The calculation of earnings per share at 31 December 2020 was based on the earnings attributable to ordinary shareholders of the Company of SRD 95,821,216 (2019: SRD 32,322,155), and a weighted average number of ordinary shares outstanding during the year ended at 31 December 2020 of 1,986,338 (2019: 1,986,338).

	2020	2019
Weighted average number of shares	1,986,338	1,986,338
Earnings per share in SRD	48.24	16.27

12.) Long-term borrowings and short-term borrowings

in SRD	2020	2019*
VSH Transport	29,716,508	9,010,594
VSH FOODS	13,046,701	6,362,763
VSH Nederland	46,958,839	22,445,700
CIC	5,730,182	7,172,293
Total borrowings	95,452,230	44,991,350
Short-term	43,227,325	16,229,408
Long-term	52,224,905	28,761,942

*Changed for comparison purposes

Long-term borrowings

The loans comprise of the following long-term arrangements:

- In 2019 an investment facility of USD 500,000 was issued on behalf of CIC with monthly payments including interest of USD 9,901. The balance per 31 December 2020 amounts to 0 (2019: USD 450,246). The loan was paid in full by the end of 2020.
- In 2015 a loan of USD 3,000,000 was issued on behalf of VSH Transport. The term of the loan is 7 years. Monthly payments including interest amount to USD 44,548 and the balance per 31 December 2020 amounts to USD 624,086 including the short-term (<12 months) portion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In November 2020, the Supervisory Board of the Company approved an investment and financing request from VSH Transport for a new crane. The loan was acquired at a local bank for a loan value of USD 4.8 million to be repaid in 7 years. As at December 31, 2020 USD 1,074,000 was already received. The balance on this loan was received in full by March 31, 2021. Monthly payments started in May 2021 for an amount of USD 69,548 , including interest.

- In 2018, VSH FOODS signed a five-year loan of SRD 5,000,000 to finance capital investments. The balance at year end amounted to SRD 3,087,314 (2019: SRD 3,991,760) including the short-term (<12 months) portion. The fixed rate is 11%.
- In 2018 a five year loan of Euro 1,500,000 was issued on behalf of IFC Vastgoed B.V. with a monthly payment of Euro 6,250 and a bullet payment of Euro 1,131,250 at the end of the term. The balance per 31 December 2020 amounts to Euro 1,293,750 including the short-term (<12 months) portion.
- In 2018 a five year loan of Euro 700,000 was issued on behalf of IFC Vastgoed B.V. with a monthly annuity of Euro 6,922. The balance per 31 December 2020 amounts to Euro 519,223 including the short-term (<12 months) portion.

The collateral given to the Institutions for these loans are:

- Mortgages on land and buildings.
- Pledge of securities.
- Fiduciary assignment of inventories.
- Fiduciary assignment of machinery and equipment.

Short-term borrowings

Short-term borrowing comprises of the short term (< 12 months) portion of the long-term loans and lease liabilities and of the following secured bank overdraft facilities: In 2008, VSH FOODS obtained an overdraft facility of a maximum of USD 250,000 to finance working capital requirements on an ongoing basis. The balance at year end amounted to USD 167,363 (SRD 2,928,856) (2019: USD 239,819). The fixed rate is 7.0% per annum.

- In 2019, CIC obtained two overdraft facilities denominated in SRD and USD to finance working capital requirements on an ongoing basis. The balance at year end amounted to SRD 5,730,182 (2019: SRD 3,480,274).
- In 2018, IFC Vastgoed B.V. obtained an overdraft facility with a maximum of Euro 500,000 to finance working capital requirements on an ongoing basis. The balance at year end amounted to Euro 371,159 (2019: Euro 488,098).
- In 2020, VSH FOODS obtained a one year overdraft facility of a maximum of SRD 8,000,000 financed from COVID-19 credit facility of the Central Bank of Suriname (CBvS) to finance working capital requirements. The balance at year end amounted to SRD 7,030,531 (2019: SRD 0). The fixed rate is 7.5% per annum.

The collateral given to the bank for the overdraft facility are:

- Pledge of securities.
- Fiduciary assignment of inventories.
- Fiduciary assignment of machinery and equipment.

Lease Liability

in SRD	2020	2019
Long-term portion	99,223,169	1,795,961
Short-term portion	2,165,416	1,234,223

- At 1 January 2019 CIC adopted IFRS 16 'leases'. The standard requires lessees to recognize a lease liability reflecting future lease payments for motor vehicles. The balance per 31 December 2020 amount to USD 168,091 including the short-term (<12 months) portion.
- In 2017 VSH FOODS entered into a hire purchase contract for its distribution trucks for which a lease liability was recognized per 1 January 2019 in line with IFRS 16. The Company agreed upon an installment plan which divides the financial obligations into 60 monthly payments with a final payment of 15% at the end of the contract period. The balance per 31 December 2020 amount to USD 169,033 including the including the short term (<12 months) portion.
- At 1 January 2020, the Company, excluding CIC and VSH FOODS' adopted IFRS 16 'leases'. The standard requires lessees to recognize a lease liability reflecting future lease payments for motor vehicles and property. The balance per 31 December 2020 amounts to USD 5,456,509 including the short-term (<12 months) portion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13.) Trade and other payables

in SRD	2020	2019
Trade payables	85,828,545	54,534,270
Taxes on wages	7,447,595	4,233,271
Employee benefits	4,418,418	3,167,741
Received deposits & advanced payments	485,003	846,825
Dividend & dividend tax payables	376,460	2,948,420
Sales tax payable	3,847,275	-
Project settlements	1,168,007	-
Other payables	13,452,982	8,275,239
Total trade and other payables before earnings distribution	117,024,285	74,005,766
Proposed final dividend	7,448,768	-
Total trade and other payables after earnings distribution	124,473,053	74,005,766

14.) Income tax and deferred tax liabilities

Income tax is calculated at the applicable rate (36%) over the result of the financial year, taking into account temporary differences between the calculation of profit according to the financial statements and the taxable profit calculation. In October 2020, the tax authorities commenced a tax audit at CIC. The scope of the tax audit includes income tax for the years 2018-2019 and payroll tax for the years 2015-2019. The tax office is still busy with this audit as at 31 December 2020. The audit remains on-going. The income tax payable is specified as follows:

in SRD	2020	2019
Balance at 1 January	6,199,016	7,900,108
Paid during the year	(10,480,853)	(14,905,921)
Due over the year	34,166,900	12,487,343
Correction previous year	-	325,015
PP&E replacement reserve	109,651	244,386
Deferred tax unrealized gain on exchange	(7,064,022)	-
Inventory adjustments	(4,825,366)	47,903
Release revaluation land and buildings*	43,305	98,882
Accelerated depreciation	1,300	1,300
Balance at 31 December	18,149,931	6,199,016

* Included VSH FOODS SRD 35,989 (2018: SRD 35,989)

Deferred tax liabilities

These are tax liabilities arising from the differences between valuation for commercial and for taxation purposes. In 2002, 2003, 2004 and 2005 requests for the application "accelerated depreciation" according to the investments code 2001 were submitted by VSH FOODS to the Ministry of Finance for part of the investments made in PP&E from 2002 to 2005. In the financial statements it is assumed that part of the requests will be granted. This assumption is based on the approvals and rejections received from the Ministry of Finance. Part of the investment made in PP&E is fully depreciated. A tax rate of 36% is used for the determination of this liability. The deferred tax liabilities are specified as follows:

in SRD	2020	2019
Balance as at 1 January	14,953,445	14,822,624
Revaluation of financial assets	603,904	20,069
Revaluation of subsidiary interest	11,413,881	503,223
Deferred tax unrealized gain on exchange	7,064,022	-
Inventory adjustments	4,825,366	(47,903)
Release revaluation land and buildings	(43,305)	(98,882)
Transfer revaluation land and buildings	(457,355)	-
PP&E replacement reserve	(109,651)	(244,386)
Release accelerated depreciation	(1,300)	(1,300)
Balance at 31 December	38,249,007	14,953,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15.) Other income, personnel expenses, pensions, administrative expenses

Other income

in SRD	2020	2019
Sale of promotional items and miscellaneous income	419,835	62,419
Gain on disposal	1,042,745	(32,008)
Gain on revaluation of inventories	-	15,992
Insurance commission	554,534	351,866
Other	795,980	3,697,359
Total other income	2,813,094	4,095,628

Personnel expenses

in SRD	2020	2019
Salaries and wages	73,456,043	52,351,897
Vacation and holiday expenses	3,069,539	4,045,995
Bonuses	12,871,707	9,989,971
Medical	4,607,768	3,396,592
Contribution to pension plan	6,594,531	3,063,635
Training	835,686	1,170,652
Other post-employment benefits	1,437,054	1,059,201
Other personnel expenses	5,617,433	2,067,555
Total personnel expenses	108,489,761	77,145,498

Pensions

For the employees of the Group, that have joined the VSH pension fund, the Group contributes 12% of the base salary and the employees' own contribution is 5%. The Groups pension expenses in 2020, except for CIC and VSH Labour Services, amounted to SRD 2,512,425 (2019: SRD 1,879,703) and are recognized under personnel expenses.

The plan maintained by the foundation is a defined benefit plan, with the following maximum base salaries per year:

Personnel	SRD 78,000
Staff	SRD 162,500
Management	SRD 260,000

Premium reserve of the foundation as of 31 December 2020* amounted to SRD 90,833,441 (2019: SRD 61,183,824) and the total equity amounted to SRD 107,296,729 (2019: SRD 82,162,401).

Employees of VSH Labour Services have joined the "Algemeen Pensioenfonds". The fund is maintained by a foundation managed by the government and is a defined benefit plan with a maximum base salary per year of SRD 60,000. In 2020 the Company and the employees both contributed 3% of the base salary into the fund. In 2020 pension expenses for VSH Labour Services amounted to SRD 116,524 (2019: SRD 110,948).

Employees of CIC that have joined its company's pension plan contribute 6% of the base salary. The balance of the actuarial calculated pension premiums is contributed by CIC. The pension expenses for CIC in 2020 amounted to SRD 3,965,582 (2019: SRD 1,072,984) and are recognized under personnel expenses.

* Unaudited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Administrative expenses

in SRD	2020	2019
Marketing	4,658,574	4,877,340
Maintenance	6,656,319	4,697,962
Manufacturing	8,644,110	4,838,492
Transportation	5,009,408	4,831,905
Office	29,477,455	19,235,618
ICT	4,951,626	-
Utilities	1,024,703	976,659
Insurances	1,744,406	1,224,365
Professional services	9,823,142	5,805,463
Provisions	12,529,850	1,667,657
Other	3,723,536	9,878,706
Total administrative expenses	88,243,130	58,034,167

16.) Commitments

VSH Community Fund

This non-profit foundation was established on August 22, 2008 to finance and coordinate community projects on behalf of the Group. The fund is financed by contributions of 1.5% of the earnings before tax on a final monthly basis from the operating companies. In 2020 SRD 1,645,324 (2019: SRD 603,614) was contributed by the companies.

17.) Related party disclosure

Supervisory Board of Directors

The remuneration of the Supervisory Board of Directors is approved by the Shareholders' Meeting. In 2020 the actual remuneration amounted to SRD 233,704 (2019: SRD 216,846).

Management

The remuneration of key management personnel of the Group is determined by the Supervisory Board of Directors. The remuneration consists of a fixed monthly salary and a bonus of which a significant part is based on the Executive Performance Scheme.

Based on the Executive Performance Scheme for 2020 a bonus of SRD 1,467,976 (2019: SRD 623,094) has been approved by the Supervisory Board of Directors and is payable in 2021. An amount of SRD 1,127,867 has been recognized in the financial statements for the year 2020 and SRD 340,109 will be recognized in the financial statements for the year 2021.

18.) Subsequent events

Income Tax and Wage Tax Amendment

In February 2021, the wage tax rate for employees and the corporate income tax rate for the Company were temporarily adjusted in accordance with amendments to the Wage Tax Act and the Income Tax Act.

Discontinued operation VSH Steel

The Board approved the decision of management to discontinue VSH Steel operations per 1 August 2021. Settlements with employees are in process.

Loan and financial guarantee for N.V. Consolidated Industries Corporation (CIC)

In June 2021, CIC received a bank loan for the construction of a new warehouse and offices. Part of the loan securities included a financial guarantee which was provided by the Company to the amount of SRD 11 million for a period of 10 years. This was approved by the Supervisory Board in April 2021.

Loan to VSH TECH B.V.

In the Board Meeting of May 2021, the Supervisory Board of the Company approved a loan of Euro 250,000 for software development at VSH TECH B.V. The loan was issued in accordance with market interest rates for a term of 6 years including a grace-period of 12 months.



MEET AND GREET SERVICES VSH TRANSPORT



INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
N.V. Verenigde Surinaamse Holdingmij.
United Suriname Holding Company
Paramaribo

Opinion

We have audited the financial statements 2020 of N.V. Verenigde Surinaamse Holdingmij.- /United Suriname Holding Company ("the Company"), in Paramaribo, which comprise the consolidated statement of financial position and the company statement of financial position at 31 December 2020, the consolidated statement of income and the company statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and of its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with generally accepted auditing standards. 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 with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a Matter

We draw attention to Note 2.1 Statement of compliance which sets out the reasons why the Company's financial statements for the year ended 31 December 2020, have been prepared in accordance with generally accepted accounting principles, although according to the Act on annual reporting ("Wet op de jaarrekening (S.B. 2017 No.84)"), all "large" Surinamese legal entities should be fully compliant with International Financial Reporting Standards (IFRS) as of the financial year 2020. The Company has made substantial progress with the IFRS conversion. Our opinion is not modified in respect of this matter.

Other Matter

The rating agencies Fitch Ratings, Moody's and Standard & Poor's have revised Suriname's creditworthiness downwards in 2020 and the first quarter of 2021. The ratings indicate a strong concern that Suriname will not be able to repay its debts if circumstances remain unchanged. These developments, in combination with the COVID-19 situation and the economic and currency crisis, forced the Central Bank of Suriname to adjust exchange rates, which has led to the Surinamese dollar (SRD) being significantly devalued against the US dollar (USD) and the Euro. Our opinion is not modified in respect of this matter.

Other Information included in the Annual Report 2020

Managing Directors and Supervisory Board of Directors are responsible for the other information. The other information comprise the information included in the Company's 2020 Annual Report, other than the consolidated and financial statements and our auditor's report thereon. Our opinion on the Company's financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the 2020 financial statements, our responsibility is to read the other information identified above when it becomes available 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 procedures performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. We have nothing to report in this regard.

The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Paramaribo, 29 July 2021

Lutchman & Co N.V.

Represented and signed by:

D. de Keyzer CA, AA (Chartered Accountant)



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