



TELESUR

Keeping us in touch

ANNUAL REPORT 2016



Financial Performance Summary (in millions of Rupiah)	
Revenue	1,234,567
Operating Profit	234,567
Net Profit	123,456
EPS	123.45
Dividend	56.78
Dividend Yield	4.5%
ROE	15.2%
ROA	8.7%
Debt to Equity Ratio	0.8
Current Ratio	1.2
Operating Margin	19.0%
Net Profit Margin	10.0%
Dividend Payout Ratio	45.4%
Return on Investment	12.3%

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DIRECTOR'S MESSAGE

Dear reader,

I am pleased to hereby offer you the 2016 Telesur annual report. In 2016 I joined the board of Telesur as director. It has been a year where competition in the telecoms market and the local macro-economic environment created major challenges. Immediately after my term as director commenced, the challenges facing the company were identified and a “100-day” plan of action was drafted.

As part of the aforementioned plan of action, ten teams were put in place, each with a specific task to achieve commercial “Quick Wins”. The goal that was set: implementing commercial improvements to guide Telesur to a safe and healthy business environment. Due to the aforementioned competition and macro-economic realities, these quick wins were and remain necessary to ensure Telesur’s continuity.

In 2016, we focused on improving our network to ensure availability and reliability. This regards the following topics:

- The expansion of the redundancy transport route.
- Securing support contracts and licenses from suppliers of our data and telecommunications infrastructure.
- Construction and commissioning of 116 new sites in the interior and coastal area linked to the 4G-HSPA+ system.

Financially, Telesur has had better years than 2016, as the year ended with a negative result. For this reason, no dividend payments were made to the sole shareholder, the State of Suriname. The entire Telesur family therefore needs to work unabated and continuously to deliver on our core values which were reformulated in 2016, in order to increase customer focus, be innovative, work together and thus keep focus on achieving a positive overall result.

With all this said, it remains important that mutual appreciation and fulfillment are dominant, so Telesur’s future is one of prosperity and success for our customers, employees, and shareholders.

Warm Telesur greetings,

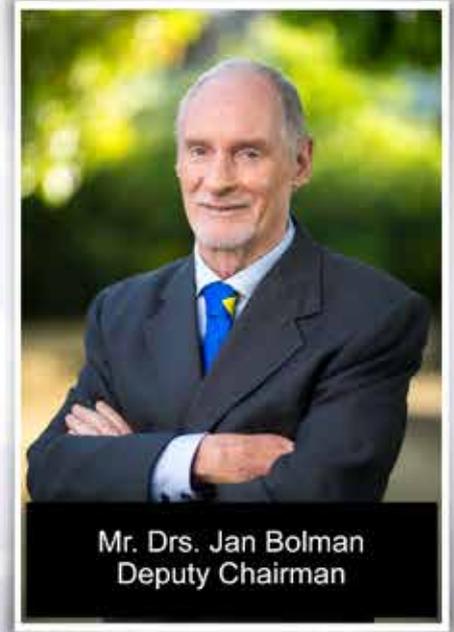
Mike Antonius, MBA
Director Telesur



Blooming lotus in the freshwater canal in the heart of Nieuw-Nickerie. In the past, the green lotus' leaves were used as "serving plates" at weddings of Surinamese from Indian origin.

BOARD OF SUPERVISORY DIRECTORS

AS AT JULY 2020



SUMMARY OF THE BOARD OF SUPERVISORY DIRECTORS' RECOMMENDATIONS

To comply with article 15 sub. 5 of C-38, i.e. the act on the founding of Telesur, the Supervisory Board of Telesur had the 2016 USD-financial statements audited by an external auditor. This was done by Tjong A Hung Accountants N.V., who also audited the financial statements of previous years. By means of proxy from the Shareholder, the Minister of Public Works, Transport and Communications, Mr. Vijai Chotkan, established the statement of financial position as at December 31st, 2016 and the statement of comprehensive income for the same year and also granted discharge to the Board of Directors and to the Board of Supervisory Directors during the General Meeting of Shareholders held on Friday, September 6th, 2019. This determination, pursuant to Article 15 sub. 7 of the aforementioned Law, extends discharge to the Board of Directors and the Board of Supervisory Directors of Telesur for their management and supervision in 2016.

The 2016 fiscal year ended with a negative pre-tax result of USD 2.6 million. The 2016 result is mainly explained by the losses on exchange rate differences equaling USD 10.4 million. The exchange rate loss is caused by the increase in the rate of the SRD compared to the USD. At the start of 2016, the exchange rate was USD 1 for SRD 4.04 and as at year-end it was USD 1 for SRD 7.49. The administration is conducted in USD.

Partly based on the findings and recommendations made in management letters of Tjong A Hung Accountants N.V. in 2016, the Supervisory Board had an Independent Business Review (IBR) done by Deloitte Dutch Caribbean with the aim to serve as a blueprint for further professionalization of the company.

To strengthen its competitiveness and earning capacity on the one hand and the positive outlook within the telecommunications sector as a whole, Telesur is firmly continuing its investments, despite negative administrative results this fiscal year. Telesur has continued its ongoing investments and prepared an additional USD 115,000,000 investment for implementation of the Telesur National Broadband Project stretching from 2017 to 2019. This investment was made in agreement with the Board through a loan from the State of Suriname at the Export Import Bank of China (Eximbank), provided Telesur itself contributes 15% and a term of 15 years at a concessional interest rate of 3%.

The Board looks back on a year full of challenges partly due to the many overdue administrative corrections done, aiming to improve the company's financial administration. This annual report includes statements on Telesur's financial development, its statement of financial position, statement of comprehensive income, cash flow statement and general explanatory notes and also reports on the operational developments within Telesur.

The Board of Supervisory Directors of Telesur

Mr. G. Hew A Kee, PhD

Mr. Drs. J. Bolman

Mrs. F. Harpal – van Ommeren, MPA, BSc

Mr. Ir. R. Abrahams

Mr. Ing. R. Doekhie

Mr. Drs. M. Isselt, MBA

Chairman

Deputy Chairman

Secretary

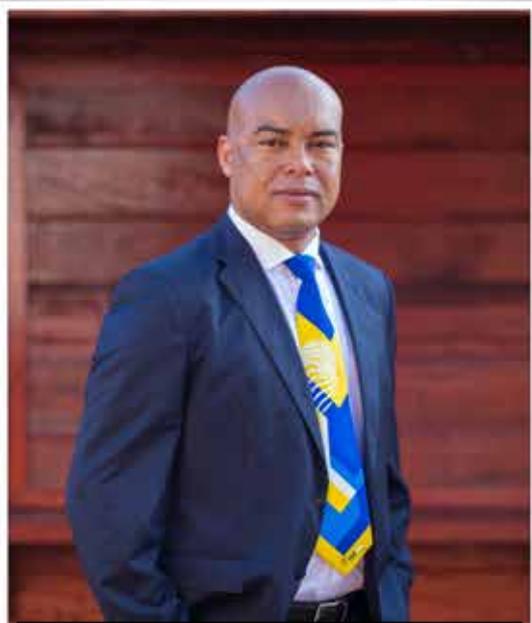
Member

Member

Member

BOARD OF DIRECTORS

AS AT JULY 2020



Mr. Mike Antonius, MBA
General Director



Mrs. Grace Yard-Hensen, MBA, BEc
Deputy Director
Commercial Sub Directorate



Mr. Doric Ramlakhan, MSc
Deputy Director
Technical Sub Directorate



Mr. Steven Tjitrotaroeno, MBA, BSc
Deputy Director
Innovations Sub Directorate

MISSION AND VISION

Mission:

Facilitate communication through innovative market-based solutions

Vision:

Remain the leader of communications development of Suriname

MEANING OF LOGO AND COLORS



TELESUR

Keeping us in touch

- Derived from a fingerprint:
- Represents the own identity.
- Gives content to the mission statement; services and products.
 - Personal/customized delivery to the customer.
- Represents the uniqueness of the company.
- Makes an association with the end user.
 - He/she recognizes himself/herself in the logo.
- Seven lines equal the number of letters making up Telesur's name.



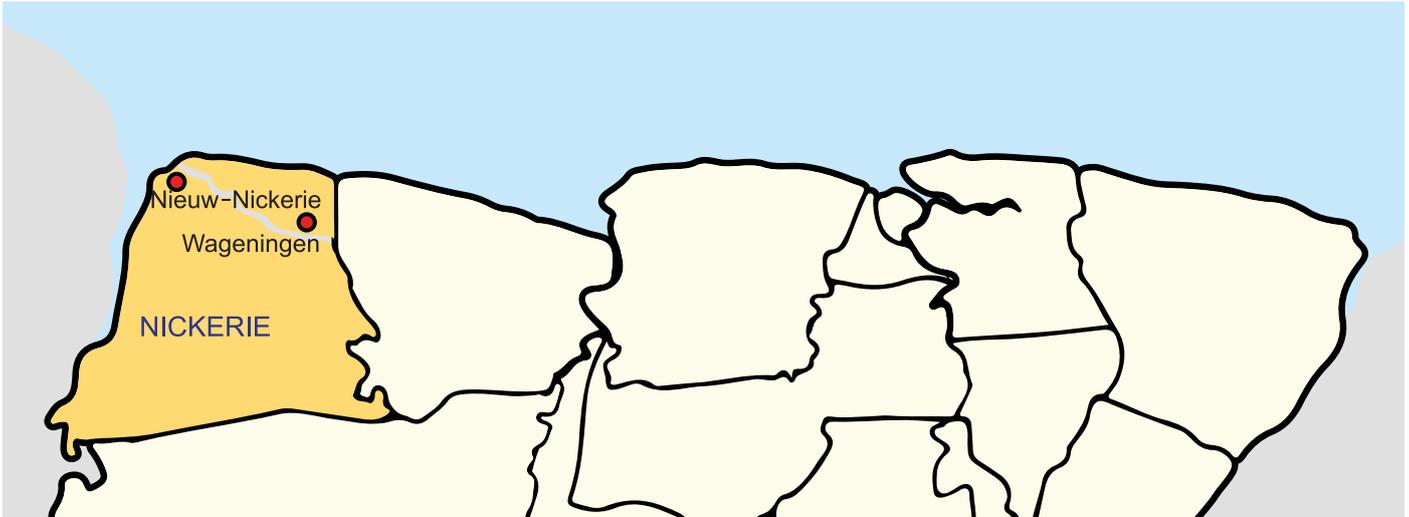
YELLOW is associated with:

- Intellect
- Honor
- Energy
- Loyalty
- Stimulation of mental activity
- Joy
- Happiness
- Attention

BLUE is associated with:

- Reliability
- Honesty
- Wisdom
- Confidence
- Accuracy in promoting high-tech products
- Intelligence
- Faith

THE DISTRICT OF NICKERIE



BEATING HEART OF THE WEST

In the district of Nickerie, the immense polders with wet rice paddies create a feeling of endlessness. It is these polders however, that are fundamental to Nickerie's economic importance for Suriname. In Nickerie rice cultivation and processing are practiced on a large and industrial scale and provide in the vast majority of national demand for rice as basic food. Many horticultural products that are resold throughout Suriname also originate in Nickerie. With the multitude of urban facilities in the capital, the district of Nickerie is justly called the beating heart of western Suriname.

NIEUW-NICKERIE

Upon driving into the capital Nieuw-Nickerie, visitors are welcomed by palm trees waving in the distance, creating a feeling of having reached one of the world's outmost corners. Nieuw-Nickerie, conveniently arranged with vertically and horizontally intersecting streets, is a concentration of urban facilities. Many companies with headquarters in Paramaribo have a branch in Nieuw-Nickerie and also all utility companies provide services there. Nieuw-Nickerie is therefore rightfully called the second city of Suriname. At the market, with its exotic smells and colors, many agricultural products, river and swamp fish and all kind of cultural ornaments can be found. Behind the market

runs the Nickerie river, rich in fish of all kinds and sizes. Nickerie entrepreneurs often proudly say: "Here, only the lazy will go hungry".

BIGI PAN

Also located in Nickerie are the wetlands of nature reserve Bigi Pan, a breeding ground for fish and shrimp. Bigi Pan is also the breeding and wintering place for countless birds of paradise and migratory birds, some of which are the red and white ibises, the giant American kingfishers and the mud pecking and trotting sandpipers. Formations of flying egrets are regularly seen in the sky, appearing to stage a coordinated show of birds flying up and down. Every now and then one can also hear a surprising acoustic chatter. The patiently posing eagle owl is also one of the bird species regularly seen in the Bigi Pan area. And the hundreds of flamingos that line the jagged shoreline like pink and white pieces of jewelry, form the characteristic image for Bigi Pan, which in recent years has become an increasingly popular destination for tourists.

ZEEDIJK (SEAWALL)

At the western border river Corantijn's mouth, views of the Atlantic Ocean can be enjoyed from the robust seawall, protecting Nieuw-Nickerie (built in 1879) from rising tides. The seawall, a popular tourist attraction, also draws lots of Hindu believers bringing their offerings to sea,

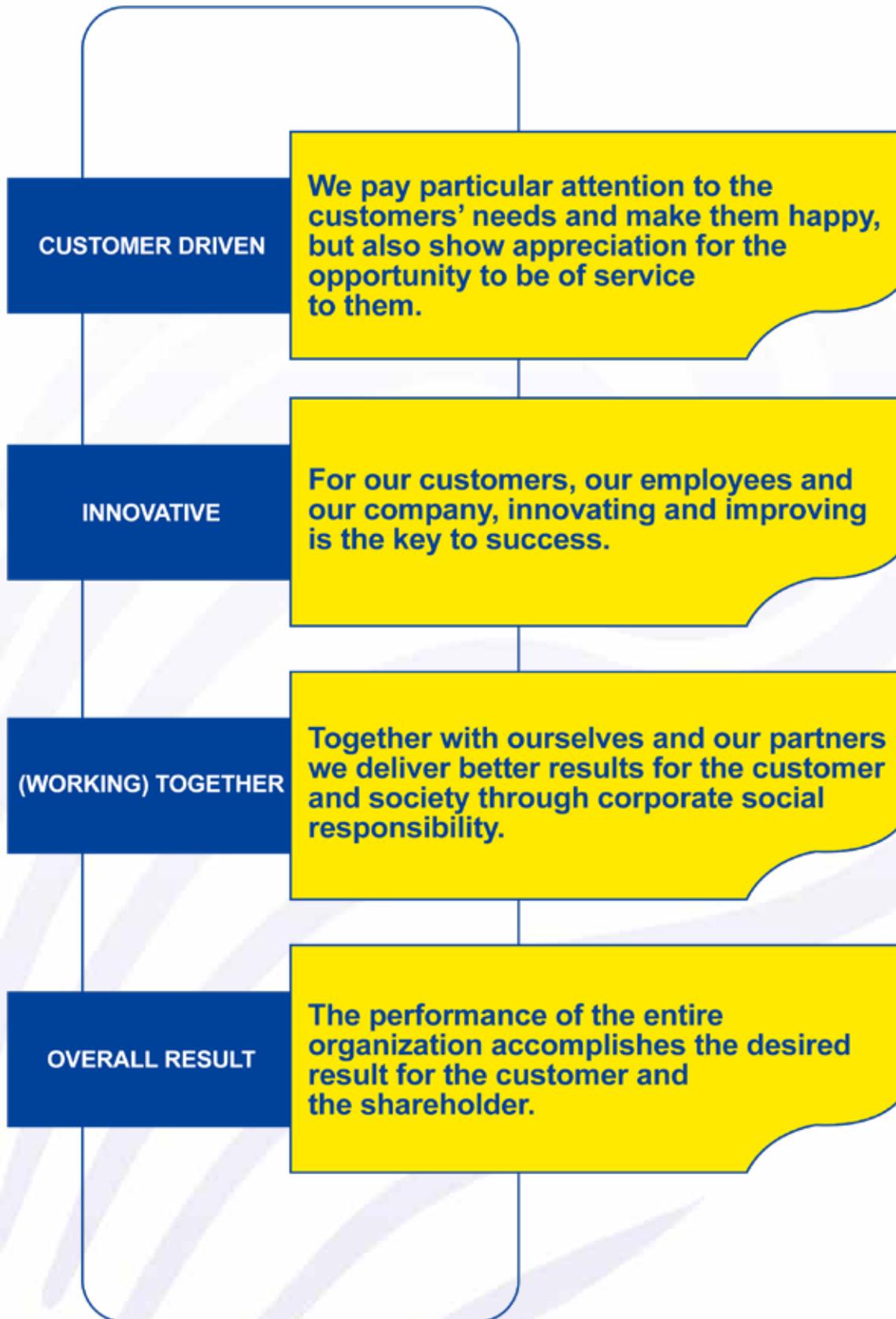


as a Hindu temple is close by. The so-called backtrack route to cross the Corantijn River to neighboring Guyana also starts at the seawall.

It is with pleasure that Telesur showcases the district of Nickerie and several Nickerians making an impact in this annual report.



CORE VALUES



HISTORICAL OVERVIEW



1981

Establishment of Telecommunications company Suriname, Telesur in new legal form "Sui Generis", by means of conversion of 's Lands Telegraaf and Telephone Service



1986 - 1991

The broadcasting project Telesur starts with television broadcasts and undergoes a name change in 1991: General Television Verzorging (ATV)



1993

The Telecommunications Training and Research Centre (TOC) is recognised as a regional training centre



Inauguration of the cellular telephone exchange



1994

Commissioning fibre optic cable network



1996

Introduction DATANET



1999

Introduction Prepaid Mobile Service (TDMA cellular)



2000

Introduction ISDN (Data Network)



2002

Introduction of GSM under the product name TeleG



2004

Launch corporate website www.telesur.sr



2006

Introducing new Telesur slogan and corporate identity



2007

Liberalisation telecom sector in Suriname



2008

Launch Telesur Mobile Netherlands and unlimited calling



2016

Concretization E-Suriname vision and preparations for Telesur National Broadband Project (TNBP)

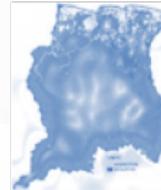


Collaboration agreement Telesur and EBS regarding TNBP. The agreement ensures exclusive use for Telesur of the EBS poles to hang fiber optic cables



2015

Nationwide expansion to 264 Telesur sites



Start project "Inland Access"; Digital TV and 3G reach in Albina, Apoera, Brownsberg and Donderskamp

2014

Pilot project fibering part of Paramaribo's fixed network



2013

Launch 4th Generation Mobile Network (4G Services)



Commissioning Telesur Telecommunications Museum in New Amsterdam - Commewijne



2012

Launch 3rd Generation Mobile Network (3G Services)



Launch Tele.I.C. (Telesur Internet Calling)



2011

Launch Telesur Multimedia Innovation Laboratory (TMIL)



Telesur director Dirk Curie elected as chairman CANTO



Launch Community Hub in District of Coronie



2010

Launch Blackberry Service



Signing Suriname Guyana Submarine Cable System (SG-SCS)



2009

Inauguration Wireless Fixed Telephony in Suriname



AGRICULTURAL HISTORY OF THE NICKERIE RICE DISTRICT

FROM ABUNDANT PLANTATIONS TO BOOMING RICE EXPORTS



HISTORY

The history of Nieuw-Nickerie, as the capital of the rice district Nickerie, begins with its precursor “De Punt”, later ‘Nieuw-Rotterdam’. This port town was an army border post in 1820. New Rotterdam was located near the mouth on the right bank of the Nickerie River. Due to rapid coastal decline, Nieuw-Rotterdam was moved inland in 1870. Because the situation proved untenable, it was decided to reclaim land on the left riverbank for New Nickerie, which was established on August 8th, 1879.

COCOA, COFFEE AND SUGAR

Near “De Punt” were several cotton plantations, such as Providence, and Hope, however they didn’t last long. Governor J.F. de Friderici was the founder of the first plantations on the left bank of the Nickerie river of which Plaisance and Paradise are a few. First cotton, and later cocoa, coffee, and sugar plantations. These and in later years sugar plantations such as Long May, and Waterloo were operational for many years. Waterloo – and with it the sugar factory – was the last to close in 1972. Most plantations in Nickerie have English names because they were founded during the English interim administration (1804-1816) when many English planters came to Suriname from the Caribbean.

FERTILE CLAY SOIL

The Nickerie plantations yielded higher production because of the more fertile soils they were situated on. After the abolition of slavery in 1863 and the end of the State’s Supervision in 1873, contract workers from China, the British East Indies and Indonesia took over work on the plantations. Later on, these lands reclaimed for the benefit of contract workers and their descendants. This is how places like the Henar, Corantijn and Nanipolder were created. The clay soils of these polders proved to be very suitable for rice cultivation after irrigation.



BOOMING TIMES

Cultivation of 'highland rice' was already practiced on the plantations. With the arrival of the immigrant contract workers, 'wet paddy' techniques were introduced. After 1930, the rice processing industry flourished thanks to the Van Dijk brothers, both engineers and pioneers in mechanical rice cultivation. An even greater boom followed in 1950 around the time when Wageningen was established to promote rice cultivation in Suriname by Dutch farmers. On the Prins Bernhardpolder rice varieties were bred as part of this project.

LONG GRAIN - SUPER RICE

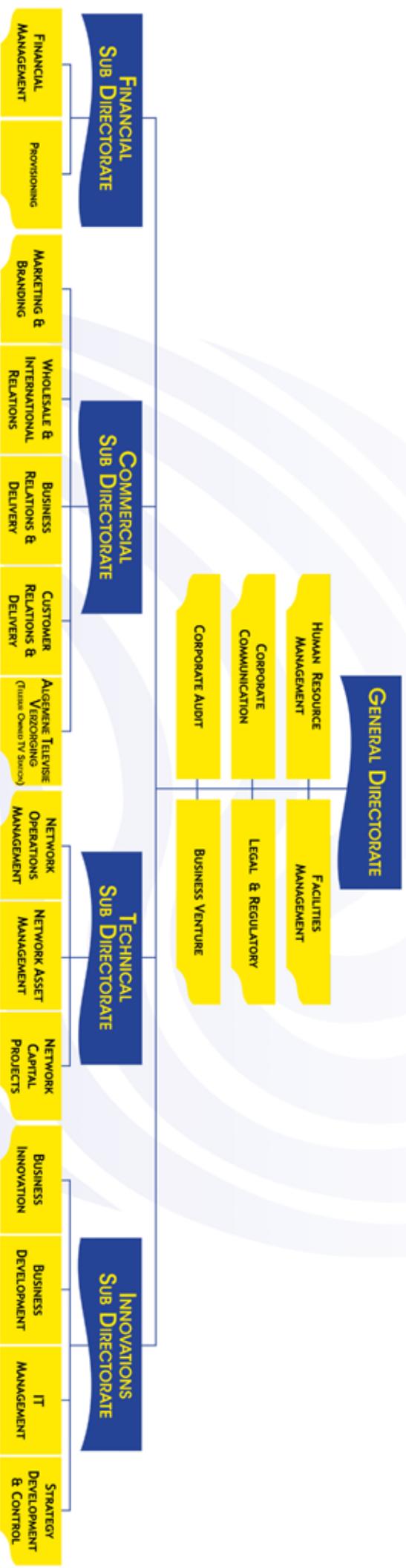
As the experiment with the Dutch farmers was unsuccessful, the vast Wageningen polders were divided into smaller agricultural fields for Surinamese farmers and in the 1970s and 1980s, Nickerie peaked as a rice exporting district. The 'long grain' or 'super rice' was highly sought after in the world. The Stichting Machinale Landbouw (Mechanical Agriculture Foundation) or Wageningen was considered the 'jewel' of agriculture in Suriname. Eventually, this organization went under and the drastically reduced rice exports are currently mainly focused on the Caribbean. Nevertheless, rice and banana cultivation remained important in Nickerie, with in addition forestry and fishing. Despite their number decreased by half to approximately 4,000, the number of small farmers in Nickerie remains considerable.



The transmission and reception pole of Telesur Nickerie's main building.

ORGANIZATIONAL CHART

AS AT JULY 2020



JEEWAN. FATHER OF MANY

“I WANTED TO CONTINUE THE GOOD WORK”

The cheerful Jeewan raised seven children of which all are doing well according to social standards. After all his children had left the parental home and he no longer had to take care of them, Jeewan wanted to “keep on doing good”. Every month he spends 60 percent of his profits on children’s home “De Open Poort” (The Open Gate).

“Economist, attorney at law, military captain, lab technician in Canada, two live in the capital of Suriname, two in the USA and the youngest is currently studying at the secondary school of economics, IMEAO,” Jeewan proudly shares about the development of number of his grown children. In doing so, as a father and educator, he has made a positive impact on society.



He financed their upbringing entirely out of the income of his company, “Jeewan’s Woodshop”, situated on the Nieuw-Nickerie market. He has practiced woodcarving from an early age and has been selling his carvings at the market since the age of twelve. He mainly sells household items such as cutting boards, cooking spoons and grouts. In recent years, his proceeds have mainly been spent on books and other school supplies for the kids in the children’s home.

DIRE NEED

“But I don’t give cash and always ask what they need first. For example, I bought laptops for two children who were in dire need of them, because they are attending IMEAO. Two others have to attend university next year.” I told them, “I will try my best to send you there because you have to become something in society. All children living in the home call him “uncle Jeewan.” Proudly, as if they were his own children, he says: “I already have one working at Telesur and one at the water company and that makes me feel good.”

LEARNING A TRADE

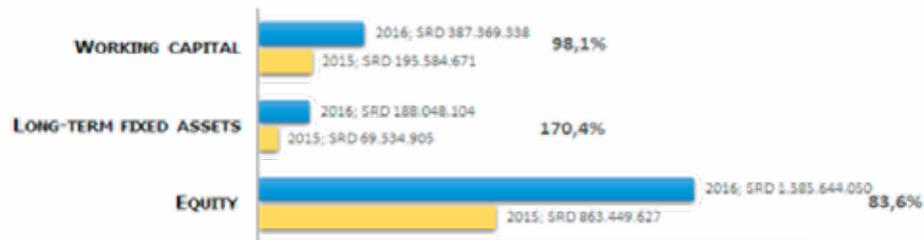
During the holidays, seven boys from “De Open Poort” work at Jeewan’s company. “In doing so they learn a trade and also earn some money. Some, still continuing school are having trouble with math or physics, so my wife explains it to them.” The next day I will hear: “An 8.6 uncle”, and that is wonderful.” The impact Jeewan makes is therefore permanent and continuous. When asked if he feels like a rich person, he replies: “We’re all rich. If you are working then you are rich, in my opinion. Because then at least you have money in your pocket. So, we all are rich. But if you want to be lazy, I won’t be able to help you.” Laughing: “Right?”



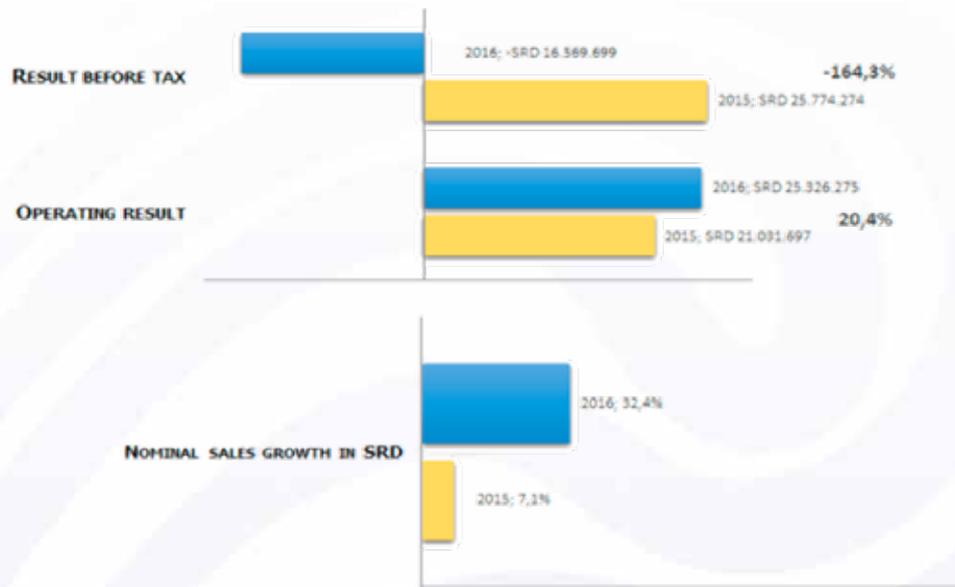
The freshwater canal squeezed in-between the East Canal Street and the West Canal Street in Nieuw-Nickerie is overgrown with lotus lily leaves. In earlier years this canal was the drinking water source in Nieuw-Nickerie.

2016 KEY FIGURES

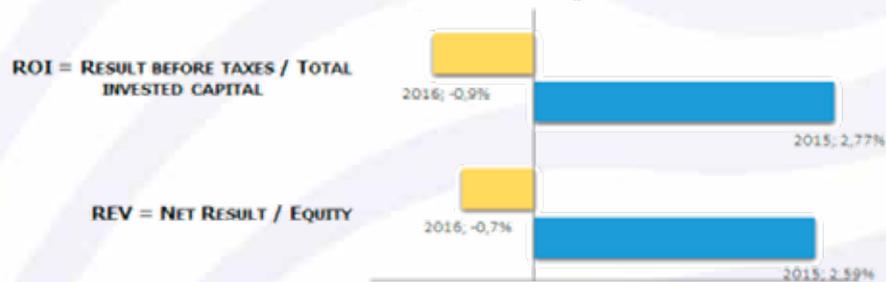
Statement of financial position



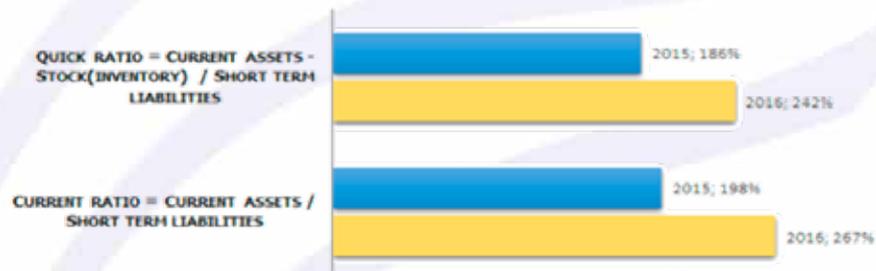
Statement of comprehensive income



Profitability



Liquidity



Solvency



MULTI YEAR FINANCIAL OVERVIEW

YEAR	2016	2015	2014	2013	2012
STATEMENT OF COMPREHENSIVE INCOME					
	<i>× SRD '1000</i>				
Net Revenues	526,543	397,784	371,515	371,655	362,973
Expenses	501,217	376,752	352,813	350,112	333,111
Operational Result	25,326	21,032	18,703	21,543	29,862
Result before Tax	(16,570)	25,774	10,452	32,077	45,515
Result after Tax	(10,605)	22,384	7,049	20,530	29,357
STATEMENT OF FINANCIAL POSITION					
Total Assets	2,094,131	1,234,345	981,737	960,101	903,262
Tangible Assets	1,474,268	839,910	679,132	567,338	541,062
Current Assets	619,863	394,435	302,605	392,762	362,200
Equity	1,585,644	863,450	687,930	690,519	670,390
Provisions + Liabilities	508,487	370,895	293,806	269,581	232,872
FINANCING RATIOS					
	<i>In percentages</i>				
Equity/ Liabilities	377.0%	232.8%	234.1%	256.1%	287.90%
Equity/ Total Assets	75.7%	70.0%	70.1%	71.9%	74.20%
Cash + Receivables/ Short Term Liabilities	242.4%	185.9%	153.5%	206.0%	216.40%
PROFITABILITY RATIOS					
Result after Tax/ Equity	-0.7%	1.5%	1.0%	3.0%	4.40%
Result after Tax/ Total Operating Capital	0.6%	2.2%	0.9%	2.6%	3.90%
Operational Result/ Net Revenues	4.8%	5.3%	5.0%	5.8%	8.20%
Result after Tax/ Net Revenues	-2.0%	5.6%	1.9%	5.5%	8.10%
WORKFORCE					
	<i>Number</i>				
Employees as at year end	839	769	817	798	803

DIRECTORS' REPORT

The Directors' report consists of the following sections:

- **MACRO-ECONOMIC DEVELOPMENTS IN 2016**
A brief reflection on macro-economic developments, outlining the environment Telesur has operated in during the year 2016. This section also addresses developments in the telecom sector.
- **HIGHLIGHTS IN 2016**
Operational, commercial, personnel and financial developments at Telesur in 2016 are the core of the Directors' report.
- **2017 OUTLOOK**
The Directors' report is concluded with a brief preview of the agenda to be completed by Telesur in 2017 to strengthen the company's strategic position.

MACRO-ECONOMIC DEVELOPMENTS IN 2016

It is no surprise that the macro-economic developments in Suriname had a severe impact on Telesur's operations in 2016. Inflation rose to 52.4% compared to 25.1% the year before. In addition to the increase in the inflation rate, other macro-economic developments such as declining world market prices for oil and gold and continuing exchange rate fluctuations have had a major impact on Suriname's economy.

In order to increase Telesur's resilience, numerous activities have been undertaken to improve the availability and reliability of telecommunication services. To serve this purpose, an investment project is being prepared, namely the Telesur National Broadband Project. The aim of this project is to significantly increase fixed broadband connections and capacity by replacing the current copper infrastructure with a fiber-optic network that offers more possibilities. The investment amounts to USD 115,000,000, to be realized by means of a loan taken out by the State of Suriname with the Export Import Bank of China (Exim Bank), with a term of 15 years at 3% interest and a grace period of 5 years.

HIGHLIGHTS IN 2016

General

On May 10th, 2016, Mr. Mike Antonius, MBA was put in charge of Telesur's board of directors. By the end of 2016 the other directors were Mr. Steven Tjitrotaroeno MBA, BSc, Mr. drs. Russ Headley MBA and Mr. ing. Roy Naipal LLB. Due to all the perils that occurred in the months prior to Mr. Antonius' appointment, there were several challenges to overcome and get the business operations back on the right track. Telecommunications is a very dynamic sector, thus requiring ample flexibility, drive for innovation and resilience. The company's direction was the main focus. Certain steps were taken to implement commercial improvements and keep Telesur on the right track. To acquire a clear picture of issues going on amongst the employees, a 100-day plan was carried out. During this period, the director paid work visits to all departments to speak and listen to the employees in person. A result of these interviews was identification of the so-called quick wins.

Taking into account competition and macro-economic developments, these quick wins were necessary to ensure Telesur's continuity. In the period of May-June, a total of 10 quick-win teams or Sprint

teams were installed, each with specific tasks. To boost confidence, the seven (7) commandments were replaced by the core values: customer driven, innovation, working together and total result.

Service

In order to further improve the reliability of service, an extension of the redundancy transport route has been realized. Because of this redundancy it is possible to automatically switch to the backup route in case of a service interruption. This significantly improves the quality of service. Due to the enormous demand for mobile communication services, the mobile network has been expanded. In the interior and coastal areas 116 new sites have been built and commissioned with HSPA+ technology.

With regard to the fixed network, the Telesur National Broadband Project has been prepared. This project aims to meet demands of Telesur customers but also because of developments in connectivity and integration of services for the business market, the consumer market, and the government, it is essential to realize this project. Anticipating competition and acquiring a better position in the market are also arguments that substantiate the usefulness of making these investments.

Prior to the implementation, a pilot was carried out at the residential area “Doekhie project” and the results were highly positive. As a precursor to this project, which is so important to Telesur, a collaboration agreement between Telesur and the Suriname Power Company (EBS) was signed. This agreement offers Telesur the opportunity to make use of the electricity poles to hang fiber optic cables for mutual benefit.

Organization

To be able to provide so-called future services, the aforementioned investments were made, and the telecom infrastructure is future proofed. In other words, Telesur is made “ready” to deliver future services.

In addition to the above, it has been necessary to make organizational changes in some crucial departments in a strategically responsible manner. The ultimate goal is to increase turnover and increase customer satisfaction, all linked to the business targets. As a result, adjustments have been made to strengthen the focus and cohesion within the organization, whereby objectives and reporting structures were changed. These include changes in the names of departments and sections, split ups of departments and shifts of tasks and responsibilities between the sub-directorates. Several of these changes are:

- The shift from the Business Development department to the Innovation sub-directorate.
- The transformation of the Branding & Marketing department to Marketing & Branding.
- The establishment of the Wholesale & International Relations Department.
- Transferring ATV, the television company to the Commercial sub-directorate.

Partnerships

Signing of Memorandum of Understanding and agreement between Telesur and NV Energie Bedrijven Suriname (EBS).

As mentioned earlier, in line with government policies on development, connectivity and innovation, Telesur and EBS signed a collaboration agreement on November 21st, 2016 which entails implementation of the Telesur National Broadband Project for Suriname. The collaboration agreement is the result of a Memorandum of Understanding between Telesur and EBS signed on May 10th, 2016.

The agreement allows Telesur to exclusively make use of the EBS electricity poles for two (2) years for the suspension of fiber optic cables with an outlook on offering FTTC (Fiber To The Curb) and

FTTH (Fiber To The Home) technologies. In addition, broadband data communications services will be delivered to customers through the Telesur fiber optic network via the EBS infrastructure. In addition to improving broadband services, the collaboration will also enable EBS to roll out Smart Metering and Smart Grid for the innovative management of energy supply to the community.

Signing of Memorandum of Understanding between Telesur and the Conservation International Suriname Foundation (CI Suriname Foundation)

On July 11th 2016, a Memorandum of Understanding was signed between Telesur and the CI Suriname Foundation, with the intention of working together to promote sustainable economic growth and structural transformation which will contribute to the economic and social welfare and environmental conditions in the Republic of Suriname. The collaboration entails that Telesur will become a partner or “a friend” in the Green Friends of Suriname program. Together with the CI Suriname Foundation, Telesur is looking into possibilities of sharing infrastructure, such as solar panels, in the interior. Telesur can make use of the expertise and infrastructure of the CI Suriname Foundation in the interior.

Signing of agreement between Telesur and Huawei Technologies on the implementation of the Telesur National Broadband Project

In June 2016 Telesur and Huawei Technologies signed a supply agreement in which details are worked out regarding implementation of the Telesur National Broadband Project for Suriname. The realization of this project will encompass replacement of Telesur’s fixed network. It concerns the replacement of all copper cables of Telesur’s fixed network with glass fibers and the installation of glass fibers in areas where the so-called tertiary network does not suffice. The agreement contains details regarding the scope of the work and the supply of materials and equipment for the project. This project is historic for Telesur, partly because it being the largest investment ever made by the company.

Signing of agreement between Telesur and the Surinamese Football Association (SVB)

Telesur and the SVB signed a partnership agreement on September 30th, 2016. The agreement came about after intensive consultations between parties, reflecting on the importance of partnerships from a win-win perspective for both Telesur and the development and support of the most practiced branch of sports. With this agreement Telesur puts its Corporate Social Responsibility into practice. The agreement, governing exclusive and non-exclusive rights for Telesur and all its subsidiaries, has been entered into for three (3) years.

Settled court case

The settlement of the DOT.SR court case against Telesur is definitely a highlight. DOT.SR, an American company with which Telesur used to have business agreements, filed a case with the courts in the State of Florida in the United States of America in December 2009, about an agreement Telesur had signed with DOT.SR in 2001. In 2004 Telesur terminated the collaboration with DOT.SR due to breach of contract. This lawsuit, which ran from 2009 to 2016, cost Telesur approximately USD 900,000. With the settlement reached, this protracted and costly case has come to an end.

Financial impact

The financial result in 2016 is mainly influenced by exchange rate losses and re-organization of the financial administration. An explanation of the significant impact of these matters on the result for the financial year 2016 is presented below.

Increasing exchange rates

2016 Started with an official exchange rate of SRD 4.04 for the USD. Shortly after the start of the year Telesur was confronted with rapidly succeeding and increasing exchange rate fluctuations and by the end of 2016 the official Central Bank exchange rate was SRD 7.49 for USD 1. This significantly influenced Telesur's business operations, as the administration is done in USD, even though most of the income earned is in SRD. As a direct result of this development, exchange rate losses continued to increase as the year progressed.

Receivables from debtors

Debtors have increased in recent years. A task force was set up in March 2016 to deal with financial settlement of the debtors. Analysis showed that old debtors from the previous years were not yet deleveraged. These receivables have been deleveraged without an impact on the financial result, since provisions for this purpose were already made in the books. Debtor policy has been tightened to prevent this from happening in the future. The tightened policy has led to debt collection in the amount of SRD 11 million.

Financial administration

In 2016, a profound scan of the financial administration was executed. The aim is to improve compliance with the principles of accuracy, completeness, and reliability. Overall, the deleverage of receivables and the clean-up of debts in the financial administration have had a positive effect of approximately USD 3.2 million. Due to the significant increase in the USD-SRD exchange rate in 2016, an exchange rate loss of USD 10.4 million was accounted for.

2017 OUTLOOK

The Telesur National Broadband Project is set to start in 2017. The aim of this project is to significantly increase fixed broadband connections and capacity by replacing the current copper infrastructure with a fiber-optic network that offers more possibilities. This project forms the base for the e-Suriname vision that has been formulated. The e-Suriname vision should also lead to transformation of the Surinamese economy in the digital field. As a state-owned company Telesur wants to play an important role in enriching the lives of its customers and improve the business operations. The e-Suriname vision is the first step towards an integrated approach to this end. Together with already and still to be identified partners, Telesur will strive to make this dream a reality. The first step has already been taken with the Telesur National Broadband Project. By 2019 the coastal plain will be equipped with a high-speed internet broadband network, forming the base for further development of the ecosystem required for the aforementioned transformation.

AUNTIE MIEN

“I’M HAPPY TO GET UP IN THE MORNING”

Mijem Djotaroeno-Kasanpawiro, known as “Auntie Mien”, was 71 years of age at the time of the interview, and has been reselling vegetarian products such as tofu, sticky rice, and vegetables on the Nieuw-Nickerie market for about thirty years. “I’ll find the products at everyone who delivers and then resell them. Sometimes I find bananas, garter beans or anything else.” Her husband has already passed away and together they had seven children, all married. Five live in Nickerie, one in the capital city of Suriname and one lives in the Netherlands. The market is like a second home for her. “If I do not go to the market, I’ll miss it. I am happy to get up because I am used to it. A lot of people look for tofu and sometimes they even come to my house for it.”

EARN SOMETHING FOR MYSELF

Auntie Mien stays at the market until one o’clock in the afternoon. She lives of the proceeds of market sales and her AOV old age government allowance. “Sometimes I sell my stuff quickly, sometimes I don’t; if I don’t sell today then it’ll be sold tomorrow” she says. “Since I don’t have anybody left, I have to earn money for myself.” In the past, Auntie Mien used to transport 36 school children to and from school every day for ten years. “Now all those children are grown,” she says with a warm smile. “I see some of them at the market sometimes and then they shout, “Mae (grandma), how are you doing?” Some of them became teachers or joined the fire brigade.”

IMPORTANT CONTRIBUTION

With her school transport business, Auntie Mien has made an important contribution to the future of the local school children. Because even when parents were not able to pay for the school bus, she still transported the children. “Then I used to say: ‘It’s ok, it’s no big deal’”. One day my children said: “Mom, you’re getting older and shouldn’t be a school bus driver anymore, take it easy.” Since that time, she helped her mother-in-law at the market, until she died at the age of 67 and Auntie Mien took over the market stall. Auntie Mien was also active on a socio-cultural level. When Javanese people get married, the bride has to be ceremoniously prepared. Proudly: “I was the grandmother who used to do that. Everyone calls me Auntie Mien and I’m known by people from all ethnic groups.”





The Nickerie Public Market with its diverse range of products including agricultural products, different ornaments and the immensely popular seasonal armored swamp fish, the so called "kwie-kwie".

THE 2016 SUMMARY CONVERTED SRD ANNUAL ACCOUNTS

STATEMENT OF FINANCIAL POSITION 31-12-2016

	31-12-2016	31-12-2015
	SRD	SRD
ASSETS		
PROPERTY, PLANT AND EQUIPMENT		
Land and buildings	166,971,454	91,295,787
Exchanges and stations	344,838,349	210,490,828
Cable networks and ray connections	663,853,538	379,178,442
Data and subscriber equipment	115,925,497	33,844,971
Transportation means	4,209,170	6,091,015
Other property and equipment	48,463,282	38,529,423
Investments in progress	79,703,150	53,311,767
	1,423,964,440	812,742,233
FINANCIAL FIXED ASSETS	50,304,023	27,167,400
CURRENT ASSETS		
Stock	56,273,216	24,711,957
Receivables	264,701,602	203,853,787
Cash	298,888,218	165,869,428
	619,863,037	394,435,172
	2,094,131,500	1,234,344,805
LIABILITIES		
Equity		
Capital	93,349,826	93,349,826
Conversion reserve	977,424,821	244,625,792
General reserve	503,090,131	503,090,131
Operating result prior years	22,383,878	-
Operating result in fiscal year	-10,604,607	22,383,878
	1,585,644,050	863,449,627
PROVISIONS	87,945,648	102,509,772
LONG-TERM LIABILITIES	188,048,104	69,534,905
SHORT-TERM LIABILITIES	232,493,698	198,850,501
	2,094,131,500	1,234,344,805

2016 STATEMENT OF COMPREHENSIVE INCOME

	2016	2015
	SRD	SRD
NET INCOME		
Regulated services	453,724,413	309,112,384
Non-regulated services	176,305,544	119,437,995
Other operating income	9,710,677	10,786,564
	639,740,634	439,336,943
Deduct: Sales and marketing costs	-113,197,733	-41,553,070
	526,542,901	397,783,873
EXPENSES		
Personnel costs	100,502,429	96,307,329
Telecommunications Infrastructure costs	85,427,562	55,080,150
General costs	94,215,770	81,989,881
Allocation/ (release) provisions	15,437,387	23,493,258
Depreciation tangible fixed assets	205,633,478	119,881,558
	501,216,626	376,752,176
Operating result	25,326,275	21,031,697
FINANCIAL INCOME AND (EXPENSES)		
Interest income and (expenditure)	3,596,384	612,876
Exchange rate profit (-loss)	-65,344,403	768,918
	-61,748,020	1,381,794
	-36,421,745	22,413,491
OTHER INCOME AND (EXPENSES)	19,852,046	2,173,978
	-16,569,699	24,587,469
Dividends received	-	1,186,805
Result before tax	-16,569,699	25,774,274
Deduct: Income tax	5,965,091	-3,390,396
Net result current year	-10,604,607	22,383,878

2016 OVERVIEW OF MOVEMENTS IN EQUITY

Description	Capital		Allocation reserve		Conversion reserve		General reserve		Result previous years		Result current fiscal year		Total
	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD
Balance as at 1-1-2016	93,349,826				- 244,625,792	503,090,131					- 22,383,878	22,383,878	863,449,627
Addition of result to 2015 general reserve					-	-			22,383,878		-22,383,878		-
Conversion difference – tangible fixed assets					- 680,724,298						-		680,724,298
Conversion difference - other					- 52,074,731						-		52,074,731
Booking result 2016					-						-10,604,607		-10,604,607
Closing balance as at 31-12-2016	93,349,826				- 977,424,822	503,090,131			22,383,878		-10,604,607		1,585,644,050

2016 STATEMENT OF CASH FLOW

	2016	2015
	SRD	SRD
Cash flow from operating activities		
Operating result	25,326,275	21,031,697
Adjustments for:	-	-
Depreciations	205,633,478	119,881,558
Provisions	-14,564,124	4,900,744
Interest income and (expenses)	3,596,384	612,876
Income tax	5,965,092	-3,390,396
Dividends received	-	1,186,805
Other income and (expenses)	19,852,046	2,173,978
Exchange rate gains/(-losses)	-65,344,403	768,918
	180,464,747	147,166,180
Movements in working capital:		
Stock	-31,561,259	1,208,678
Receivables	-60,847,815	-17,980,027
Short term liabilities	33,643,197	18,603,523
	-58,765,877	1,832,174
	121,698,871	148,998,354
Cash flow from investment activities		
Investments in property, plant, and equipment	-816,855,686	-118,733,968
Financial fixed assets	-23,136,623	-19,718,019
	-839,992,309	-138,451,987
Cash flow from financing activities		
Addition to conversion reserve	732,799,029	11,328,258
Profit distribution	-	-400,000
Long-term liabilities	118,513,199	53,584,428
	851,312,229	64,512,686
Increase/(decrease) cash	133,018,790	75,059,053
Cash at the beginning of fiscal year	165,869,428	90,810,375
Cash at the end of fiscal year	298,888,218	165,869,428

GENERAL NOTES ON THE 2016 SUMMARY CONVERTED SRD ANNUAL ACCOUNTS

1. GENERAL

Nature of business activities:

- Installing, maintaining, and using telephones, internet facilities and other means of telecommunications.
- Performing tasks regarding telecommunications based on statutory regulations.
- Fulfilling all operations deemed to belong to the company's work terrain, resulting from the above-mentioned tasks.

2. ACCOUNTING PRINCIPLES AND DETERMINATION OF FINANCIAL RESULTS

General

Basis for compiling of the converted financial statements

The converted financial statements are prepared on the basis of the USD financial statements, which are consistent with generally accepted accounting principles.

Conversion method

The converted SRD financial statements 2016 were made based on the 2016 USD financial statements. The USD is the administrative currency. Due to large exchange rate fluctuations in 2016 between the SRD and the USD, the converted SRD financial statements reflect an estimated statement of financial position and statement of comprehensive income. Due to the increased exchange rate between the SRD and the USD in 2016 (average rate and year-end rate of 1 USD is 6.26 SRD and SRD 7.49 respectively in 2016 compared to SRD 3.44 and SRD 4.04 in 2015), the 2016 converted financial statements reflect a different picture from the USD 2016 financial statements. This applies mainly to developments in (net) income.

The bodies in charge of governance are firmly intended to change the administrative currency from USD to SRD.

The conversion method changed in 2016 compared to 2015. In 2015, the conversion took place under the assumption that the administration was conducted in SRD. As a result, there is no direct connection between the exchange rate result in the 2015 USD financial statements and the exchange rate result in the 2015 SRD converted financial statements. Conversion of the 2016 SRD converted financial statements took place based on the methodology described below. Hence, the exchange rate results in the converted SRD financial statements can directly be linked to the 2016 USD financial statements.

Statement of financial position

- The items included in the equity initial capital, capital deposit and general reserve were converted at the historical price USD/SRD, after which it was nominated back to SRD. Had the equity not been converted into USD and converted back to SRD, the share capital would be substantially lower if the capital deposits in SRD were converted directly into SRD.
- Property, plant and equipment are based on the initial positions in SRD from the 2015 converted financial statements, with the final 2016 SRD figure matching the final USD position converted at the exchange rate used in the statement of financial position as at 31-12-2016. The changes during the year have been converted at the average USD/SRD rate. The

- differences that arise thereafter are justified as conversion differences (balancing amount).
- The other items on the statement of financial position were converted at the year-end exchange rate as at 31-12-2016.
- The Conversion Differences item was used as a balancing amount.

Statement of comprehensive income

- All items have been converted at the average annual exchange rate. In the 2015 SRD financial statements, the exchange rate differences were approached differently.
- In deviation from the 2016 USD financial statements, conversion of the statement of comprehensive income took into account active latency.
- This remains an estimate because it does not take into account interim exchange rate fluctuations, which occurred during 2016 and have had a material impact on financial transactions.

Comparison with the previous year

The valuation basis for the valuation of assets and liabilities and the determination of results are unchanged with the exception of:

- Accountability of compensable losses as active tax latency.
- The change in depreciation rates as described in the section on accounting principles for valuation of property, plant, and equipment.

In the 2015 fiscal year, conversion of the SRD financial statements took place on the assumption that the administration was done in SRD. The exchange rate differences in 2015 were estimated based on this assumption. This conversion method was departed in 2016, mainly due to the large number of exchange rate changes during 2016. Conversion of the 2016 SRD financial statements was done based on the conversion method previously explained.

Accounting principles for valuation of assets and liabilities

Changes in deriving estimates

In 2016, the depreciation rates for renovation of buildings and the tower sites were adjusted by management. The depreciation rate for renovation of buildings has been adjusted from 10% to 3.5%. The depreciation rate of tower sites, which are part of 'Telephone Exchanges and stations' has been adjusted from 20% to 14.3%.

The impact can be specified as follows:

	<u>2016</u>	
	SRD	SRD
Depreciation costs renovation of buildings 10%	5,983,157	
Depreciation costs renovation of buildings 3.5%	<u>1,950,939</u>	
		4,032,217
Depreciation costs of tower sites 20%	92,432,225	
Depreciation costs of tower sites 14.3%	<u>66,781,707</u>	
		<u>26,650,518</u>

Tangible fixed assets

Land acquired prior to January 1st, 1990 is accounted for at the appraised value as at January 1st, 1990, while land acquired after January 1st, 1990 has been accounted for at acquisition costs. The buildings, telephone switch board plants and stations acquired prior to January 1st, 1990 are accounted for at the appraised value as at January 1st, 1990, less calculated depreciations. The buildings, telephone switch board plants and stations acquired after January 1st, 1990 are accounted for at acquisition costs, less calculated depreciations. Other tangible fixed assets are accounted for at acquisition cost, less the accumulated depreciations. Depreciations are done linearly, based on the estimated economic lifespan. Investments in process of construction have been valued at the amounts spent thereon.

The annual depreciation rates for the different categories amount to the percentages below:

Buildings:	3½% - 10%
Telephone switch board plants and stations:	15% - 33⅓%
Cable systems and microwave radio links:	4% - 25%
Data and subscribers' equipment:	4% - 33⅓%
Vehicles:	33⅓%
Other fixed assets:	33⅓%

In 2015, some of the land and buildings were appraised. The current value of this part of land and buildings as at December 31, 2015 equals USD 34.7 million.

This value has not yet been incorporated in the 2016 financial accounts. The financial position will be different as a result of appraisal of all buildings and land and incorporating it in the financial statements.

Financial fixed assets

Shareholdings

The shareholdings are valued at the acquisition price.

Stock

Warehouse stocks

Warehouse stocks are accounted for at the average purchase price, less a provision for obsolescence.

Goods ordered

Goods ordered are valued at invoice value. Invoice values expressed in a currency other than the reporting currency, have been converted taking into account the exchange rate as at the end of the year.

Accounts Receivable

Accounts receivable telecommunications carriers

These have been accounted for, at nominal value, less a provision for debtors' risk. The provisions have been determined on an individual basis for each carrier.

Private accounts receivable

These accounts receivable have been accounted for, at nominal value, less a provision for debtors' risk.

Provisions

Provision for pensioners

This relates to a provision for supplements to the pensions, a monthly allowance and medical benefits for retirees and future retirees. The staff, including the management of Telesur participates in the Civil Servants' Pension Plan. The "Ambtenaren Pensioenverordening 1972" (the Civil Servants' Pension Act) states that the maximum pensionable salary equals the salary of a Departmental Director at the Government. The amount of this provision is based on actuarial calculations.

Actuarial assumptions

The following assumptions have been used to calculate the provision.

Marital frequency and age difference

A marital frequency of 60% is assumed for male and female employees. An age difference of five years is assumed between spouses.

Return on investments

The expected return on long-term SRD investments is 14.75%. This rate of return is based on the expected average interest rate on low risk investments of term deposits at local commercial banks.

Indexation

The annual allowances are based on an assumed annual indexation rate of 11.85%, which is equal to the 10-year average of the published inflation rates.

Mortality

Mortality rates are based on calculations by the "Kring van Actuarissen in Suriname" regarding observation period 2010-2013 (KRIAS 2010-2013).

Other assets and liabilities

Unless stated otherwise, other assets and liabilities have been accounted for, at nominal value.

Principles for determining financial results

The financial result is determined as the difference between on the one hand, the income earned from products sold and services delivered and on the other hand the cost of products sold, and services delivered, the costs and other charges over the year.

Net revenues refer to:

- The amounts invoiced to customers for goods and services delivered, if applicable less payments owed to carriers for outgoing telecom traffic, the commissions owed to distributors of among other things telephone cards and security codes and the bonuses and discounts granted to customers.
- The payments from carriers for incoming telecom traffic.

The profits on transactions are accounted for in the year they are realized. Losses are accounted for as soon as they are foreseeable. Costs are allocated to the fiscal year they regard.

Taxes are calculated by applying the applicable rate on the financial result of the fiscal year, taking into account applicable tax incentives. The loss in accordance with the US\$ financial statement 2016 ad US\$ 2,636,388 has been disclosed as a compensable loss in the US\$ financial statements 2016. In the summarized converted SRD financial statement 2016 a deferred tax assets (36% of the loss for 2016) of SRD 7,108,756 has been included, in deviation from the above.

3. CURRENCY

3.1 Presentation, reporting and functional currencies

Due to hyperinflation of the Surinamese currency in the past, in 1995 the USD was chosen as the presentation and reporting currency. The converted financial statements in SRD are derived from the USD financial statements and the underlying administration in USD. For principles of the conversion, we refer to the section “Conversion method” under “Accounting principles and determination of financial results”.

3.2 Foreign currency

Monetary assets and liabilities denominated in a currency other than the reporting currency are converted at the rate as at the balance sheet date. The exchange differences resulting from the conversion are included in the statement of comprehensive income. Transactions in a currency other than the reporting currency during the reporting period were processed at the exchange rate at the time of settlement.

The rates of the main currencies used are as follows:

<u>31st December 2016</u>	<u>31st December 2015</u>
USD 1 = SRD 7.49	USD 1 = SRD 4.04
USD 1 = Euro 0.95	USD 1 = Euro 0.91

The average annual exchange rate is as follows:

2015: USD 1 = SRD 3.44
2016: USD 1 = SRD 6.29

4. PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement is drawn up using the indirect method. The cash resources in the cash flow statement consist of bank balances and cash. Taxes, interest income and similar income, as well as interest expense and similar expenses, are included in cash flow from operating activities.

5. EVENTS THAT OCCURRED AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

Loan agreement

On December 30th, 2016, China Exim bank granted a USD 8,467,582 loan to the Surinamese government. The loan was intended for the purchase of equipment and implementation of the service contract with Huawei Technologies Company Ltd. for a total amount of USD 115,844,214.

The difference between the commercial contract of the equipment and the loan agreement was contributed by Telesur. The equipment and installation are intended for the Telesur National Broadband Project (TNBP).

Although the Surinamese government is classified as a borrower in the loan agreement, Telesur is the beneficiary. The government loan of USD 98,467,581 was passed on to Telesur on May 12th, 2017 for the same amount and loan terms, which are:

- 15 Year term.
- Grace period of 5 years.
- Repayments take place in Surinamese dollars at the prevailing rate of the Central Bank of Suriname.

- The interest rate equals 3% per year.
- The penalty rate is 1% per year for late payment.
- Payment of a management fee of USD 100,000 for monitoring the loan, in installments of USD 3,333 once every six months, payable in SRD converted at the exchange rate of the Central Bank of Suriname as at transaction date.

Payments to the Exim bank are made directly by the government of Suriname.

6. THE ANNUAL ACCOUNTS ACT

In August 2017, the Annual Accounts Act was approved by parliament. The new legislation requires Telesur to prepare its annual accounts in line with the International Financial Reporting Standards (IFRS) starting from the financial year 2020.

7. NON-BALANCE SHEET LIABILITIES

Columbus Networks Ltd. Suriname/Guyana Submarine Cable System

On August 12th, 2009, Telesur and GTT entered into an agreement with Columbus Networks Ltd. to connect the second sea cable to the existing networks in Trinidad. The effective date is February 1st, 2010 and the duration is 20 years. Telesur pays a monthly fee of USD 6,718 to Columbus Networks Ltd.

Other

As part of the expansion of its networks, Telesur has entered into contracts with various suppliers, amounting to USD 49 million excluding import duties and sales tax, for the supply of equipment, goods, and services. As of December 31st, 2016, equipment, goods, and services are still to be received amounting to USD 15.8 million. No invoices regardingly were received by the date of the statement of financial position. This amount was therefore not included in the December 31st, 2016 statement of financial position.

8. ONGOING LAWSUITS

The corporate attorney has reported the following lawsuits:

- Lawsuits filed by former executives (Drs. D.M.R. Currie and M.K. Muringen MBA) relating to the annulment of dismissal papers of the Minister of Labor and the dismissals granted, payment of salaries plus statutory interest and payment of one-off amounts plus statutory interest. These claims were not taken into account in the 2016 financial statements.
- Lawsuits of other former employees:
 - Lawsuit filed in 2002 by former employees Banquet J. and Limon C. demanding reinstatement of employment contracts, more specifically payment of salaries plus statutory interest. Sentencing will be handed down on April 9th, 2019.
 - Lawsuit filed in 2016 by former employees Rahan H., Braaf P., Kolenberg P. and Semodikromo D., demanding reversal of dismissal and payment of salaries and emoluments plus statutory interest and payment of a lumpsum per day starting in March 2016 to the day on which employment is restored. In the trial of Braaf P., the judge ruled in Telesur's favor on July 3rd, 2019.
- Intelsur N.V.
Telesur filed a lawsuit against Intelsur N.V. on November 3rd, 2009 for a total of USD 641,235 increased by 6%, to be made payable from the day of the judge's ruling until full

payout is accomplished. In addition, Telesur has requested a monthly fee of USD 47,423 including 8% sales tax, to be paid on the last day of each month. The above amount is to be paid retrospectively from the day the agreement was entered into between the parties on October 30th, 2007. This lawsuit regards services provided by Telesur for installation of the International Private Line that would be available from Albina/Moengo to Intelsur's central Telecommunications Center in Paramaribo, Geyersvlijt. Trial is scheduled for October 8th, 2019.

□ Amsitt N.V.

Amsitt N.V. filed two lawsuits against Telesur on June 23rd, 2014 regarding:

1. In preliminary proceedings, an amount of USD 850,000 is claimed from Telesur, as an advance for loss of income and in the alternative an amount to be determined by the court.
2. In proceedings on the merits of the case, an amount of USD 850,000 is claimed from Telesur, for loss of income and in the alternative an amount to be determined by the court.

The first claim is based on suspension by Telesur and the second claim on termination by Telesur of an alleged collaboration agreement. No agreement has been entered into with Amsitt N.V. that justifies a claim. Trial is scheduled for July 9th, 2019.

□ Atlantic Architects

Atlantic Architects filed a lawsuit against Telesur on July 15th, 2013, requiring Telesur to pay USD 38,000 to annually be increased by 6% statutory interest, from the day the lawsuit is filed until the day of a court ruling. The court ruling is expected on August 13th, 2019.

No provision for litigation is considered necessary for the aforementioned cases, as the amounts or timing of the events are uncertain and/or the lawsuits are expected to be settled in Telesur's favor.

2016 OVERVIEW TANGIBLE FIXED ASSETS

	Land and buildings	Exchanges and stations	Cable networks and microwave links	Subscriber equipment	Vehicles	Other fixed assets	Investments in progress	Total
	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD
1-1-2016								
Acquisition value	129,496,823	1,198,607,739	1,059,052,508	117,325,309	43,766,568	233,387,879	53,311,767	2,834,948,594
Accumulated depreciations	-38,201,036	-988,116,912	-679,874,066	-83,480,338	-37,675,553	-194,858,456	-	-2,022,206,361
Book value	91,295,787	210,490,828	379,178,442	33,844,971	6,091,015	38,529,423	53,311,767	812,742,233
Movements 2016								
Investments	3,129,635	41,202,298	29,206,741	54,833,252	-	23,815,772	111,949,708	264,137,405
Capitalizations work in progress	-	-	-	-	-	-	-128,006,042	-128,006,042
Depreciations	-5,048,967	-79,301,069	-62,040,014	-10,210,371	-5,943,756	-43,089,276	-	-205,633,453
Divestment purchase value	-	-	-	-	-7,890,202	-	-	-7,890,202
Divestment depreciations	-	-	-	-	7,890,202	-	-	7,890,202
Conversion differences	77,595,000	172,446,293	317,508,369	37,457,646	4,061,911	29,207,363	42,447,716	680,724,298
Total	75,675,668	134,347,522	284,675,096	82,080,527	-1,881,845	9,933,859	26,391,382	611,222,208
31-12-2016								
Acquisition value	132,626,457	1,239,810,037	1,088,259,249	172,158,560	35,876,367	257,203,651	37,255,434	2,963,189,756
Accumulated depreciations	-43,250,003	-1,067,417,981	-741,914,081	-93,690,709	-35,729,108	-237,947,732	-	-2,219,949,613
Conversion differences	77,595,000	172,446,293	317,508,369	37,457,646	4,061,911	29,207,363	42,447,716	680,724,298
Book value	166,971,454	344,838,349	663,853,537	115,925,497	4,209,170	48,463,283	79,703,150	1,423,964,441
Depreciation percentage	3 1/2%	14%-33 1/3%	4%-25%	4%-33 1/3%	10%-33 1/3%	33 1/3%		

REPORT OF THE INDEPENDENT AUDITOR

Telecommunicatiebedrijf Suriname (Telesur)

To: the Management and the Supervisory Board of the
Telecommunicatiebedrijf Suriname (Telesur)

REPORT OF THE INDEPENDENT AUDITOR

Our opinion

The summary converted SRD financial statements 2016 of Telecommunicatiebedrijf Suriname (Telesur) based in Paramaribo as stated on pages 30 to 41 is derived from the USD audited financial statements 2016 of Telecommunicatiebedrijf Suriname (Telesur).

In our opinion the accompanying summary converted SRD financial statements 2016 are derived, in all material respects, from the USD audited financial statements 2016 of Telecommunicatiebedrijf Suriname (Telesur) and converted based on the principles as described in the notes to the summary converted financial statements.

The summary converted SRD financial statements 2016 comprise:

1. the statement of financial position at December 31, 2016;
2. the statement of comprehensive income and cash flows over 2016; and
3. the related explanatory information on the summary converted financial statements.

Summary converted SRD financial statements

The summary converted SRD financial statements 2016 are derived from the USD audited financial statements 2016. The summary converted SRD financial statements 2016 do not contain all the disclosures required by general accepted accounting principles. Reading the summary converted SRD financial statements 2016 and our report thereon, therefore, is not a substitute for reading the USD audited financial statements 2016 of Telecommunicatiebedrijf Suriname (Telesur) and our auditor's report thereon.

The summary converted SRD financial statements 2016 and the USD audited financial statements 2016 do not reflect the effects of events that occurred subsequent to the date of our auditor's report on the USD financial statements 2016 of September 19, 2018.

The audited financial statements 2016 and our auditor's report thereon

We expressed an unmodified audit opinion on the USD audited financial statements 2016 of Telecommunicatiebedrijf Suriname (Telesur) in our auditor's report of September 19, 2018.

Responsibilities of Management and the Supervisory Board for the summary converted financial statements

Management is responsible for the preparation of the summary converted SRD financial statements 2016 on the basis of the principles and conversion method as described in the related explanatory notes.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities

Our responsibility is to express an opinion on whether the summary converted SRD financial statements are derived, in all material respects from the USD audited financial statements based on our procedures, which we conducted in accordance with International Standards on Auditing, engagements to report on summary financial statements.

Paramaribo, July 20, 2020

Tjong A Hung Accountants N.V.

drs. J.D. Kortram RA CA
Partner



“Machine sowing” of a rice field in Nickerie by an agricultural aircraft.

AUNTIE GEORGETTE

“WE HAVE CUSTOMERS FROM THE NETHERLANDS AND THE US”

“Auntie Georgette” Lewis’ spicy tamarind balls are known far beyond the district and country borders. “We have customers from the Netherlands and the US. Everyone who visits Suriname is asked to bring back some of our tamarind balls.” The shop, located in the former parental home at Waterloostraat 4 in Nieuw-Nickerie, has existed for about fifty years and was started by her mother, who also sold pickled goods and coconut cakes for 35 years. In those days, she was taught how to prepare tamarind balls by a Guyanese sister-in-law. Auntie Georgette’s spicy tamarind balls have made an impact far beyond Nickerie. “Back when my mother was still alive, many local people and school children came to buy. Nowadays it is mainly people from Paramaribo.”

THE SPICY TAMARIND BALLS ARE THE MOST POPULAR

After her mother’s passing, her father took over the shop, but since then he also came to pass. Father made the pickled goods and Auntie Georgette made the tamarind balls. “My mother taught me everything, because if she sometimes couldn’t make it, I would do it for her. That is how I got started. I also make the coconut cakes, exactly as she used to, with ginger, essence and nutmeg.” The spicy tamarind balls have always been the most popular product in the assortment. Tamarind balls consist of sun-dried kneaded tamarind, turned into balls, with mainly sugar and some salt and pepper. “A pepper type with a nice taste!”, Auntie Georgette emphasizes. Tamarind balls are also sold at the market by others, but Auntie Georgette is the only one with such a shop and as she says herself, “Mine are the best and that is what people are saying too.”

TRANSFERRING KNOWLEDGE

“When my mom died, customers said, “You just have to keep going. “They still say that, but now they’re also asking if there will be a substitute.” Auntie Georgette has a seventeen-year-old daughter. Will she be taking over? Laughing: “I don’t know because she doesn’t like this type of business. She is more into makeup, nails, and that kind of stuff. Who knows, when the time comes someone might say, “Auntie Georgette, let me be your apprentice.” If anyone wants to be taught by me, I would be happy to do it. You have to transfer your knowledge.” Her daughter does help with the sales and sometimes watches while the tamarind balls are being prepared. “So, she should know.”





Farmer harvesting “wet rice paddy” with a thresher in a Nickerie rice polder.

E-SURINAME VISION



E-Suriname is a vision from Telesur to secure the digital future of Suriname. By means of this vision, the company wishes to further contribute to the socio-economic development of Suriname, by enabling a broadband ecosystem. Within this ecosystem, Telesur sees the following roles for itself:

- Provider of leading ICT services.
- Further connect actors in society (households, businesses, organizations, and government) to each other, as well as to the global internet through “high-speed” connections.
- Be the e-services “enabler” for and of Suriname, on the one hand creating a platform for Telesur, and at the same time for the entire Surinamese economy for the creation of several new e-services.

As an “enabler”, Telesur wants to give other companies the opportunity to (further) digitalize their operations and services, enabling them to improve their competitive position. This creates opportunities for companies, but also for sectors, to further grow and contribute to the realization of e-Suriname.

Some examples of further digitalization are:

- Payment transactions (e-Payment)
As a lubricant of the digital economy, digital payments are an important condition for further development of e-Suriname. They create more opportunities for digital transactions through, e.g. websites, mobile devices (mobile payment) and self-service kiosks. With e-Payment, existing services can be handled more easily and securely, but there is also a platform for marketing of many new services (e-Services) by companies and entrepreneurs from different sectors.
- Health care (e-Health)
One’s state of health can be continuously monitored remotely by means of sensors and smart devices in order to provide live diagnosis and more preventative care. One of the possibilities in this respect is to remotely perform clinical operations by means of virtual devices, in which medical smart robots locally perform the physical actions.

- Government services (e-Government)
It will be easier to request and receive extracts from the civil registry or file tax returns online or through kiosks.
- Public transport (e-Transport)
Buying e-tickets online or through self-service kiosks or paying for bus or taxi rides through mobile-payment is thus possible. It will also be possible to follow and anticipate scheduled \ services online or through mobile apps.

With this e-Suriname vision of the future, Telesur continues to give substance to its corporate vision namely, to remain as leader in Suriname's communications development. The broadband ecosystem will continue to create value for the customers and the market share should be further increased.

An important factor for the success of the e-Suriname vision is development of necessary legislation for a digital economy. This includes (further) legislation on electronic transactions, information security and privacy, the fight against electronic crime (cyber-crime) and digital rights management for content creation and distribution (copyright). However, as a catalyst for the development of e-Suriname, legislation and regulations are also important as a base for the implementation and adoption of digital government services. Another factor that also has an influence on the success of the vision is having an ICT development plan for Suriname, in which the government, the business community and NGO's have a role. Also fundamental is educating the Surinamese community regarding necessary basic ICT knowledge and sustainable anchoring of this knowledge within the educational system.

TELESUR LOCATIONS IN SURINAME

TELESUR HEILIGENWEG (DOWNTOWN)

ADDRESS: HEILIGENWEG 14
TELEPHONE: 473944/474242

TELESUR HAVENLAAN

ADDRESS: HAVENLAAN ZUID 1
TELEPHONE: 474242 /473944

TELESUR NORTH

ADDRESS: CORNER JOZEF ISRAEL-/KRISTA STRAAT
TELEPHONE: 550168

TELESUR ZONNEBLOEMSTRAAT

ADDRESS: ZONNEBLOEMSTRAAT 50
TELEPHONE: 494555

TELESUR LATOUR

ADDRESS: LATOURWEG 57
TELEPHONE: 484500

TELESUR LELYDORP

ADDRESS: INDIRA GANDHIWEG 474
TELEPHONE: 0366767

TELESUR TAMANREDJO

ADDRESS: PANDIT TILAKDARIWEG
TELEPHONE: 0356329/0356330

TELESUR MOENGO

ADDRESS: SUMATRAWEG 4
TELEPHONE: 0341300

TELESUR CORONIE

ADDRESS: HOOFDWEG
TELEPHONE: 0235118

TELESUR NICKERIE

ADDRESS: OOSTKANAALWEG 3
TELEPHONE: 0231751

