

3. Report on implementation of the tariff estimate for the regulated service for oil pumping through Kenkiyak-Kumkol pipeline of Kazakhstan-China Pipeline LLP to the domestic market for the 1st half of 2021

Attachment 1 Form 5
To Rules of establishing tariffs, approved by
the order of the Miniter of National Economy of the Republic of Kazakhstan
No 90 dated November 19, 2019

No	Indicators	Measuring unit	Provided in the approved tariff estimate	actually prevailing indicators of tariff estimates	Deviation percent	Reasons of deviation
1	2	3	4	5	6	7
I	The costs for producing goods and providing services	thous.tenge	9 538 115	5 170 009	-45,8%	
	including:					
1	Material costs, total	-/-	52 513	30 403	-42,1%	
	including:					
1.1	raw materials	-/-	13 884	4 002	-71,2%	
1.2	power	-/-	38 629	26 401	-31,7%	
2	Labor costs, total	-/-	92 319	53 989	-41,5%	
	including:	-/-				
2.1	Salary of the production personnel	-/-	84 310	49 305	-41,5%	
2.2	social tax	-/-	8 009	4 684	-41,5%	
3	Depreciation	-/-	3 758 182	2 442 497	-35,0%	
4	Repair, total	-/-	229 010	136 826	-40,3%	
5	Other costs, total	-/-	5 406 089	2 506 295	-53,6%	
	including:					
5.1	private and fire protection	-/-	327 193	227 373	-30,5%	
5.2	OTM services	-/-	2 320 572	1 530 926	-34,0%	
5.3	metrology	-/-	2 928	0	-100,0%	
5.4	maintenance of equipment and metering devices	-/-	24 330	15 306	-37,1%	
5.5	maintenance of the information and analytical Pipeline Integrity Management System (PIMS)	-/-	0	0	0,0%	
5.6	Communication system service	-/-	115 854	68 438	-40,9%	
5.7	tax payments and fees	-/-	922 856	565 374	-38,7%	
5.8	environmental monitoring and protection	-/-	8 734	1 397	-84,0%	
5.9	maintenance of hazardous production facilities of the oil and gas industry	-/-	19 625	8 789	-55,2%	
5.10	maintenance costs for fire alarm systems	-/-	13 863	7 031	-49,3%	
5.11	TM, TR of the pipeline protection system and TM, TR of video surveillance systems and the perimeter protection system of the main pipeline	-/-	36 696	17 463	-52,4%	
5.12	transportation services with office vehicles (current repair and maintenance of vehicles	-/-	36 507	24 042	-34,1%	
5.13	TM and TR of office equipment, software and climate control systems	-/-	18 488	15 806	-14,5%	
5.14	current repair and maintenance of oil metering station	-/-	35 546	3 631	-89,8%	
5.15	communication service	-/-	16 343	10 307	-36,9%	
5.16	accommodation and meals for shift employees	-/-	11 687	9 536	-18,4%	
5.17	insurance	-/-	1 259	875	-30,5%	
5.18	training and professional development		2 097	0		
5.19	technological costs (introduction of an anti-turbulent additive)		1 491 512	0		
II	Expenses of the period, total	-/-	4 535 653	1 875 827	-58,6%	
	including:					
6	General and administrative costs:	-/-	657 033	241 640	-63,2%	
	including:	-/-				
6.1	salary for administrative staff	-/-	288 062	107 281	-62,8%	
6.2	social tax	-/-	27 366	10 192	-62,8%	
6.3	bank services	-/-	1 427	594	-58,4%	
6.4	depreciation	-/-	67 368	16 138	-76,0%	
6.5	third party services, total	-/-	272 810	107 435	-60,6%	
	including:					
6.5.1	raw materials:	-/-	1 608	982	-38,9%	
6.5.2	transport services with office vehicles (transport services)	-/-	96 106	48 327	-49,7%	
6.5.3	training and professional development	-/-	7 021	0		
6.5.4	advertismnt in mass media	-/-	569	864	51,8%	
6.5.5	business trip services	-/-	44 394	6 520	-85,3%	
6.5.6	communication services	-/-	2 840	1 146	-59,6%	
6.5.7	taxes	-/-	8 443	4 338	-48,6%	
6.6	other expenses, total	-/-	111 828	45 258	-59,5%	

7	costs for interests payment	-/-	3 878 620	1 634 188	-57,9%	
III	Total costs for services	-/-	14 073 767	7 045 836	-49,9%	
IV	Income	-/-	12 992 622	2 715 758	-79,1%	
VI	total of income	-/-	27 066 390	9 759 442	-63,9%	
VII	Volume of services provided	thous.ton	8 068	2 976	-63,1%	
VIII	Regulatory Technical Losses	thous.ton	5	2	-54,1%	
IX	Cargo turnover	million tkm	6 261	2 258	-63,9%	
X	Specific tariff (without VAT)	tenge for 1 ton for 1000km.	4 323	4 323	0,0%	

4. On the main financial and economic performance indicators of the Partnership for the 1st half of 2021

No	Name	Actual indicators for the 1st half of 2021 (thous. tenge)
1	Returns	36 264 904
2	Cost of services	-15 897 287
3	Gross return	20 367 617
4	Administrative expenses	-1 670 751
5	Other income from side activities	160 063
6	Total operating income	18 856 929
7	Finance costs	-2 963 487
8	Other expenses from side activities	-1 877 486
9	Income /(loss) before tax	14 015 956
10	Income tax expense	2 943 351
11	Net income (loss)	11 072 605

5. On volumes of regulated services provided for the reporting period

No	indicators of tariff estimates	Measuuring unit	provided for 2021 *	fact for the 1st half of 2021	deviation in%
1	Oil pumping volume	thous. ton	8 068	2 976	-63,1%
2	Cargo turnover	mln tkm	6 261	2 258	-63,9%

* Indicators of the tariff estimate for the regulated service of Kazakhstan-China Pipeline LLP on oil pumping through the pipeline system for 2021 , approved by the order of Department of the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan in Almaty No. 74-O/Д dated December 31, 2019

6.On ongoing work with consumers of regulated services

For the reporting period, 22 contracts with consumers were concluded on Kenkiyak-Kumkol pipeline to the domestic market. At the same time, the volume of oil turnover to the domestic market through the Kenkiyak-Kumkol oil pipeline for the 1st half of 2021 amounted to 2,258 million tons / km, with the approved indicators of 6,261 million tons / km in the tariff estimate, which is 36%. Every day oil balance is maintained , pumping data is processed, on the basis of which the accounting of oil commercial operations is controlled, and the interaction of the issuing and receiving parties is coordinated. The quality and quantity of oil is controlled by the Partnership together with KazTransOil JSC.

7. About the prospects of activity (development plans)

- 1) Ensuring uninterrupted oil transportation, reliable and safe operation of oil trunk pipeline facilities.
- 2) Increasing economic efficiency by reducing the financial burden.