

55



ANNEXURE 2
PROGRESS REPORT

ON THE APPLICATION FOR THE EXTENSION OF CERTIFICATE OF INCENTIVE

INFORMATON OF THE COMPANY

- Name of the Company: VIETTEL TANZANIA PLC (HALOTEL)
- Managing Director: Mr. Nguyen Tien Dung
- Address: 10th Floor, Tanzanite Park, Plot 38, South Ursino New Bagamoyo Road, P.O. Box 34716, Dar es salaam, Tanzania
- Certificate of Incorporation: 52674.

I. PLANNED ACTIVITIES FOR THE PERIOD

Viettel Tanzania PLC (Halotel)'s telecom project has deployed from 2014 and up to date, our capital expenditures have been invested in the project are as follows:

1.1 NETWORK PLAN FROM 2014 UP TO DATE

1.1.1 Overview of Viettel Tanzania Network from 2014 to 2020

Construction of network

No	Province Code	Branch name	Total	VTZ Site	Rental Site	Note
			2912	1749	1163	
1	AR	Arusha	116	61	55	
2	DA	Dar es salaam	478	148	330	
3	DO	Dodoma	143	98	45	
4	GE	Geita	79	52	27	
5	IR	Iringa	76	47	29	
6	KA	Kagera	102	74	28	
7	KG	Kigoma	129	98	31	
8	KI	Kilimanjaro	92	43	49	
9	KV	Katavi	45	37	8	
10	LI	Lindi	77	64	13	
11	MA	Mara	90	60	30	
12	MB	Mbeya	177	98	79	
13	MO	Morogoro	125	72	53	
14	MT	Mtwara	92	67	25	
15	MW	Mwanza	145	78	67	

16	MY	Manyara	75	58	17	
17	NJ	Njombe	71	52	19	
18	PE	Pemba	14	7	7	
19	PW	Pwani	76	41	35	
20	RV	Ruvuma	111	88	23	
21	RW	Rukwa	71	49	22	
22	SG	Singida	73	53	20	
23	SH	Shinyanga	90	67	23	
24	SI	Simiyu	62	45	17	
25	TB	Tabora	121	93	28	
26	TG	Tanga	119	66	53	
27	ZA	Zanziba	63	33	30	

- Installation of equipment

No.	Province Code	Branch Name	Total	2G	3G	4G
Total			5169	2830	1907	432
1	DA	Dar es Salaam	1063	452	473	138
2	AR	Arusha	228	111	89	28
3	DO	Dodoma	238	142	65	31
4	GE	Geita	138	84	46	8
5	IR	Iringa	129	75	42	12
6	KA	Kagera	170	107	57	6
7	KG	Kigoma	231	134	92	5
8	KI	Kilimanjaro	180	87	73	20
9	LI	Lindi	98	73	22	3
10	MY	Manyara	103	65	30	8
11	MA	Mara	147	86	56	5
12	MB	Mbeya	310	168	125	17
13	MO	Morogoro	210	122	68	20
14	MT	Mtwara	146	93	45	8
15	NJ	Njombe	110	67	37	6
16	PW	Pwani	121	69	40	12
17	RV	Ruvuma	147	98	42	7
18	SH	Shinyanga	166	94	64	8
19	SG	Singida	119	76	38	5

20	TB	Tabora	182	113	57	12
21	TG	Tanga	188	117	65	6
22	ZA	Zanzibar	149	60	61	28
	PE		32	14	13	5
23	MW	Mwanza	278	140	120	18
	SI		95	63	29	3
24	RW	Rukwa	116	72	37	7
	KV		75	48	21	6

1.1.2 Viettel Tanzania Plan for the year 2014 to 2016

In 2015 Viettel Tanzania had a **Phase 1** plan of building **1,500 BTS** sites to cover a total of **1,800 villages** which was provided by the Government of Tanzania through the Master Contract between the Military Telecommunication Company VTG and Ministry of Communication as a representative of government of Tanzania for the provision of communication services to selected 4000 villages around Tanzania and the results on the year 2015 for both Transmission optical cables and building BTS sites we managed to succeeded to build **1366 BTS** sites from the period of October 2014 to December 2015 where by total Optical fiber cables for covering of all these sites where a total of **15,000km** of optical cables all over the country with this achievement we decided to move for the next plan.

1.1.3 Viettel Tanzania Plan for the Year 2016 to 2017

For the year 2016 to 2017 we had a **Phase 2** for the covering of **500 BTS** sites to add more sites to complete commitment with government of Tanzania of covering more **1,200 villages** based on master Contract, whereby our plan for this year was to build 500 BTS for the same and extend our fiber optical cables from **15,000 km** to **18,000km** all over the country. Halotel have succeeded to deploy **3,000km** of fiber for the year 2016 to 2017 it was with great achievement that for this year we where the company with largest fiber cable all over the country connecting one BTS to another to provide best data and voice mobile services that people of Tanzania have never experienced before.

1.1.4 Viettel Tanzania Plan for the Year 2017 to 2018

After successful completion of **Phase 1 and 2** for covering of 3,000 villages we have another plan for completion of covering 4,000 villages by having Plan of Phase 3 to build **354 BTS** sites to cover

Remaining 1,000 villages and deployment of more fiber to cover more villages we have deployed more than 2,000km of fiber for this year where we reach a total 20,000km of Optical fiber Cable (OFC) all over the country which we have successfully completed not only complete this plan itself but also on this year we have won to build and cover 47 lots from

UCSAF-(Universal Communication Services Access Fund) where by follow our network design we have come to build 60 BTS sites to cover 47 lots awarded by UCSAF Phase 2 “ Provision of Rural Telecommunication services for boarder and Special zone phase 2 for 47 designed lots” of tender no. IE/037/2016-17/HQ/NC/08 from UCSAF board to Viettel Tanzania, for the year end 2017 we have successfully completed the project of covering uncovered 47 lots with more than 200 villages which are all located in borders of regions in Tanzania.

1.1.5 Viettel Tanzania Plan for the Year 2018 to 2019

In 2018 to date we have been awarded second Contract with UCSAF “Provision of Rural Telecommunication Services to Rural and Urban Underserved Area Phase 3 for Designed 82 Lots” of tender no. IE/037/2017-18/HQ/NC/03 from UCSAF board it is contract of 1 year of implementation of the same to-date we have completed construction of all 87 BTS sites based on planned design to cover these 82 Lots we have assigned by UCSAF to cover.

On the same year we have managed to bid from tender announced by UCSAF on 14 July 2019 a total 150 lots out of 521 lots that where presented by UCSAF board to all operators for bidding from primary bid closing date on 3rd October 2019 we have won 115 lots out of 150 lots which we have bid, which is high number of lots to be covered by Halotel signal more than any other operator who has participated on tendering process.

1.1.6 Viettel Tanzania Plan for the Year 2019 to 2020

Due to the Covid and other issues, we didn't make the big investment in 2019-2020.

1.2 CAPITAL EXPENDITURE FOR DEPLOYMENT OF THE NETWORK

In this section, capital expenditure described are which have been spent on network deployment. The total financial expenditure of the telecom project is stated in the section II of this report.

BUYING OF EQUIPMENT FOR DEPLOYING INFRASTRUCTURE									
No	Item	Accumulated	2014	2015	2016	2017	2018	2019	2020
1	Core	8,618,264.99	0.00	4,380,707.50	0.00	3,935,769.99	68,087.50	233,700.00	0.00
2	IT	4,392,363.99	0.00	1,117,294.77	146,985.96	972,372.37	845,338.87	1,310,372.03	0.00
3	Radio	48,199,179.38	33,396,448.24	3,787,591.00	1,336,400.00	2,454,364.40	1,521,145.76	2,531,892.56	3,171,337.42
4	Transmission	52,878,339.21	5,454,943.07	38,377,265.26	2,483,502.58	22,049.42	2,149,519.13	3,643,673.86	747,385.90
5	ME for BTS	119,614,544.48	23,606,440.19	68,239,185.62	6,664,237.14	9,964,241.72	6,984,276.99	4,127,139.84	29,022.98
6	Fixed Broad band	12,865,572.17	9,267,116.93	2,995,584.29	0.00	0.00	440,000.00	162,870.95	0.00

7	Infrastrure	20,450,242.61	11,575,064.48	5,803,025.39	113,278.69	1,460,975.96	1,427,279.83	70,618.27	0.00
Total investment for equipment and material		267,018,506.83	83,300,012.90	124,700,653.83	10,744,404.36	18,809,773.85	13,435,648.08	12,080,267.50	3,947,746.30
OTHER RELATED COST FOR INVESTMENT									
	Total investment								
8	For buying license from Epoque	1,051,400.00	1,051,400.00						
9	For Luku expand	1,660,000.00	1,000,000.00			660,000.00			
10	Cost for buying Epoque	21,600,000.00	21,600,000.00						
11	Instalation and Construction	95,126,201.16		95,126,201.16					
12	Local transportation	6,490,000.00	4,470,000.00			2,020,000.00			
Total investment		392,946,107.99	111,421,412.9	219,826,855.0	10,744,404.4	21,489,773.85	13,435,648.08	12,080,267.5005498	3,947,746.3008511
Total accumulated investment			111,421,412.90	331,248,267.89	341,992,672.25	363,482,446.10	376,918,094.19	388,998,361.69	392,946,107.99

1.3 ACHIEVEMENT OF THE PROJECT

1.3.1 Achievement on business

Halotel's achievement on business activities are as follows:

- *In terms of subscribers:* 6.81 million increasing from 941,000 subscribers from launching service in 2015 makes Halotel the MNO most rapid developing mobile network operator.
- *In terms of revenue:*

Year	2015	2016	2017	2018	2019	2020
Revenue (USD)	5,115,255	66,425,100	101,466,792	106,154,179	117,657,817	149,882,959

- *In terms of network coverage and quality:*
- Station location: 2754 locations (2G / 3G / 4G: 2,691/1,912/439) (including 1152 sites hiring from HHT Towers and 1692 Halotel's sites)
About coverage: 2G / 3G / 4G achieved:
 - 2G: urban (99.33%), rural (68.6%), nationwide (74.56%).
 - 3G: urban (91.36%), rural (19.71%), nationwide (33.6%).
 - 4G: in progress for national wide coverage.
- *In terms of transmission*

- o VTZ transmission network is built on the basis of all IP technology combined with DWDM for routes longer than 80 km; including 2 General stations connected by 3 DWDM axes; 04 core zones, 226 AGG devices, 20 CTs, 1248 SRT, 1556 IP microwave routes, 18,780 km of trunk and branch cables.

1.3.2 Achievement on tax contribution to Tanzania Government

Year	Taxes paid (Tsh)
2014	1,244,908,041
2015	60,790,867,354
2016	34,060,038,596
2017	64,098,293,766
2018	64,124,103,056
2019	64,650,080,747
2020	66,097,330,078
Total	355,065,621,638

1.3.3 Achievement in relation to the project with former Ministry of Communication, Science and Technology (MCST) to provide services in rural areas of Tanzania

The Government of Tanzania through the former Ministry of Communication, Science and Technology (MCST) signed a Memorandum of Agreement (MOA) with VIETTEL on 16th July, 2014 to invest in the telecommunications infrastructure and services in the rural areas. The project aimed to complement the Government initiatives for establishment of Universal Communication Services Access Fund (UCSAF) which has a role of providing communication services to rural and underserved areas.

Though the project Viettel has managed to deploy network connectivity to almost all villages that were shared from UCSAF to be covered by Halotel Network where there were no network at all to people who lives in these undeserved area. It also supported local government authorities to easy access and use of communication services in rural and underserved areas. The project has also being a go forward to enhance capacity to harness the power of ICTs and availability of e-services among people in these area and their relatives who lives in capital cities and abroad.

Village connectivity is one among many that Halotel has opt to invest it's power to the Government of Tanzania through ministry of communication science and technology where

by the Company has putted a lot of efforts to acquire lands for building antenna mast and installation of transmission equipment to bring network signal to poor villages and up to now we have managed to cover 4,000 villages.

Most of these villages that we have connected with Halotel Network are covered with 2G and 3G network, people are using smart phones to access internet information more over people are using mobile money to send and receive money from their relatives which were not possible at first but through this project all 4000 villages has been covered with high speed network that allow people to use mobile network to increase productivity in their daily life. And as of now we are waking towards 4G network. All these activities have also enable work opportunity to people who live in these areas.

- ✓ To date we have succeeded to install/deploy more than 18,780 KM of fiber optic cable including underground and overhead cable through mainland and Zanzibar Island to ensure that the signal quality meet current world requirement and standards to the consumers.
- ✓ The number of base stations that we have calculated to cover 4000 villages in rural underserved area where more than 4000 Base stations to ensure network is reliable and in good quality (-95dB) to the center of the villages and about (-100dB) to the border of the villages.

Six core segments for the Government: Moreover Viettel has invested in deploying of VIETTEL's optic Fiber with 24 cores and Optic Fiber Infrastructure with the aim to cover national wide of the United Republic of Tanzania, where by the Government owns six cores in all the deployed Fiber Optic cable which are aimed at connecting Local Government Authorities to easy access and use communication services in rural, underserved areas and increase the national penetration to Government ICT services. The deployment is done pending the handover which is implemented segment by segment.

On the part of internet we have been able to provide internet to different Government authorities as listed below in the table as also indicating the requirement and what has been done.

**DISTRIBUTION OF INTERNET SERVICES TO GOVERNMENT
AUTHORITIES**

S/N	Planned Activity	Status
I	RESULT OF INFRASTRUCTURE DEPLOYMENT	
	PROGRESS OF IMPLEMENTING VIETTEL COMMITMENTS (The target number is based on the list the Ministry provided Halotel up to now)	
1	Provide optical fiber termination completed 455/450 schools	101%
2	Optical fiber termination for District Council Office: 150/150 offices by optical cable.	100%
3	Optical fiber termination for District Hospital: 150/150 hospitals by optical cable.	100%
4	Optical fiber termination for District Police: 150/150 Police by optical cable. Optical fiber termination for Law court Office to combine District Police: 26 sites. ⇒ Total: Optical fiber termination for District Police (Low court) : 150/150	100%
5	Optical fiber termination for Department Post Office: 66/65 Offices by optical cable.	101%

II. PROJECT FINANCIAL EXPENDITURE TO DATE

Project financial expenditure at 31/12/2020:

- Land Building : Tsh 0
- Plant and Machinery : Tsh 749,877,027,733.7
- Vehicle : Tsh 9,390,939,191.92
- Furniture : Tsh 6,292,820,646.68
- Office Equipment : Tsh 2,205,395,665.3
- Insurance cover : Tsh 0
- Pre-operational Expenses: Tsh 0
- Working sub-total capital: Tsh -1.291.205.244

III. PROJECT FINANCING

A. Equity.

At the end of 2014, Viettel Global acquired Epoque & Golden Ocean (Tanzania) Limited (“Eocha”)’s shares from its former shareholders to be the major shareholder of 99,99% total shares. The amount to acquire Epoque’s shares of USD 21,600,000.00 and change the name of Epoque Total shareholders’ equity of Epoque at the end of 2014 was approximately TZS 12,80 Million due to loss incurred from previous financial years (Epoque then was changed its name to Viettel Tanzani Ltd/ PLC)

In December 2018, Viettel Global Investment JSC, the shareholder of Viettel Tanzania PLC has injected equity of USD 16 Million which is equivalent to Tanzanian shillings 35.60 Billion making the total equity of Viettel Tanzania PLC at the time being is Tshs 43,534,800,000.

B. Shareholder’s Loan

The parent company has provided us with two facility loans of USD.150 Million and USD ~24,8 Million. Until now we have already drawn down USD 148 Million from USD 150 Million facilities and all USD ~24,8 Million from the USD ~24,8 Million facility.

C. Bank Loans

Halotel’s loans come from 3 oversea banks and local bank.

+ Vietin Bank – USD 25 Million

+ TP Bank – USD 30 Million

+ SCB Mauritius – USD 25 Million

+ NMB – TZS 6,8 Billion and USD 5 million

IV. PROBLEM AND SOLUTION

4.1 Difficulty 1: Complicated custom clearance procedure

Up to now, Viettel Tanzania PLC already made importation for more than 1000 consignments coming from many suppliers and many ports to Tanzania. But currently, Viettel Tanzania got many issues with importation.

(b) Many requirement of importation from difference Authorities.

Importers in Tanzania are required to establish whether or not the goods to be imported are subject to Pre-Shipment Verification of Conformity (PVoC). In general, any shipment valued at over USD 5,000 is subject to PVoC. Some goods are exempt from PVoC. 1.2 percent of FOB value must be paid to a designated commercial bank. Importers must provide full contact details of actual suppliers. But after getting this PVoC for custom purpose, we also need to apply many other Certificate from different Authorities. For example, for Handset, after getting the PVoC from the authorized agent of TBS, we still need to apply for Type of Approval from TCRA and the Permit to use, to sell it in Tanzania.

→ Solution: If authorizer allow to remove all of the permit, or certificate with the same usage to reduce the burden for the investor.

- (c) The procedure for the consignment get beith is too long and importer is hard to choose the ICD by themself

Currently, the port is too small to load the consignment. Nowadays, the consignment takes long time to get beith. And Tanzania Port Authority is the one to pick up the IDC for the importer. This situation causes the investor too much for the delaying of speed of proceeding the projects.

- Solution: TPA should have the good policy for the strategy investors to choose the IDC by themselves to remove all of the unnecessary delay.

V. FUTURE PLAN.

5.1 Expansion and upgrading of current Telecom network

Investment Plan for maintenance and upgrade the network for next 12 months:

No	Equipment Sector	Total	Phase 1	Phase 2
1	RADIO	8,312,903	3,570,369	4,742,535
2	CORE	1,466,943	379,695	1,087,248
3	TRANSMISSION	4,097,751	1,620,453	2,477,299
4	MACHANICAL AND ELECTRIAL	5,179,546	1,417,186	3,762,360
5	IT	1,717,851	728,475	989,376
6	INFRASTRURE	3,038,779	978,013	2,060,765
Total		23,813,774	8,694,191	15,119,583

5.2 USCAF PROJECT

Halotel is bidding for 114 lots of the USCAF phase 4 tender to provide services in rural area of Tanzania. The total value of projects is 14,019,000,000 Tsh ~ 6,00 million USD:

Of which, Halotel needs to import many materials and equipments as below:

STT	Package of equipments	Unit	Quantity
1	Repeater 2G 900	Pcs	119
2	IPS System	Pcs	117
3	Lithium Battery	String	362
4	Generator	Pcs	114
5	Solar	Sys	114
6	Antena Mast	Tower	114
7	Fence	Set	114
8	Construction and Installation		

ANNEX 1: LIST OF 150 TENDERING LOTS

No.	Site Name	Pro	Branches	Tower Height	Long	Lat
1	RV0196	RV	Ruvuma	44	35,72469	-10,78985
2	TG0186	TG	Tanga	44	38,24200	-4,61230
3	TG0187	TG	Tanga	44	38,47109	-4,76571
4	MO0198	MO	Morogoro	44	37,74936	-6,93729
5	DO003R	DO	Dodoma	27,5	35,93728	-5,38336
6	DO004R	DO	Dodoma	27,5	35,50293	-6,01007
7	DO005R	DO	Dodoma	27,5	35,70097	-4,54767
8	DO006R	DO	Dodoma	27,5	36,52670	-6,52522
9	DO008R	DO	Dodoma	27,5	36,54231	-6,40886
10	GE001R	GE	Kagera	27,5	31,61706	-2,63681
11	GE006R	GE	Kagera	27,5	31,61433	-2,74259
12	GE002R	GE	Kagera	27,5	32,37944	-3,15105
13	GE003R	GE	Kagera	27,5	32,42238	-3,09523
14	GE004R	GE	Kagera	27,5	32,23075	-3,63510
15	GE005R	GE	Kagera	27,5	32,21101	-3,41371
16	IR003R	IR	Iringa	27,5	35,52998	-7,36200
17	IR004R	IR	Iringa	27,5	35,81661	-7,48059
18	IR001R	IR	Iringa	27,5	35,44790	-7,54790
19	IR002R	IR	Iringa	27,5	35,86548	-7,58567
20	KA003R	KA	Kagera	27,5	30,91175	-1,72363
21	PE001R	PE	Zanzibar	27,5	39,79570	-4,95121
22	PE002R	PE	Zanzibar	27,5	39,70182	-4,99348
23	PE005R	PE	Zanzibar	27,5	39,75729	-5,06043
24	PE003R	PE	Zanzibar	27,5	39,76674	-5,08476
25	KV003R	KV	Rukwa	27,5	31,08914	-6,48156
26	KV004R	KV	Rukwa	27,5	31,16876	-6,32079
27	KI001R	KI	Tanga	27,5	37,43052	-3,53374
28	KI002R	KI	Tanga	27,5	37,51010	-3,47677
29	KI006R	KI	Tanga	27,5	37,46272	-3,27644
30	KI003R	KI	Tanga	27,5	37,50493	-3,25059
31	KI004R	KI	Tanga	27,5	37,58415	-3,33849
32	KI007R	KI	Tanga	27,5	37,69904	-3,59928
33	KI008R	KI	Tanga	27,5	37,62285	-3,64688
34	KI005R	KI	Tanga	27,5	37,63558	-3,16555
35	PE004R	PE	Zanzibar	27,5	39,76780	-5,38740
36	LI002R	LI	Mtwara	27,5	39,66026	-10,37716

37	MY001R	MY	Arusha	27,5	35,75080	-4,30918
38	MY002R	MY	Arusha	27,5	35,80422	-4,11624
39	MY003R	MY	Arusha	27,5	35,69622	-4,15037
40	MA002R	MA	Mwanza	27,5	34,05377	-1,84174
41	MA003R	MA	Mwanza	27,5	34,28149	-1,92881
42	MA004R	MA	Mwanza	27,5	34,43023	-1,37242
43	MA006R	MA	Mwanza	27,5	34,73218	-1,41098
44	MA005R	MA	Mwanza	27,5	34,40594	-1,31049
45	MB006R	MB	Mbeya	27,5	33,67396	-9,02042
46	MB001R	MB	Mbeya	27,5	33,58951	-8,95534
47	MB010R	MB	Mbeya	27,5	33,30034	-8,76984
48	MB007R	MB	Mbeya	27,5	33,39928	-9,20405
49	MB011R	MB	Mbeya	27,5	33,26790	-9,04580
50	MB008R	MB	Mbeya	27,5	33,31105	-9,13138
51	MB002R	MB	Mbeya	27,5	33,61127	-8,91671
52	MB003R	MB	Mbeya	27,5	33,37110	-9,07522
53	MB004R	MB	Mbeya	27,5	33,46267	-8,97275
54	MB005R	MB	Mbeya	27,5	33,62777	-8,95833
55	MB009R	MB	Mbeya	27,5	33,29028	-8,87245
56	MO001R	MO	Morogoro	27,5	37,08543	-6,02371
57	MT001R	MT	Mtwara	27,5	39,01856	-10,73652
58	MT002R	MT	Mtwara	27,5	38,71620	-10,74370
59	MT003R	MT	Mtwara	27,5	40,02719	-10,35682
60	MT004R	MT	Mtwara	27,5	39,88950	-10,28516
61	MT005R	MT	Mtwara	27,5	40,30631	-10,34046
62	MT006R	MT	Mtwara	27,5	39,78248	-10,54572
63	MT009R	MT	Mtwara	27,5	39,13002	-10,57257
64	MT007R	MT	Mtwara	27,5	39,46691	-10,75383
65	MT008R	MT	Mtwara	27,5	39,76171	-10,88254
66	MW003R	MW	Mwanza	27,5	32,87933	-2,49550
67	MW004R	MW	Mwanza	27,5	33,46615	-2,73238
68	MW005R	MW	Mwanza	27,5	33,22947	-2,80040
69	MW006R	MW	Mwanza	27,5	33,16353	-2,69141
70	MW007R	MW	Mwanza	27,5	32,26745	-2,28691
71	MW008R	MW	Mwanza	27,5	32,67895	-2,56653
72	MW014R	MW	Mwanza	27,5	32,29308	-2,35858
73	MW009R	MW	Mwanza	27,5	32,51208	-2,49059
74	MW010R	MW	Mwanza	27,5	32,81362	-2,50495

75	MW011R	MW	Mwanza	27,5	32,48022	-2,60237
76	MW012R	MW	Mwanza	27,5	32,57486	-2,76358
77	MW013R	MW	Mwanza	27,5	33,01392	-1,83746
78	PW003R	PW	Dar es Salaam	27,5	39,67543	-7,90289
79	PW004R	PW	Dar es Salaam	27,5	39,81275	-7,75514
80	PW005R	PW	Dar es Salaam	27,5	39,06688	-7,72167
81	RW001R	RW	Rukwa	27,5	31,59570	-8,79583
82	RV002R	RV	Ruvuma	27,5	37,31716	-11,11502
83	SI001R	SI	Mwanza	27,5	34,21300	-2,65877
84	SI002R	SI	Mwanza	27,5	33,81327	-2,81134
85	SI003R	SI	Mwanza	27,5	33,71330	-2,94994
86	SG001R	SG	Dodoma	27,5	34,93229	-4,71552
87	TB001R	TB	Tabora	27,5	32,78280	-5,12114
88	TB002R	TB	Tabora	27,5	32,87950	-5,10795
89	TB003R	TB	Tabora	27,5	32,68190	-5,14047
90	TB005R	TB	Tabora	27,5	32,88609	-4,93985
91	TB004R	TB	Tabora	27,5	31,92833	-5,09372
92	TB006R	TB	Tabora	27,5	32,56429	-4,89810
93	TG006R	TG	Tanga	27,5	37,21367	-5,96450
94	TG007R	TG	Tanga	27,5	38,42209	-4,77515
95	TG001R	TG	Tanga	27,5	38,34731	-4,71039
96	TG008R	TG	Tanga	27,5	38,40092	-4,75633
97	TG009R	TG	Tanga	27,5	38,26866	-4,60445
98	TG003R	TG	Tanga	27,5	38,32028	-4,82875
99	TG005R	TG	Tanga	27,5	38,75070	-5,34099
100	TG004R	TG	Tanga	27,5	39,01592	-5,36081
101	KI009R	KI	Tanga	27,5	37,00018	-3,17636
102	LI003R	LI	Mtwara	27,5	39,26220	-8,48170
103	MA007R	MA	Mwanza	27,5	34,27355	-1,88554
104	MT010R	MT	Mtwara	27,5	40,12635	-10,39658
105	MT012R	MT	Mtwara	27,5	40,00104	-10,55131
106	MT011R	MT	Mtwara	27,5	40,04481	-10,42471
107	MW015R	MW	Mwanza	27,5	33,32513	-2,64208
108	MW016R	MW	Mwanza	27,5	32,17459	-2,40134
109	MW017R	MW	Mwanza	27,5	32,37112	-2,56429

110	MW018R	MW	Mwanza	27,5	32,11227	-2,38665
111	MW019R	MW	Mwanza	27,5	32,58737	-2,56383
112	SH0046R	SH	Mwanza	27,5	32,45218	-3,79974
113	TG002R	TG	Tanga	27,5	38,24209	-4,66735
114	SG002R	SG	Dodoma	27,5	35,08079	-4,68974

ANNEXURE 2

PROGRESS REPORT

ON THE APPLICATION FOR THE EXTENSION OF CERTIFICATE OF INCENTIVE

INFORMATION OF THE COMPANY

- Name of the Company: **VIETTEL TANZANIA PLC (HALOTEL)**
- Managing Director: Mr. Nguyen Tien Dung
- Address: 10th Floor, Tanzanite Park, Plot 38, South Ursino New Bagamoyo Road, P.O. Box 34716, Dar es salaam, Tanzania
- Certificate of Incorporation: 52674.

I. PLANNED ACTIVITIES FOR THE PERIOD

Viettel Tanzania PLC (Halotel)'s telecom project has deployed from 2014 and up to date, our capital expenditures have been invested in the project are as follows:

1.1 NETWORK PLAN FROM 2014 UP TO DATE

1.1.1 Overview of Viettel Tanzania Network from 2014 to 2020

Construction of network

No	Province Code	Branch name	Total	VTZ Site	Rental Site	Note
			2912	1749	1163	
1	AR	Arusha	116	61	55	
2	DA	Dar es salaam	478	148	330	
3	DO	Dodoma	143	98	45	
4	GE	Geita	79	52	27	
5	IR	Iringa	76	47	29	
6	KA	Kagera	102	74	28	
7	KG	Kigoma	129	98	31	
8	KI	Kilimanjaro	92	43	49	
9	KV	Katavi	45	37	8	
10	LI	Lindi	77	64	13	
11	MA	Mara	90	60	30	
12	MB	Mbeya	177	98	79	
13	MO	Morogoro	125	72	53	
14	MT	Mtwara	92	67	25	
15	MW	Mwanza	145	78	67	

20	TB	Tabora	182	113	57	12
21	TG	Tanga	188	117	65	6
22	ZA	Zanzibar	149	60	61	28
	PE		32	14	13	5
23	MW	Mwanza	278	140	120	18
	SI		95	63	29	3
24	RW	Rukwa	116	72	37	7
	KV		75	48	21	6

1.1.2 Viettel Tanzania Plan for the year 2014 to 2016

In 2015 Viettel Tanzania had a **Phase 1** plan of building **1,500 BTS** sites to cover a total of **1,800 villages** which was provided by the Government of Tanzania through the Master Contract between the Military Telecommunication Company VTG and Ministry of Communication as a representative of government of Tanzania for the provision of communication services to selected 4000 villages around Tanzania and the results on the year 2015 for both Transmission optical cables and building BTS sites we managed to succeeded to build **1366 BTS** sites from the period of October 2014 to December 2015 where by total Optical fiber cables for covering of all these sites where a total of **15,000km** of optical cables all over the country with this achievement we decided to move for the next plan.

1.1.3 Viettel Tanzania Plan for the Year 2016 to 2017

For the year 2016 to 2017 we had a **Phase 2** for the covering of **500 BTS** sites to add more sites to complete commitment with government of Tanzania of covering more **1,200 villages** based on master Contract, whereby our plan for this year was to build 500 BTS for the same and extend our fiber optical cables from **15,000 km** to **18,000km** all over the country. Halotel have succeeded to deploy **3,000km** of fiber for the year 2016 to 2017 it was with great achievement that for this year we where the company with largest fiber cable all over the country connecting one BTS to another to provide best data and voice mobile services that people of Tanzania have never experienced before.

1.1.4 Viettel Tanzania Plan for the Year 2017 to 2018

After successful completion of **Phase 1 and 2** for covering of 3,000 villages we have another plan for completion of covering 4,000 villages by having Plan of Phase 3 to build **354 BTS** sites to cover

Remaining 1,000 villages and deployment of more fiber to cover more villages we have deployed more than 2,000km of fiber for this year where we reach a total 20,000km of Optical fiber Cable (OFC) all over the country which we have successfully completed not only complete this plan itself but also on this year we have won to build and cover 47 lots from

7	Infrastrure	20,450,242.61	11,575,06 4.48	5,803,025. 39	113,278.6 9	1,460,975. 96	1,427,279. 83	70,618.27	0.00
Total investment for equipment and material		267,018,506.83	83,300,01 2.90	124,700,6 53.83	10,744,40 4.36	18,809,77 3.85	13,435,64 8.08	12,080,267.50	3,947,746.30
OTHER RELATED COST FOR INVESTMENT									
	Total investment								
8	For buying license from Epoque	1,051,400.00	1,051,400. 00						
9	For Luku expand	1,660,000.00	1,000,000. 00			660,000.0 0			
10	Cost for buying Epoque	21,600,000.00	21,600,00 0.00						
11	Instalation and Construction	95,126,201.16		95,126,20 1.16					
12	Local transportation	6,490,000.00	4,470,000. 00			2,020,000. 00			
Total investment		392,946,107.99	111,421,4 12.9	219,826,8 55.0	10,744,40 4.4	21,489,77 3.85	13,435,64 8.08	12,080,267.50 05498	3,947,746.30 08511
Total accumulated investment			111,421,4 12.90	331,248,2 67.89	341,992,6 72.25	363,482,4 46.10	376,918,0 94.19	388,998,361.6 9	392,946,107. 99

1.3 ACHIEVEMENT OF THE PROJECT

1.3.1 Achievement on business

Halotel's achievement on business activities are as follows:

- In terms of subscribers: 6.81 million increasing from 941,000 subscribers from launching service in 2015 makes Halotel the MNO most rapid developing mobile network operator.
- In terms of revenue:

Year	2015	2016	2017	2018	2019	2020
Revenue (USD)	5,115,255	66,425,100	101,466,792	106,154,179	117,657,817	149,882,959

- In terms of network coverage and quality:
- Station location: 2754 locations (2G / 3G / 4G: 2,691/1,912/439) (including 1152 sites hiring from HHT Towers and 1692 Halotel's sites)
About coverage: 2G / 3G / 4G achieved:
 - 2G: urban (99.33%), rural (68.6%), nationwide (74.56%).
 - 3G: urban (91.36%), rural (19.71%), nationwide (33.6%).
 - 4G: in progress for national wide coverage.
- In terms of transmission

by the Company has putted a lot of efforts to acquire lands for building antenna mast and installation of transmission equipment to bring network signal to poor villages and up to now we have managed to cover 4,000 villages.

Most of these villages that we have connected with Halotel Network are covered with 2G and 3G network, people are using smart phones to access internet information more over people are using mobile money to send and receive money from their relatives which were not possible at first but through this project all 4000 villages has been covered with high speed network that allow people to use mobile network to increase productivity in their daily life. And as of now we are waking towards 4G network. All these activities have also enable work opportunity to people who live in these areas.

- ✓ To date we have succeeded to install/deploy more than 18,780 KM of fiber optic cable including underground and overhead cable through mainland and Zanzibar Island to ensure that the signal quality meet current world requirement and standards to the consumers.
- ✓ The number of base stations that we have calculated to cover 4000 villages in rural underserved area where more than 4000 Base stations to ensure network is reliable and in good quality (-95dB) to the center of the villages and about (-100dB) to the border of the villages.

Six core segments for the Government: Moreover Viettel has invested in deploying of VIETTEL's optic Fiber with 24 cores and Optic Fiber Infrastructure with the aim to cover national wide of the United Republic of Tanzania, where by the Government owns six cores in all the deployed Fiber Optic cable which are aimed at connecting Local Government Authorities to easy access and use communication services in rural, underserved areas and increase the national penetration to Government ICT services. The deployment is done pending the handover which is implemented segment by segment.

On the part of internet we have been able to provide internet to different Government authorities as listed below in the table as also indicating the requirement and what has been done.

At the end of 2014, Viettel Global acquired Epoque & Golden Ocean (Tanzania) Limited (“Eocha”)’s shares from its former shareholders to be the major shareholder of 99,99% total shares. The amount to acquire Epoque’s shares of USD 21,600,000.00 and change the name of Epoque Total shareholders’ equity of Epoque at the end of 2014 was approximately TZS 12,80 Million due to loss incurred from previous financial years (Epoque then was changed its name to Viettel Tanzani Ltd/ PLC)

In December 2018, Viettel Global Investment JSC, the shareholder of Viettel Tanzania PLC has injected equity of USD 16 Million which is equivalent to Tanzanian shillings 35.60 Billion making the total equity of Viettel Tanzania PLC at the time being is Tshs 43,534,800,000.

B. Shareholder’s Loan

The parent company has provided us with two facility loans of USD 150 Million and USD ~24,8 Million. Until now we have already drawn down USD 148 Million from USD 150 Million facilities and all USD ~24,8 Million from the USD ~24,8 Million facility.

C. Bank Loans

Halotel’s loans come from 3 oversea banks and local bank.

+ Vietin Bank – USD 25 Million

+ TP Bank – USD 30 Million

+ SCB Mauritius – USD 25 Million

+ NMB – TZS 6,8 Billion and USD 5 million

IV. PROBLEM AND SOLUTION

4.1 Difficulty 1: Complicated custom clearance procedure

Up to now, Viettel Tanzania PLC already made importation for more than 1000 consignments coming from many suppliers and many ports to Tanzania. But currently, Viettel Tanzania got many issues with importation.

(b) Many requirement of importation from difference Authorities.

Importers in Tanzania are required to establish whether or not the goods to be imported are subject to Pre-Shipment Verification of Conformity (PVoC). In general, any shipment valued at over USD 5,000 is subject to PVoC. Some goods are exempt from PVoC. 1.2 percent of FOB value must be paid to a designated commercial bank. Importers must provide full contact details of actual suppliers. But after getting this PVOC for custom purpose, we also need to apply many other Certificate from different Authorities. For example, for Handset, after getting the PVOC from the authorized agent of TBS, we still need to apply for Type of Approval from TCRA and the Permit to use, to sell it in Tanzania.

➔ Solution: If authorizer allow to remove all of the permit, or certificate with the same usage to reduce the burden for the investor.

ANNEX 1: LIST OF 150 TENDERING LOTS

LOT	REGION	DISTRICT	WARD	VILLAGE	Population	Acov (km2)
20	Dodoma	Chemba	Chemba	Pangalua	16,047	89
23	Dodoma	Dodoma Urban	Chigongwe	Msembeta	7,281	46
26	Dodoma	Dodoma Urban	Mtumba	Mtumba	17,268	44
33	Dodoma	Kondoa	Kikilo	Kikilo kati	9,318	27
	Dodoma	Kondoa	Kikilo	Kikilo Ororimo	9,318	17
37	Dodoma	Kondoa	Suruke	Mlua	3,545	38
	Dodoma	Kondoa	Suruke	Tungufu	3,545	35
41	Dodoma	Mpwapwa	Lupeta	Lupeta	8,477	25
46	Geita	Chato	Ilemela	Ilemela	9,099	39
	Geita	Chato	Ilemela	Nyambogo	9,099	22
47	Geita	Chato	Ilyamchele	Ilyamchele	5,966	42
48	Geita	Geita	Bugalama	Bugalama	14,213	16
49	Geita	Geita	Bujula	Bujula	9,223	19
	Geita	Geita	Bujula	Mduhani	9,223	15
	Geita	Geita	Bujula	Ngula	9,223	24
	Geita	Geita	Bujula	Nyamibago	9,223	24
50	Geita	Geita	Nyamalimbe	Buzanaki	15,761	48
	Geita	Geita	Nyamalimbe	Nyamalimbe	15,761	36
51	Geita	Mbogwe	Bukandwe	Bukandwe	11,338	40
52	Geita	Mbogwe	Nyasato	Nyasato	11,039	28
57	Iringa	Iringa Rural	Kihorogota	Isimani	7,688	16
90	Kagera	Ngara	Mbuba	Mbuba	11,046	38
93	Kaskazini Pemba	Micheweni	Konde	Kipange	8,573	2
	Kaskazini Pemba	Micheweni	Konde	Konde	8,573	0
95	Kaskazini Pemba	Micheweni	Sizini	Chanjaani	5,284	4
	Kaskazini Pemba	Micheweni	Sizini	Sizini	5,284	6
96	Kaskazini Pemba	Micheweni	Tumbe Mashariki	Mjini Tumbe	4,679	0
97	Kaskazini Pemba	Micheweni	Wingwi Njuguni	Dodeani	2,052	0
	Kaskazini Pemba	Micheweni	Wingwi Njuguni	Njuguni	2,052	1
98	Kaskazini Pemba	Wete	Gando	Gando	2,210	5
	Kaskazini Pemba	Wete	Kiungoni	Chonyi	3,112	1
99	Kaskazini Pemba	Wete	Kiungoni	Kimango	3,112	2

188	Manyara	Babati Urban	Mutuka	Chemchem	4,910	38
200	Mara	Bunda	Ketare	Bigegu	8,842	21
	Mara	Bunda	Ketare	Nyaburundu	8,842	23
	Mara	Bunda	Ketare	Tiring'ati	8,842	11
202	Mara	Bunda	Mihingo	Manchimweru	13,161	22
203	Mara	Bunda	Mugeta	Rakana	14,363	11
	Mara	Bunda	Mugeta	Tingirima	14,363	39
207	Mara	Tarime	Kentare	Mogabiri	9,475	11
	Mara	Tarime	Kentare	Nkongore	9,475	6
208	Mara	Tarime	Nyandoto	Gamasara	7,893	21
	Mara	Tarime	Nyandoto	Kemange	7,893	10
	Mara	Tarime	Nyandoto	Nyandoto	7,893	18
210	Mara	Tarime	Turwa	Kenyamori	27,238	7
	Mara	Tarime	Turwa	Mageni	27,238	23
	Mara	Tarime	Turwa	Nkende	27,238	7
217	Mbeya	Mbeya Rural	Ijombe	Hatwelo	10,185	6
	Mbeya	Mbeya Rural	Ijombe	Ijombe Ntanganu	10,185	11
	Mbeya	Mbeya Rural	Ijombe	Nsongwi Juu	10,185	23
	Mbeya	Mbeya Rural	Ijombe	Nsongwi Mantanji	10,185	7
223	Mbeya	Mbeya Rural	Itewe	Iyelanyala	4,655	8
226	Mbeya	Mbeya Rural	Iyunga Mapinduzi	Igowe	7,377	8
	Mbeya	Mbeya Rural	Iyunga Mapinduzi	Izuo	7,377	9
	Mbeya	Mbeya Rural	Iyunga Mapinduzi	Madugu	7,377	7
	Mbeya	Mbeya Rural	Iyunga Mapinduzi	Shuwa	7,377	11
231	Mbeya	Mbeya Rural	Swaya	Lupeta	9,477	9
	Mbeya	Mbeya Rural	Swaya	Nsenga	9,477	17
	Mbeya	Mbeya Rural	Swaya	Swaya	9,477	18
	Mbeya	Mbeya Rural	Swaya	Wimba	9,477	9
232	Mbeya	Mbeya Rural	Tembela	Ilembo Usafwa	2,334	2
236	Morogoro	Gairo	Idibo	Idibo	17,837	55
266	Mtwara	Masasi	Mkundi	Chipango	5,510	32
	Mtwara	Masasi	Mkundi	Majembe Chini	5,510	5
	Mtwara	Masasi	Mkundi	Mkolopola	5,510	15
	Mtwara	Masasi	Mkundi	Nakachindu	5,510	11
	Mtwara	Masasi	Mkundi	Nakalola	5,510	19
268	Mtwara	Masasi TA	Mwenge Mtapika	Namkungwi	6,355	10
271	Mtwara	Mtwara Rural	Mayanga	Mkunwa	9,528	32
274	Mtwara	Mtwara Rural	Mpapura	Utende	4,933	9

315	Mwanza	Sengerema	Nyakasasa	Luhiza	21,941	7
316	Mwanza	Sengerema	Nyakasunga	Kamisa	20,817	9
	Mwanza	Sengerema	Nyakasunga	Kasisa	20,817	31
317	Mwanza	Sengerema	Nyamatongo	Kamanga	26,707	7
	Mwanza	Sengerema	Nyamatongo	Karumo	26,707	14
318	Mwanza	Sengerema	Nyamazugo	Kijuka	16,353	20
	Mwanza	Sengerema	Nyamazugo	Nyamazungo	16,353	29
319	Mwanza	Sengerema	Nyampande	Nyampande	9,571	26
320	Mwanza	Sengerema	Nyanzenda	Buswelu	20,654	24
	Mwanza	Sengerema	Nyanzenda	Nyamabano	20,654	25
	Mwanza	Sengerema	Nyanzenda	Nyazenda	20,654	24
321	Mwanza	Sengerema	Sima	Ishishang'holo	15,477	18
	Mwanza	Sengerema	Sima	Sima	15,477	47
	Mwanza	Sengerema	Sima	Sogoso	15,477	68
322	Mwanza	Ukerewe	Bukungu	Bukungu	8,548	7
	Mwanza	Ukerewe	Bukungu	Chifule	8,548	7
344	Pwani	Mafia	Kilindoni	Kilindoni	14,221	11
345	Pwani	Mafia	Kirongwe	Banja	5,701	6
353	Pwani	Mkuranga	Mkuranga	Dundani	25,847	20
	Pwani	Mkuranga	Mkuranga	Hoyoyo	25,847	31
	Pwani	Mkuranga	Mkuranga	Korogwa	25,847	8
	Pwani	Mkuranga	Mkuranga	Mkuranga	25,847	26
	Pwani	Mkuranga	Mkuranga	Mkwalia	25,847	20
	Pwani	Mkuranga	Mkuranga	Sunguvuni	25,847	20
	Pwani	Mkuranga	Mkuranga	Tengelea	25,847	21
356	Pwani	Mkuranga	Tambani	Dondwe	20,204	22
	Pwani	Mkuranga	Tambani	Mwanambaya	20,204	28
403	Ruvuma	Tunduru	Sisikwasisi	Cheleweni	5,776	26
408	Shinyanga	Kahama TA	Wendele	Kahanga	7,536	47
	Shinyanga	Kahama TA	Wendele	Katungulu	7,536	19
	Shinyanga	Kahama TA	Wendele	Tumaini	7,536	19
	Shinyanga	Kahama TA	Wendele	Wendele	7,536	44
409	Simiyu	Bariadi	Mhango	Mhango	11,253	12
411	Simiyu	Bariadi	Nkololo	Chungu	21,776	26
412	Simiyu	Bariadi	Sakwe	Itubukilo	25,676	35
413	Simiyu	Itilima	Kinang'weli	Isengwa	12,315	20
414	Simiyu	Maswa	Budekwa	Budekwa	13,630	49
415	Simiyu	Maswa	Busilili	Masanwa	15,797	73
418	Simiyu	Meatu	Lubiga	Mwandu Itinje	16,351	31
419	Simiyu	Meatu	Mwabuma	Mwashata	15,577	22
427	Singida	Singida	Itaja	Sagara	7,116	40
428	Singida	Singida	Kinyagigi	Kihunadi	9,409	12

	Mbeya	Mbeya Rural	Ilembo	Mumba	17,391	15
	Mbeya	Mbeya Rural	Ilembo	Mwala	17,391	35
222	Mbeya	Mbeya Rural	Itawa	Iwowo	11,156	20
	Mbeya	Mbeya Rural	Itawa	Pashungu	11,156	13
228	Mbeya	Mbeya Rural	Maendeleo	Ikhoho	5,223	10
	Mbeya	Mbeya Rural	Maendeleo	Isebe	5,223	6
	Mbeya	Mbeya Rural	Maendeleo	Itambalila	5,223	5
234	Mbeya	Mbeya Rural	Utengule Usongwe	Itimba	41,952	30
	Mbeya	Mbeya Rural	Utengule Usongwe	Iwala	41,952	6
272	Mtwara	Mtwara Rural	Mbawala	Maili kumi	8,052	18
	Mtwara	Mtwara Rural	Mbawala	Mbawala	8,052	15
	Mtwara	Mtwara Rural	Mbawala	Mduwi	8,052	11
	Mtwara	Mtwara Rural	Mbawala	Mihembe	8,052	36
	Mtwara	Mtwara Rural	Mbawala	Misufini	8,052	1
284	Mtwara	Newala	Chilangala	Chilangala	9,675	34
305	Mwanza	Sengerema	Bupandwa	Bulolo	30,194	39
	Mwanza	Sengerema	Bupandwa	Bupandwamhela	30,194	43
	Mwanza	Sengerema	Bupandwa	Iligamba	30,194	10
313	Mwanza	Sengerema	Kazunzu	Ilyamchele	14,063	35
	Mwanza	Sengerema	Kazunzu	Nyambeba	14,063	27
374	Rukwa	Kalambo	Mnamba	Mtula	9,945	65
401	Ruvuma	Tunduru	Mlingoti Magharibi	Kitanda	4,345	48
462	Tabora	Tabora Urban	Uyui	Imalamihayo	6,262	49
	Tabora	Tabora Urban	Uyui	Uyui	6,262	33
515	Tanga	Muheza	Mtindiro	Kwabada	10,831	38
39	Dodoma	Mpwapwa	Godegode	Godegode	7,884	66
55	Iringa	Iringa Rural	Itunundu	Kimande	14,420	29
	Iringa	Iringa Rural	Itunundu	Ntunundu	14,420	62
100	Kaskazini Pemba	Wete	Limbani	Tungamaa	3,919	5
135	Kilimanjaro	Mwanga	Jipe	Kambi ya Simba	2,564	36
140	Kilimanjaro	Mwanga	Shighatini	Lambo	7,765	16
189	Manyara	Babati Urban	Sigino	Imbilili	10,038	26
218	Mbeya	Mbeya Rural	Ikukwa	Ikukwa	6,024	46
	Mbeya	Mbeya Rural	Ikukwa	Simboya	6,024	18
221	Mbeya	Mbeya Rural	Isuto	Idiwili	13,958	17
	Mbeya	Mbeya Rural	Isuto	Itete	13,958	24
	Mbeya	Mbeya Rural	Isuto	Shinzingo	13,958	16
	Mbeya	Mbeya Rural	Isuto	Shisonta	13,958	41
224	Mbeya	Mbeya Rural	Iwiji	Isende	15,056	27