

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



Half Year Report 2016

Core Values

To be a Champion for our Customers, Partners, Shareholders and in the Community we hold fast to these values:

- Your success is our desire
- Trust in our relationships and personally responsible for all our actions
- Creating a better company for a better world

N.V. Verenigde Surinaamse Holdingmij.-

United Suriname Holding Company

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Report of the Management

Introduction

The VSH-United Group comprises a Holding Company and twelve operating subsidiaries; ten (10) are operating in Suriname, one (1) in Georgetown, Guyana and one (1) in Miami, Florida, USA.

The Company

In the Annual General Meeting of Shareholders held on 04 July 2016, the financial statements 2015 and a cash dividend of SRD 3,376,775 (2014: SRD 3,277,458) or SRD 1.70 (2014: SRD 1.65) per share each were approved.

The Annual General Meeting of Shareholders re-elected Mr. R. Khodadin, Mrs. D.R. Halfhide, Mr. R. M. Hahn, Mr. J.J. Healy and Mr. A. Kluijver as members of the Supervisory Board.

After having served six years as a member of the Supervisory Board, Mr. R. Elias has decided not to stand for re-election. In the Annual General Meeting of Shareholders held on 04 July 2016 Mr. K. Lim A Po was elected as a board member.

In the Meeting of the Supervisory Board of 21 July 2016 the members appointed Mr. R. Khodadin as Chairman, Mrs. D.R. Halfhide as Vice-Chairperson and Mrs. Malini Ramsundersingh as Secretary.

The Business Environment

The Suriname economy remained under pressure due to continuing low prices for the major export commodities gold and oil. As a result, inflation went up and purchasing power rapidly decreased.

Uncertainty regarding the impact of the International Monetary Fund (IMF) program prevailed during the first half year. The IMF executive approved a USD 478 million stand-by agreement with Suriname on 27 May 2016 to support the Government's economic program. This arrangement aims to facilitate Suriname's adjustment to the fall in the prices of major commodity exports, restore confidence, and pave the way to economic recovery.

Inflation, on a year to year basis was 63.8%¹ at the end of June 2016 (12-month June 2015: 5.2%). Reduced US Dollar income continues to put pressure on the Suriname Dollar exchange rate and traded in October at SRD 7.05 for USD 1.

¹ Source: ABS Suriname

Financial Overview

Consolidated Group revenue from continuing operations for the first half year 2016 amounted to SRD 62,082,588 (first half year 2015: SRD 38,581,447). Shipping revenue was 35.6% higher compared to the first half year 2015 mainly due to off-shore activities. Trading revenue was 40.9% higher in the first half year 2016. The operating income in the trading segment was 71.0% higher in the first half year 2016. Steel operating income performed above (up 232.1%) the same period of last year due to increased export activities. VSH Foods operating results decreased in comparison to the first half year 2015 mainly caused by currency exchange losses. Total sales volume was 4.9% higher in the first half year 2016 compared to the same period in 2015. At CIC operating results were 13.8% higher compared to the first half year in 2015. Operating income was up 58.9% higher mainly due to higher sales revenue and due to revaluation of stock following purchase of raw- and packaging materials at higher prices due to the devaluation of the Surinam Dollar. Real estate operating income was 71.1% higher compared to the first half year 2015 mainly due to the devaluation of the Surinam dollar.

Costs for the first half year 2016 amounted to SRD 43,914,666 (first half year 2015: SRD 29,288,157) which is 49.9% higher compared to the same period in 2015. Personnel expenses in the first half of 2016 were 21.8% higher compared to the first half of 2015 mainly due to increases in wages.

Administrative expenses posted at SRD 18,638,985 (first half year 2015: SRD 10,037,156) mainly due to higher overall ICT related consultancy expenses and exchange rate losses in VSH Foods and CIC.

Interest expenses increased due to a bank loan for VSH Transport for the investment in a port mobile shore crane at the end of first quarter of 2015.

Provisions for the first half year 2016 amounted to SRD 1,429,139 (first half year 2015: SRD -79,425). Profit from continuing operations for the first half year 2016 amounted to SRD 18,167,922 (first half year 2015: SRD 9,293,290). The effects of the off shore activities in the shipping segment was the main reason for the increase in the profit from continuing operations.

The profit from the associated company Assuria N.V. (Assuria) increased by 321.4% compared to the first half year 2015. Our share of profit as reflected in the statement of income amounted to SRD 18,459,614 (first half year 2015: SRD 4,380,977). Investment income in the first half year 2016 amounted to SRD 442,903 (first half year 2015: SRD 476,379). Total profit after tax for the first half year 2016 amounted to SRD 30,191,661 (first half year 2015: SRD 10,803,983).

After deduction of non-controlling interest the profit attributable to shareholders amounted to SRD 29,721,288 (first half year 2015: SRD 9,950,733). Earnings per share amounted to SRD 14.96 (first half year 2015: SRD 5.01).

Profit attributable to shareholders which has been realized in the period is used as the bench mark for determining dividend policy. Unrealized profit is the portion of consolidated profit not received in cash (dividend) from group companies during the period. Realized profit attributable to shareholders amounted to SRD 11,132,225 (first half year 2015: SRD 5,716,300). Realized earnings per share amounted to SRD 5.60 (first half year 2015: SRD 2.88).

Interim dividend for the first and second quarter amounted to SRD 0.30 per share (of first and second quarter 2015: SRD 0.30 per share). The share price during the last trading session on the Suriname Stock Exchange in June 2016 amounted to SRD 72.00 compared to SRD 72.00 at 31 December 2015.

Outlook

The Suriname economy as a whole will remain under pressure due to the low commodity prices. Government expenditures, inflation and currency stability remain a cause for concern. International Monetary Funds has per October 2016 adjusted real Suriname GDP forecast for 2016 at -7% and for 2017 at 0.5%.

The results for the shipping business in the second half of the year will be less compared to the first half due to the completion of the off-shore projects. Having enough projects on order VSH Steel will meet their projected targets for the year. The volumes of both VSH Foods and CIC are expected to improve as both traditionally do better in the second half of the year. Furthermore the strategy to focus on export is materializing as export volumes are picking up. Trading is expected to consolidate their position in personal protective equipment and office machines in both Suriname and Guyana. VSH United Group result in SRD for the year are projected to be around 200% higher compared to 2015.

Paramaribo, 24 October 2016

The Management

Mr. P. Healy, **CEO**

Mrs. M. Ramsundersingh, **Chief Legal & HR**

Condensed Company Income Statement

for the six months ended 30 June 2016

	1 January - 30 June 2016	1 January - 30 June 2015
	SRD	SRD
Income from		
Subsidiaries	10,544,846	4,913,603
Share of profit in Associate	18,459,614	4,380,977
Investments	442,728	460,981
Other	428,282	304,955
	29,875,470	10,060,516
Profit		
Profit before tax	29,875,470	10,060,516
Income tax	154,182	109,783
Net profit	29,721,288	9,950,733
Division of Profit		
Interim dividend	595,901	595,901
Surplus	29,125,387	9,354,832
	29,721,288	9,950,733

The accompanying notes on pages 14 to 19 are an integral part of these financial statements.

Paramaribo, 24 October 2016

Supervisory Board

R. Khodadin, Chairman
D. Halfhide, Vice Chairman
R. Hahn
J. Healy Jr.
A. Kluijver
K. Lim A Po

Managing Directors

P. Healy
M. Ramsundersingh

Condensed Company Balance Sheet At 30 June 2016

before appropriation of profit

ASSETS	At 30 June 2016	At 31 December 2015
	SRD	SRD
NON-CURRENT ASSETS		
Property, plant and equipment	479,868	551,166
Financial assets	17,508,197	17,473,085
Subsidiary interest	90,507,484	77,766,643
Investment in Associate	89,827,261	73,353,344
Total non-current assets	198,322,810	169,144,238
CURRENT ASSETS		
Subsidiary receivables	10,071,709	1,522,579
Trade and other receivables	871,665	3,098,398
Cash and cash equivalents	30,817,413	16,125,122
Total current assets	41,760,787	20,746,099
Total assets	240,083,597	189,890,337
EQUITY AND LIABILITIES		
EQUITY		
Issued capital	19,863	19,863
Capital in excess of par value	240,425	240,425
Retained earnings	105,133,580	89,277,384
Result for the period	29,721,288	18,555,091
Revaluation reserves	54,542,504	55,229,103
Total equity	189,657,660	163,321,866
LIABILITIES		
Non-current liabilities		
Deferred tax	8,386,557	7,285,044
Total non-current liabilities	8,386,557	7,285,044
Current liabilities		
Subsidiary payables	37,117,139	15,095,370
Income tax payables	170,067	74,533
Trade and other payables	4,752,174	4,113,524
Total current liabilities	42,039,380	19,283,427
Total equity and liabilities	240,083,597	189,890,337

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Paramaribo, 24 October 2016

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Condensed Consolidated Income Statement

for the six months ended 30 June 2016

	1 January - 30 June 2016	1 January - 30 June 2015
	SRD	SRD
REVENUE		
Trading	3,901,784	2,769,616
Industry	25,784,791	17,382,583
Shipping	22,789,973	16,805,115
Real estate	811,195	750,409
Other	8,794,845	873,724
	62,082,588	38,581,447
COSTS		
Personnel expenses	18,397,025	15,110,727
Administrative expenses	18,638,985	10,037,156
Distribution costs	939,192	611,290
Interest	640,646	407,923
Depreciation and amortization	3,869,679	3,200,486
Provisions	1,429,139	(79,425)
	43,914,666	29,288,157
Profit from continuing operations	18,167,922	9,293,290
OTHER INCOME		
Share of profit in Associate	18,459,614	4,380,977
Investments	442,903	476,379
	18,902,517	4,857,356
PROFIT		
Profit before tax	37,070,439	14,150,646
Income tax	6,878,778	3,346,663
Net profit	30,191,661	10,803,983
Attributable to:		
Non-controlling interests	470,373	853,250
Equity holder of the Parent Company	29,721,288	9,950,733
Weighted average number of shares	1,986,338	1,986,338
Earnings per share	14.96	5.01

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Paramaribo, 24 October 2016

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Condensed Consolidated Balance Sheet At 30 June 2016

before appropriation of profit

ASSETS	At 30 June 2016	At 31 December 2015
	SRD	SRD
Non-current assets		
Property, plant and equipment	63,446,872	64,865,604
Intangible Assets	1,032,802	1,082,173
Subsidiaries' interest	2,080,933	2,024,958
Financial assets	17,955,621	18,051,192
Investment in associate	89,827,261	73,353,344
Total non-current assets	174,343,489	159,377,271
Current assets		
Inventories	44,266,420	29,042,629
Trade and other receivables	64,844,618	37,911,035
Current tax receivables	1,065,352	266,438
Cash and cash equivalents	33,499,897	24,152,274
Total current assets	143,676,287	91,372,376
Total assets	318,019,776	250,749,647
EQUITY AND LIABILITIES		
Equity		
Issued capital	19,863	19,863
Capital in excess of par value	240,425	240,425
Retained earnings	105,133,580	89,277,384
Results for the year	29,721,288	18,555,091
Revaluation reserves	54,542,504	55,229,103
Equity attributable to equity holders of the Parent Company	189,657,660	163,321,866
Non-controlling interests	15,682,903	15,822,385
Total equity	205,340,563	179,144,251
Liabilities		
Non-current liabilities		
Long-term borrowings	18,108,819	11,627,463
Deferred tax	13,680,649	12,612,811
Long-term provisions	2,963,327	2,963,327
Total non-current liabilities	34,752,795	27,203,601
Current liabilities		
Trade and other payables	63,061,857	38,001,647
Short-term borrowings	6,434,902	4,734,686
Current tax payable	6,602,849	-
Short-term provisions	1,826,810	1,665,462
Total current liabilities	77,926,418	44,401,795
Total equity and liabilities	318,019,776	250,749,647

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Paramaribo, 24 October 2016

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Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2016

in SRD	SHARE CAPITAL	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	REVALUATION RESERVE	TOTAL	NON- CONTROLLING INTERESTS	TOTAL
Equity at 1 January 2015							
after appropriation of profit	19,863	240,425	90,553,273	72,901,602	163,715,163	14,585,931	178,301,094
Profit after tax	-	-	18,555,091	-	18,555,091	1,632,356	20,187,447
Profit distributions	-	-	(1,191,803)	-	(1,191,803)	(354,783)	(1,546,586)
Revaluation	-	-	-	(17,561,127)	(17,561,127)	(39,331)	(17,600,458)
Realized revaluation	-	-	111,372	(111,372)	-	-	-
Correction previous year	-	-	(195,458)	-	(195,458)	(1,788)	(197,246)
Equity at 31 December 2015							
before appropriation of profit	19,863	240,425	107,832,475	55,229,103	163,321,866	15,822,385	179,144,251
appropriation of profit							
Dividend	-	-	(2,184,972)	-	(2,184,972)	(510,149)	(2,695,121)
Equity at 31 December 2015							
after appropriation of profit	19,863	240,425	105,647,503	55,229,103	161,136,894	15,312,236	176,449,130
Profit after tax	-	-	29,721,288	-	29,721,288	470,373	30,191,661
Profit distributions	-	-	(595,901)	-	(595,901)	(118,195)	(714,096)
Revaluation	-	-	-	(604,621)	(604,621)	18,489	(586,132)
Realized revaluation	-	-	81,978	(81,978)	-	-	-
Equity at 30 June 2016							
before appropriation of profit	19,863	240,425	134,854,868	54,542,504	189,657,660	15,682,903	205,340,563

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Paramaribo, 24 October 2016

Supervisory Board

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Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2016

	1 January - 30 June 2016	At 31 December 2015
	SRD	SRD
Cash flows from operating activities:		
Profit before tax	33,168,655	25,916,266
Adjusted for:		
Depreciation	3,869,679	6,823,258
Unrealized share of profit associate	(18,459,614)	(10,831,795)
Revaluation results	1,038,459	(377,881)
Investment income	(442,903)	(996,586)
Interest expense	640,646	905,382
Provisions	1,429,139	159,339
Cash flow from operations before changes in working capital	21,244,061	21,597,983
<i>Changes in working capital</i>		
Change in inventories	(15,223,791)	(4,035,328)
Change in trade and other receivables	(26,933,583)	(9,530,569)
Change in trade and other payables	25,060,210	12,255,261
Adjustments regarding subsidiaries	(2,080,769)	(2,057,649)
Adjustments regarding provisions	-	(245,975)
<i>Cash generated from operations</i>	2,066,128	17,983,723
Claims paid	(141)	(4,611)
Paid interest	(640,646)	(905,382)
Paid income tax	(1,131,123)	(7,365,277)
Net cash generated from operating activities	294,218	9,708,453
Cash flows from investing activities :		
Purchase of property, plant & equipment	(2,401,576)	(32,272,389)
Transfers of property, plant & equipment	-	16,212,999
Purchase of non-current financial assets	-	(24,440)
De-consolidated property, plant and equipment of subsidiary	-	1,380,653
Sale of non-current financial assets	-	10,030
Dividends received	2,460,337	4,676,386
Net cash from/ used in investing activities	58,761	(10,016,761)
Cash flows from financing activities :		
Proceeds and repayments of loans	8,181,572	12,277,920
Payments disposal of waste	-	(27,379)
Payments pension liabilities	-	(539,558)
Redundancy payments	(9,889)	(53,753)
Dividend paid	(3,078,823)	(3,575,409)
Net cash from in financing activities	5,092,860	8,081,821
Net increase in cash for the period	5,445,839	7,773,513
Cash and cash equivalents at 1 January	24,152,274	16,378,761
Cash and cash equivalents at 30 June/ 31 December	29,598,113	24,152,274

The accompanying notes on pages 14 to 19 are an integral part of these financial statements.

Paramaribo, 24 October 2016

Supervisory Board

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Segment Reporting

x SRD 1,000	Shipping		Trading		Foods		Detergents		Steel	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Income	26,875	17,321	4,493	2,628	6,809	5,514	17,332	10,906	5,198	1,565
Inter-segment income	-	-	-	-	-	-	-	-	-	-
Associate Income	-	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-	-
Segment operating income	26,875	17,321	4,493	2,628	6,809	5,514	17,332	10,906	5,198	1,565
Reportable segment results										
Unallocated amounts:	13,648	7,570	1,436	720	381	1,915	1,368	1,202	1,641	(1,002)
Operating results	13,648	7,570	1,436	720	381	1,915	1,368	1,202	1,641	(1,002)
	30 June 2016	31 Dec 2015	30 June 2016	31 Dec 2015	30 June 2016	31 Dec 2015	30 June 2016	31 Dec 2015	30 June 2016	31 Dec 2015
Assets	86,490	50,012	10,739	10,160	21,786	17,416	50,557	43,474	19,116	14,163
Liabilities	59,045	28,670	2,390	2,913	10,056	5,775	27,098	18,881	9,571	6,067
Investments	420	11,454	188	566	153	1,082	1,248	761	16	78
Depreciation	1,578	1,947	81	205	357	654	1,052	2,341	288	614
Employees per segment	134	133	17	19	54	54	115	115	42	40

Segment Reporting

x SRD 1,000	Real estate		Other		Elimination		Consolidation	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Income	4,752	2,933	957	419	-	-	66,416	41,286
Inter-segment income	(1,644)	(1,117)	(523)	(98)	(2,167)	(1,476)	(4,334)	(2,691)
Associate Income	-	-	18,460	4,381	-	-	18,460	4,381
Investment Income	-	-	443	476	-	-	443	476
Segment operating income	3,108	1,816	19,337	5,178	(2,167)	(1,476)	80,985	43,452
Reportable segment results								
Unallocated amounts:	1,686	361	16,910	3,398	-	-	37,070	14,164
Operating results	1,686	361	16,910	3,398	-	-	37,070	14,164
	30 June 2016	31 Dec 2015	30 June 2016	31 Dec 2015	30 June 2016	31 Dec 2015	30 June 2016	31 Dec 2015
Assets	18,534	17,403	110,797	98,122	-	-	318,020	250,750
Liabilities	1,266	1,261	3,253	8,038	-	-	112,679	71,605
Investments	303	552	74	210	-	-	2,402	14,703
Depreciation	413	895	101	167	-	-	3,870	6,823
Employees per segment	8	8	19	19	-	-	255	388

Notes to the condensed consolidated interim financial statements as at and for the six months ended 30 June 2016

1) Corporate information

N.V. Verenigde Surinaamse Holdingmij.- /United Suriname Holding Company, is a company registered and domiciled in Suriname. The Company's registered office is at Van 't Hogerhuysstraat 9-11 Paramaribo City, Suriname. These condensed consolidated interim financial statements as at and for the six months ended 30 June 2016 comprise the Company, its subsidiaries and its associate (together referred to as the Group).

The subsidiaries are:

1. **N.V. VSH Shipping**
2. **N.V. VSH Transport**
3. **N.V. VSH Trading**
4. **N.V. VSH Steel**
5. **N.V. VSH Real Estate**
6. **N.V. VSH Investment**
7. **VSH Marketing Company Ltd.**
8. **N.V. VSH Logistics**
9. **N.V. VSH Labour Services**
10. **VSH-UNITED (USA) L.L.C.**
11. **N.V. VSH Foods (56.01%)**
12. **N.V. Consolidated Industries Corporation (CIC) (59.44%)**

The associate is:

1. **Assuria N.V. (24.63%)**

The VSH United Group is involved in: shipping, logistics, transport, port operating, steel fabrication, manufacturing of butter, margarine and shortening, manufacturing of household cleaning products and packaging material, trading, insurance, real estate and investment.

These condensed consolidated interim financial statements were authorized for issue by the Supervisory Board on 24 October 2016.

These condensed consolidated interim financial statements have been reviewed, not audited.

2) Basis of preparation

2.1) Statement of compliance

These condensed consolidated interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with generally accepted accounting principles for interim financial reporting.

These condensed consolidated interim financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2015, which have been prepared in accordance with generally accepted accounting principles.

2.2) Basis of Measurement

Property is valued at costs adjusted for hyperinflation less accumulated depreciation. Plant and equipment are valued at cost less accumulated depreciation. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Financial assets are presented at fair value. Other assets and liabilities are stated at face value using the historical cost method.

The methods used to measure fair value are discussed further in note 3.

2.3) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Suriname Dollars (SRD), which is the Company's functional currency. All financial information presented in SRD has been rounded to the nearest dollar.

2.4) Application of IFRS standards

Certain provisions from the following IFRS standards were applied to these condensed consolidated interim financial statements:

IAS 7: Statement of Cash Flows
IAS 16: Property, Plant and Equipment
IAS 17: Leases
IAS 18: Revenue
IAS 19: Employee Benefits
IAS 24: Related Party Disclosures
IAS 28: Investments in Associates and Joint Ventures
IAS 29: Financial Reporting in Hyperinflationary Economies
IAS 33: Earnings per Share

3) Accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Subsidiaries

Subsidiaries are those companies 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 fully consolidated and the financial statements of the subsidiaries are prepared for the same reporting period as the parent company. All balances, transactions, income and expenses between Group companies are eliminated. Non-controlling interest represent the portion of profit and net assets not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated balance sheet.

Associate

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. The investment in an associate 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 after the date of acquisition. The Company's share in the profit or loss of the associate is recognized in the Company's 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 arising from changes in the revaluation of property, plant, equipment and other assets.

Assuria is presented as an associate. Under IAS 28.6 the Company meets the requirement of significant influence by virtue of:

1. The share position of 24.63% in Assuria.
2. The Company holds two out of six positions on the Assuria Supervisory Board of Directors including the Chair.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated to the functional currency at the exchange rate at that date. Exchange differences arising are charged or credited to the consolidated statement of income.

The exchange rates used for the US Dollar, the EURO and the GYD at balance sheet date are:

in SRD	30 June 2016	31 December 2015
US Dollar	6.95	4.20
EURO	7.74	4.58
GYD (per 100)	3.41	2.05

Foreign subsidiaries

Each foreign subsidiaries uses the functional and reporting currency in its respective country. For consolidating purposes the revenues, expenses, assets, equities and liabilities of these subsidiaries are translated to the functional and reporting currency of the Group at balance sheet date.

Property, plant and equipment (PP&E)

Land is carried at cost adjusted for hyperinflation. Land improvements and buildings are carried at cost adjusted for hyperinflation less accumulated depreciation. All other property, plant and equipment are carried at costs less accumulated depreciation.

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:

Buildings	20 - 40 years
Land improvements	5 - 10 years
Machinery and equipment	5 - 10 years
Other assets	3 - 5 years
Land is not depreciated	

When a major repair or maintenance is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement, 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. There are no assets held under financial leases, and assets held under operating leases and not recognized in the Group's consolidated balance sheet.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible Assets

Intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized under depreciation in the consolidated statement of income.

Financial Assets

Financial assets consist mostly of shares in companies that are not subsidiaries or associates. The shares are measured at their fair value, which is the closing price of the last trading session of the stock exchange in June 2016, where the shares are listed.

Inventories

Inventories are stated at cost, less a provision for the reduced marketability of inventories if applicable. Cost is calculated using the last in first out method. 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

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

Trade and other receivables

Trade and other receivables are stated at nominal value less an allowance for uncollectible amounts, if there is objective evidence that the Group will not be able to collect the receivable. Trade receivables do not carry interest.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in banks and cash on hand.

Loans

Interest bearing bank loans are recorded 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.

Provisions

Provisions are recognized for actual (legal or constructive) obligations, existing at balance sheet date and arising from past events, for which it is probable that an outflow 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.

Trade and other payables

Trade and other payables are stated at nominal value. Trade payables do not carry interest.

Employee benefits

The Group employees participate in a defined benefit pension plan. Some of the pensions are insured while other employees participate in a pension fund foundation which is a separate legal entity.

The Group's contribution is recorded under personnel expenses in the consolidated statement of income.

The Group, except for CIC, has no obligations for long term employee benefits. CIC has the obligation to pay medical benefits to pensioners. A provision based on actuarial calculations is recognized for long term employee benefit obligations.

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Revenue

Revenue from the sale of products in the ordinary course of business is measured at the fair value of the consideration received or receivable, net of turnover and sales taxes, customer discounts and other sales related discounts. Revenue from the sale of products is recognized in the consolidated statement of income when the amount of revenue can be measured reliably, the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably, and there is no continuing management involvement with the products. Revenue from services rendered is recognized in proportion to the stage of completion of the transaction at the balance sheet date. Revenue from operating leases is recognized on a straight-line basis over the term of the relevant lease. Interest income is recognized when earned.

Other revenue comprises of gains on exchange, income from previous years, gain on revaluation of inventories, transfer fees, broker provisions, proceeds from sales of empty drums, proceeds from promo activities and fees for consulting and terminal, agency and other services.

Other income

Other income comprises of the Company's share in the profit or loss of the associate and dividend payments received from financial assets.

Expenses

Borrowing costs

All borrowing costs are recognized as an expense when incurred.

Operating Lease payments

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

Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to ordinary Shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Segments reporting

A segment is a distinguishable component of the Group 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.

4) Use of estimates and judgments

The preparation of these condensed consolidated interim 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. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods if affected.

5) Income tax

Taxes on income are accrued in the same period as the revenues and expenses to which they relate. Current tax receivables or payables for the current and prior periods are measured at the amount expected to be recovered from the Tax Authorities. The tax rates and the tax laws used are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax assets are 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 balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

6) Operating segments

Operating results of the segments is reported before distribution of costs of the Company and income taxes.

The shipping segment comprises shipping activities of the following subsidiaries:

VSH Shipping

VSH Transport

VSH Logistics

VSH Labour Services

VSH-United (USA)

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

VSH Trading

VSH Guyana

The food segment comprises of food production and distribution of the following subsidiary:

VSH Foods

The detergent segment comprises of production and distribution of detergents and packaging material by the following subsidiary:

CIC

The steel segment comprises steel fabrication of the following subsidiary:

VSH Steel

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

VSH Real Estate

VSH Trading

Other income, assets and liabilities not included in segment reporting are related to the subsidiary VSH Investment, VSH Marketing, the associate Assuria, the strategic investment Torarica Holding N.V. and other shares held in local companies.

7) Dividend declaration and payment

The proposed total dividend 2015 of SRD 1.70 per share was adopted in the Annual General Meeting of Shareholders of 4 July 2016.

The first and second quarter interim dividend 2016 of total SRD 0.30 per share (first and second quarter 2015: SRD 0.30) were declared by the Company.

8) Related party transactions

Financial- and IT services are provided by the Company to VSH Foods, VSH USA and CIC. These services are provided against market prices and conditions. For the six months ended 30 June 2016 total amount billed and posted to other income in the condensed consolidated income statement was SRD 313,157 (for the six months ended 30 June 2015: SRD 222,056).

The Group participates in the VSH Community Fund.

This non-profit foundation was established on 22 August 2008 to finance and coordinate community projects on behalf of the Group. The Group contributes on a final monthly basis 1.5% of the profit before tax to the VSH Community Fund. For the six months ended 30 June 2016 a total amount of SRD 169,106 (for the six months ended 30 June 2015: SRD 144,236) was contributed by the Group.

Independent Auditors' report on review of condensed consolidated interim financial information

To: The Shareholders, Supervisory Board of Directors and the Management of
N.V. Verenigde Surinaamse Holdingmij.- /United Suriname Holding Company
Paramaribo City, Suriname

Report on review of condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of N.V. Verenigde Surinaamse Holdingmij.- /United Suriname Holding Company, in Paramaribo, which comprises the condensed company balance sheet and the condensed consolidated balance sheet at 30 June 2016, the condensed company and condensed consolidated statements of income, changes in equity and cash flows for the period of six months ended 30 June 2016 and the notes to the condensed consolidated interim financial information. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with generally accepted accounting principles for interim financial reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information at 30 June 2016 is not prepared, in all material respects, in accordance with generally accepted accounting principles for interim financial reporting.

Paramaribo, 24 October 2016

Lutchman & Co

Represented and signed by
Drs M.R.A. Lutchman RA, chartered accountant