

**VIETTEL TANZANIA LIMITED COMPANY**  
**(Public Company Limited by Shares)**  
(Registration Number: 52674)  
(Incorporated in the United Republic of Tanzania)  
(the "Company")

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**RESOLUTION**

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**CERTIFIED TRUE EXTRACT OF THE DELIBERATIONS PASSED AT THE DIRECTORS' MEETING OF THE COMPANY HELD AT DAR ES SALAAM ON 19 JANUARY 2023 AT THE COMPANY'S REGISTERED OFFICES.**

**Quorum:**

Name	Position	Location
1. Mr. Nguyen Cao Loi	Director	2 <sup>nd</sup> Location
2. Mr. Truong Bach Duong	Director	2 <sup>nd</sup> Location
3. Mr. Nguyen Tien Dung	Director	1 <sup>st</sup> Location
4. Ms. Nathaizya Lyima	Secretary	1 <sup>st</sup> Location

**The aforesaid Directors of the Company have RESOLVED the following:**

1. To approve the Business Results in 2022 and Business Plan for the year 2023 as the Annex 01 and Annex 02 respectively attached hereto.
2. To approve the Investment Plan for the year 2023 as the Annex 03 attached hereto.
3. To authorize the Managing Director of the Company to implement the Business Plan and Investment Plan for the year 2023 approved by the Directors. The Managing Director shall report the Directors the Business and Investment Results pursuant to applicable laws and regulations of the United Republic of Tanzania, the Articles of Association and other internal policies of the Company.

We, the undersigned hereby certify the foregoing to be a true and *bonafide* extract of the deliberation and resolution passed by the Directors on 19 January 2023.



Name: **Mr. NGUYEN TIEN DUNG**  
Position: **Chairman**

Name: **Ms. NATHAIZYA LYIMMA**  
Position: **Secretary**



**ANNEX 1: BUSINESS RESULTS OF 2022**

**VIETTEL TANZANIA PUBLIC LIMITED COMPANY**

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. INTRODUCTION**

The members charged with governance present their report together with the audited financial statements for the year ended 31 December 2022, which disclose the state of affairs of Viettel Tanzania Public Limited Company (the "Company"), its subsidiary, Viettel E-Commerce Tanzania Limited (the "Subsidiary") and a consolidated structured entity, The Registered Trustees of HaloPesa (the "Trust") [together the "Group"].

**2. INCORPORATION AND CHANGE OF NAME**

The Company is incorporated in Tanzania under the Companies Act, No. 12 of 2002 as a private company limited by shares and is domiciled in Tanzania. The address of the registered office is set out on page 1 under corporate information.

The amendment by the Finance Act 2016 of Section 26 of the Electronic and Postal Communications Act 2010 (EPOCA) requires all licensed telecommunication operators holding licences under the EPOCA, to have a minimum of 25% of their issued share capital offered and issued to the public and listed on the Dar es Salaam Stock Exchange (DSE).

The Company continues with the preparations for the Initial Public Offering to comply with this requirement. As part of this process, the Company changed its name from Viettel Tanzania Limited to Viettel Tanzania Public Limited Company (Viettel Tanzania Plc) on 25 September 2017. The Company continues with the process to meet the listing requirements.

The Subsidiary is incorporated in Tanzania under the Companies Act, No. 12 of 2002 as a private company limited by shares. The Company owns and controls 99.99% of the issued share capital of the Subsidiary.

The Trust was incorporated under the provisions of The Trustees Incorporation Act, Cap 318 of Tanzania on 24 November 2015 with registration number 5221.

**3. NATURE OF OPERATIONS**

The primary business of the Company is the provision of mobile telecommunication services including Voice, Short Message Service (SMS), Data and Value-Added Services (VAS).

The principal activity of the Subsidiary is the provision of mobile financial services under the National Payments Systems Act, 2015 and the Electronic Money Regulations, 2015 of Tanzania.

The principal activity of the Trust is operating bank accounts and holding in trust, bank deposits belonging to subscribers, agents and other customers of mobile money transfer services provided by the Group.

For more than 7 years in operation, the Company under its brand name "Halotel" has provided telecommunication services with distinct quality owing to its massive infrastructure rolled throughout the country.

Telecommunication and Mobile financial services in these areas have brought significant positive socio-economic development to Tanzanian traders and farmers by alleviating the need to travel long distances to seek out markets and facilitating financial transactions driving financial inclusion to the unbanked and underbanked.

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3. NATURE OF OPERATIONS (CONTINUED)

Legislative and Regulatory environments

The Group's core principle in doing business is to always ensure 100% compliance with Tanzanian Laws and Regulations. Significant regulatory developments from the main regulators, the Tanzania Communications Regulatory Authority (TCRA) for the Communication Services, and the Bank of Tanzania for the Mobile Financial Services, include;

*Mobile money levy:* Following the introduction of the Mobile money levy through the Electronic and Postal Communication Act Cap 306 of the Finance Act 2022, there have been several amendments reducing the levy, the final which was on 1<sup>st</sup> October 2022, where the government imposed a levy of between TZS 10 and TZS 2,000 on each mobile money transaction of sending and withdrawing the same.

We continue to engage with TCRA, Ministry of Communication and Technology and other relevant Government institutions on industry reforms. We believe that industry reform will foster capital investment in the country that will accelerate digital and financial inclusion.

4. RESULTS AND DIVIDENDS

The Group and the Company net loss of TZS 153,903 million and TZS 154,511 million for the year ended 31 December 2022 respectively (2021: TZS 100,652 million and TZS 101,855 million respectively) has been added to accumulated losses. The Directors do not recommend the declaration of a dividend for the year.

5. PERFORMANCE FOR THE YEAR

During the year, the Company recorded Group and Company revenues of TZS 354,626 million and TZS 302,561 million respectively (2021: TZS 303,596 million and TZS 263,469 million respectively) an increase of TZS 51,030 million and TZS 39,092 million respectively as compared to the previous year. This was mainly attributed by the significant growth of our HaloPesa business and electronic card-based services despite the regulatory changes imposed on the sector and the COVID-19 pandemic.

The growth is a result of the Group's efforts in continuing to expand the mobile financial services business to reach many people living in the United Republic of Tanzania; together with the improvement in the Group's network capability, through increase of 4G stations in city zones as well as enhancing the quality of 3G network.

The Group's plan to attract more subscribers by selling 3G and 4G handsets in shops owned by the Group and working with third parties to increase distribution of handsets in the market did not materialize due to the increase in prices of handsets in the foreign market due to the COVID-19 pandemic.

The Group and the Company incurred a net loss of TZS 153,903 million and TZS 154,511 million for the year ended 31 December 2022 (2021: TZS 100,652 million and TZS 101,855 million). The increase in losses being 53% and 52% for the Group and Company respectively.

The Company operated from its Headquarters in Dar es Salaam, and its 15 technical branches Arusha, Dar es Salaam, Dodoma, Iringa, Kagera, Kigoma, Morogoro, Mbeya, Mtwara, Mwanza, Ruvuma, Rukwa, Tabora, Tanga, and Zanzibar and 21 business branches: Arusha, Kinondoni, Ilala, Temeke, Dodoma, Geita, Iringa, Kagera, Kigoma, Mara, Mbeya, Morogoro, Mtwara, Mwanza, Ruvuma, Rukwa, Shinyanga, Pwani, Tabora, Tanga and Zanzibar. The Company did not open any new branch in 2022 (2021: Nil). The number of subsets as at 31 December 2022 was 8 million (2021: 7.2 million) an increase of 11% from the previous year.

**VIETTEL TANZANIA PUBLIC LIMITED COMPANY**

**THE REPORT BY THOSE CHARGED WITH GOVERNANCE  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**6. BUSINESS OBJECTIVES AND STRATEGIES**

The Group's strategy is to provide a wide range of services with the best-in-class quality at the most affordable price, thanks to its widespread network infrastructure. The Group believes that a mobile network connecting you anytime, anywhere will bring us together.

Up to now, the Group has managed to reach 95% of the Tanzanian population. The Group's mobile services are stable and affordable.

**Voice, SMS and Data Packages:** The Group offers various attractive Voice, SMS and Data packages which are unique, stable and at reasonable prices. The Group believes with this continued strategy, we will be able to grow our customer base from the current 8 subscribers to 10 subscribers by 2025.

**Mobile internet:** all Tanzanians with Halotel Sim card access the highest internet speed from their phones, tablets, and other devices for surfing the web, email and enjoy social networks at the fastest speed thanks to the largest optic fibre network coverage up to rural areas. In a bid to spread digital communication countrywide, the Group has deployed nearly 1700 4G communication towers nationwide, with a plan to have 2,100 4G communication towers by 2023.

**International and Roaming Services:** The Group enables every customer to get access to the local network when away from home without changing Halotel sim card and service provider at the local price and at a charge considerably less than the regular long-distance charges.

**Special Offers:** The Group provides Special bundles for all customers at much more affordable prices based on location and customer income. Moreover, the Group offers University Bundles special for all university students in Tanzania taking into consideration their demands.

**Value Added Services (VAS):** the Group offers highly innovative services that appeal to all market segments, there are over 30 customized services; the Group's main services are:

- **Traditional services:** the utility services that support calls, messages, etc. such as Ringing Ringtone (CRBT), providing general information via SMS/USSD, and cash advance service (Airtime Credit.), IVR Story.
- **Lucky & Betting services:** the services with a lucky element, provided in the form of winning lottery numbers, answering questions via USSD/IVR and wap such as Lucky Draw, Game Quiz, MuzikQuiz, FunGame, SMS Lottery.
- **Data services:** the entertainment services, providing information to users on the Data platform such as music, videos, and games. Some typical services such as Game land, Video Zone, Boom Play bundle, Football Information.

**VIETTEL TANZANIA PUBLIC LIMITED COMPANY**

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**6. BUSINESS OBJECTIVES AND STRATEGIES (CONTINUED)**

**HaloPesa**

HaloPesa is more than a Mobile Money service; it is a virtual wallet that allows subscribers to send and receive money quickly, safely, affordably, and conveniently 24/7. It provides merchants and business alike convenience, and control of managing payments and transferring funds across multiple channels in real-time, anytime, anywhere.

HaloPesa has linked with more than 50 billers and services including more than 10 major betting services in Tanzania. It is also connected to the government payment gateway (GEPG) allowing users to pay for all government services including tax, police, electricity, and water services.

Furthermore, HaloPesa is linked to Master pass, Visa, and over 25 banks allowing users to perform Wallet to Bank and Bank to Wallet transactions with ease. HaloPesa extensive distribution channel system with more than 100,000 active agents (Wakala) nationwide ensures convenience to customers and further accelerates financial inclusion in the country.

With a strong emphasis for simplicity and flexibility, HaloPesa is focused on delivering robust and long-term solutions for the Mobile Money Market in Tanzania. To maximize shareholder value, the Company has set goals and strategies to deliver sustainable profitable growth.

**7. FUTURE PROSPECTS/ DEVELOPMENTS**

The Group has continued to improve its revenues through increasing its subscriber base by increasing its coverage area and introduction of innovative products, while carefully managing both costs and risks. The Group will continue to focus on improving productivity and introducing new products to the market.

The Group plans to improve its network capability by overall increasing the number of 4G stations by 400, upgrading congested 3G sites as well as enhancing the quality of network by introducing Co-site to improve network strength.

The Group plans to continue expanding the mobile financial services business in 2023 and reach many people living in the United Republic of Tanzania. The Group also plans to improve service and revenue channels.

Due to uncertainties, management has taken an optimistic view and expects business to grow by 17% mostly expected from the increase in the number of our 4G stations.

**8. ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

We remain conscious of Environmental, Social and Governance issues committing to reduce impact on the environment, by creating environmentally conscious workplaces and reducing our overall environmental impact.

The mobile industry is a relatively low energy intensity industry, contributing much more to the economy than its proportion of national energy usage. Furthermore, mobile communications have the potential to make direct and indirect contributions to reducing the environmental impacts of other industries.

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**8. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)**

For the total ICT sector, the potential indirect benefits are estimated to about 5 times the direct benefits. As an example, the estimated environmental burden of a business roundtrip travel between Bukoba and Mtwara is 10 to 500 times greater than conducting the meeting as a wireless teleconference.

**9. CAPITAL STRUCTURE AND CASH FLOWS**

The capital structure of the Company is outlined in Note 4 (d) and Note 26.

The shares of the Company were held as follows:

	2022		2021	
	Number of shares	Percent holding	Number of shares	Percent holding
Viettel Global Investment Joint Stock Company	7,813,970,000	99.99987%	7,813,970,000	99.99987%
Performance Investment General Enterprises Limited	10,000	0.00013%	10,000	0.00013%
	<u>7,813,980,000</u>	<u>100%</u>	<u>7,813,980,000</u>	<u>100%</u>

**10. RESOURCES**

Employees with appropriate skills and experience in running the business are a key resource available to the Group and they assist in pursuing the Group's business objectives.

**11. COMMERCIAL AND OPERATIONAL RISKS**

The global pandemic brought suffering and hardship to many people, challenging most of us in our industry. Our response to the pandemic was swift and decisive, safeguarding our people, and our business.

Our people responded in a positive and energetic manner. As a result of the efforts of the team, we weathered the storm successfully so far. All our people have demonstrated resilience, ability to cope with the situation, maintain positive working attitude in extremely trying times.

The senior management was able to regenerate terms with suppliers without significant additional costs.

**12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

To ensure its financial stability and profitability, the Group has implemented policies and practices for a sound and prudent management and control of the principal financial risks to which it is exposed.

The Group's overall risk management programme focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance. A summary of the risk management procedures is disclosed in Note 4.

**13. LIQUIDITY**

The company has financing arrangements with banks and related parties. Details of the borrowings and liquidity risk are disclosed in Note 4 (c).

**VIETTEL TANZANIA PUBLIC LIMITED COMPANY**

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**14. CORPORATE GOVERNANCE MATTERS**

The Board of Directors (the "Board") takes overall responsibility for the Group, including responsibility for identifying key risk areas, considering, and monitoring investment decisions, considering significant financial matters, reviewing the performance, and managing business plans and budgets.

The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles. The Group is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency, and accountability.

Major issues discussed during the meetings held during the year include Approval of strategic plans, Performance reviews, Management of risk exposure, Financial statements, Company Financing, Significant legal matters, and Business challenges.

**Composition of Directors**

The Directors, who served during the year and to the date of this report were:

Name	Position	Nationality	Age	Appointment/(resigned)
Nguyen Dat	Chairman	Vietnamese	41	01 July 2022
Nguyen Tien Dung	Director/CEO	Vietnamese	42	11 January 2022
Nguyen Cao Loi	Director	Vietnamese	45	11 September 2018
Truong Bach Duong	Director	Vietnamese	43	23 May 2018

The Company Directors are appointed in accordance with the Company's Articles of Association. The Directors are not subject to retirement by rotation. Directors once appointed remain as such until when they voluntarily retire or are removed by the shareholders.

None of the Directors had an interest in the issued and fully paid-up shares of the Company.

**15. EMPLOYEES WELFARE**

The Group's employment terms are reviewed annually to ensure that they meet statutory and market conditions. The employee and employer contribute to NSSF. The Company does not contribute to any other private Pension Fund.

The Group improved the employee welfare during the year, particularly, on health insurance cover. The Group aims to continuously improve employee welfare, a goal tasked to the Human Resources, Legal and Finance departments.

In order to improve the motivation of employees, the Group provides training and holds regular meetings. Teamwork building activities are also held annually.

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**16. DISABLED PERSONS AND GENDER BALANCE**

The Group is an equal opportunity employer and makes employment decisions on the basis merit. Therefore, the Group does not discriminate and does not permit its employees to discriminate against each other or applicants because of race, colour, religion, gender identity or expression, pregnancy, marital status, national origin, citizenship, age, physical or mental disability impairment, medical condition, generic characteristics, or any other consideration, made unlawful by applicable laws.

During the year, the Group had 763 (2021: 864) employees located in Tanzania Mainland and Zanzibar. The gender parity was 641 (2021: 732) male employees, which is 84% (2021: 84.7%) of the total employees, and 122 (2021: 132) female employees, which is 16% (2021: 15.3%) of the total employees. These figures include professionals, support staff, and exclude expatriates from Viettel Global JSC who came to provide support during implementation of infrastructure development and technical support in departments.

**17. RELATED PARTY TRANSACTIONS**

Transactions with related parties during the year were in the normal course of business. Details of transactions and balances are included in Note 35.

**18. POLITICAL AND CHARITABLE DONATIONS**

As a responsible corporate citizen, the Group supports the communities in which we operate to foster socio-economic development and consistently improve the livelihoods of our stakeholders.

During the year 2022, the Group engaged in several CSR activities including providing important construction materials to the government girl's secondary school called Kisarawe II at Kigamboni District in Dar es Salaam to complete construction of latrines for female student's dormitory for friendly environment for them to feel comfortable while at school and attend classes without challenges. The handover event was done ahead of celebrating International Women's Day.

The Group provided Financial Support for A free community health check campaign (Afya Check) focusing on improving overall health of Tanzanians through free community health education and check-up, medical camps, and timely health interventions to help them access much needed health education and services remain healthy and productive. The campaign was implemented at Lindi region at three big districts Ruangwa, Nachingwea, and Lindi Municipal for three consecutive days the last day was officially graced by the Prime Minister of the United Republic of Tanzania; Hon. Kassim Majaliwa' and appreciated Halotel's big support to this campaign. The campaign aimed at supporting the government efforts in improving health of its people by bringing an affordable timely, and quality health services closer regardless of their socio-economic status.

The Group Provided Financial Support for Facilitating the Connect 2 Connect summit organized by Extensia Company Limited in partnership with the Tanzania Ministry of Information, Communication, and Information Technology to enhance the Summit Focused on Africa's Connectivity Agenda organized for three days from 7th to 8th September 2022 at Serena Hotel in Dar es Salaam. Connect 2 Connect is a Pan African summit which helps African Nations to optimize the growth of their ICT agendas by focusing on the development of digital infrastructure. Halotel had the opportunity to fully participate through delegates from Technical, Management and Business sectors who fully represented Halotel's initiatives implemented to improve the telecommunication sector and provision of the best telecom company Tanzanians. The Tanzania Minister for Information, Communication and Information Technology Mr. Nape Nnauye and The Permanent Secretary of the same Ministry Jim Yonazi. And Others from TCRA.

**ANNEX 2 - BUSINESS PLANS OF 2023**

No.	Index	Unit	2023 Plan	Comparison to 2022	
				+/-	+/- %
1	Total Revenue	USD Million	185.3	27.1	17.1%
2	Total Revenue (unrealized exchange rate fluctuations excluded)	USD Million	185.3	27.1	17.1%
3	Sale of services turnover	USD Million	258.7	37.9	17.2%
4	Increment of 15c3d subscriber	Thousand of Subs	369.4	348.3	1652.6%
5	Increment of Data 3G+4G subscriber	Thousand of Subs	312.6	132.3	73.4%
6	Increment of 4G subscriber	Thousand of Subs	504.0	68.5	15.7%
7	Total Cost	USD Million	222.9	5.2	2.4%
8	Total Cost (unrealized exchange rate fluctuations excluded)	USD Million	214.8	10.2	5.0%
9	Depreciation	USD Million	32.3	-7.6	-19.0%
10	Net Profit After Taxes (exchange rate fluctuation included)	USD Million	-37.6	21.9	36.8%
11	Net Profit After Taxes (unrealized exchange rate fluctuation included)	USD Million	-29.5	16.9	36.4%
12	Net Profit After Taxes (exchange rate fluctuation excluded)	USD Million	-29.5	16.9	36.4%
13	Net Cash Flow	USD Million	2.0	9.2	127.7%
14	Net Cash Flow to Vietnam	USD Million			
15	Annual Investment	USD Million	18.2	-3.0	-14.3%

**ANNEX 3 – INVESTMENT PLAN OF 2023**

No.	Category	Must-have Investment			Development Investment			Sustainable Improvement	Modernization	TOTAL INVESTMENT FOR 2023
		Facility Maintenance	Other		Coverage	Upgrade	Traffic Improvement			
	<b>Total</b>	<b>1,362,524</b>	<b>789,169</b>		<b>4,522,633</b>	<b>157,305</b>	<b>7,905,380</b>	<b>2,562,474</b>	<b>803,780</b>	<b>18,179,681</b>
1	Radio	450,357.71	0.29		2,714,857.40	-	2,279,744.23	-	379,992.32	5,824,950.80
2	Core	-	-		-	0.43	2,493,163.63	138,600.43	264,975.43	2,896,738.63
3	Transmission	666,734.09	227,312.30		407,909.66	-	323,668.64	1,007,554.37	-	2,633,174.74
4	IP Core	98,129.18	533,993.15		22,643.59	5,672.56	399,215.23	-	-	1,059,646.86
5	Mechanical	114,947.18	2.81		748,631.72	2.81	594,876.45	1,106,023.13	158,811.94	2,723,279.17
6	Broadband									
7	IT	32,355.90	-		0.90	151,629.37	797,191.43	194,314.24	-	1,251,938.80
8	Infrastructure	-	27,860.14		628,589.58	-	1,017,520.80	115,982.14	-	1,789,952.25