

Report on the execution of the approved tariff estimate, on the execution of the approved investment program, on compliance with the quality and reliability indicators of regulated services and the achievement of performance indicators of Kazakhstan-China Pipeline LLP to consumers and other interested parties of a regulated service of oil pumping through the Kenkiyak-Kumkol main pipeline in the domestic market for the I half of 2025

In accordance with the Law of the Republic of Kazakhstan "On Natural Monopolies" and Chapter 7 of the Rules of operation by natural monopolies, approved by the Order of the Minister of National Economy of the Republic of Kazakhstan dated August 13, 2019 No. 73, Kazakhstan-China Pipeline LLP holds Hearings of the report on the execution of the approved tariff estimate, on the execution of the approved investment program, on compliance with the quality and reliability indicators of regulated services and the achievement of performance indicators for the provision of a regulated service of oil pumping through the Kenkiyak-Kumkol oil pipeline in the domestic market to consumers and other interested parties for the 1 half of 2025, in the form of a public hearing (hereinafter referred to as the Hearing).

The purposes of this Hearing are: openness, awareness, maintaining a balance of interests between consumers and natural monopolies, transparency of the activities of natural monopolies to consumers and other interested parties. The report contains the following information:

1. General information about the natural monopoly

Kazakhstan-China Pipeline LLP was established on July 6, 2004.

The Partnership was formed in accordance with the Law of the Republic of Kazakhstan "On Limited and Additional Liability Partnerships" within the framework of the Framework Agreement on the Development of Comprehensive Cooperation in the Field of Oil and Gas dated May 17, 2004, concluded between the Government of the Republic of Kazakhstan and the Government of the People's Republic of China, the Agreement on the Basic Principles of Construction of the Atasu-Alashankou Oil Pipeline dated May 17, 2004, concluded between the National Company KazMunayGas and the China National Petroleum Corporation (CNPC).

The Partnership was established to design, construct and operate oil pipelines.

The founders of the Partnership are KazTransOil (50%) and China National Oil and Gas Exploration and Development Corporation (CNODC) (50%).

The authorized capital of the Partnership is 13 billion tenge.

Appendix 5 to the Rules for the implementation of
activities by entities of natural monopolies, approved by
order of the Minister of National Economy of the
Republic of Kazakhstan dated August 13, 2019 No. 73
Form 1

2. Information on the execution of the approved investment program for the I half of 2025 of Kazakhstan-China Pipeline LLP

Item No.	Information on planned and actual volumes of regulated services					Profit and Loss Statement	Investment program amount (x1000 tenge)				
	Name of regulated services and territory served	Activities	Unit of measurement	Quantity in physical terms			Period of provision of services within the framework of the investment program	Plan	Actual	Deviation	Reasons of deviation
				Plan	Actual						
1	2	3	4	5	6	7	8	9	10	11	12
1	Oil pumping through the main pipeline system	Design survey for the development of a detailed design "Major repairs/reconstruction of the 10 kV power line Kenkiyak-Kumkol MP	x1000 tons	7 622	4 150	2025 year	Profit and loss statement in the form approved by the order of the Minister of Finance of the Republic of Kazakhstan dated June 28, 2017 No. 404	73 150,0	0,0	-73 150,00	
2		Design survey for the development of a detailed design "Major repairs of a 10 kV radial overhead power line with a total length of 108.5 km"						32 500,0	0,0	-32 500,00	
3		Design survey for the development of design estimate documentation for the reconstruction of structures of the Kenkiyak-Kumkol MP						94 694,0	0,0	-94 694,00	
4		Installation of overflow on sections of service roads in areas of washouts						46 791,1	0,0	-46 791,11	
5		Construction of crossings across the Kenkiyak-Kumkol MP						22 604,4	0,0	-22 604,40	
6		Implementation of the LDS PTS "Kenkiyak" of "Kenkiyak - Kumkol" MP						1 235 305,2	0,0	-1 235 305,20	
7		Modernization of the TRS of Kenkiyak - Kumkol MP						898 804,1	0,0	-898 804,08	
8		Design survey for the development of design estimate documentation for SCADA Modernization of the Kenkiyak-Kumkol MP						30 000,0	0,0	-30 000,00	
9		Design survey for the development of design estimate documentation for the modernization of the PLC of Kenkiyak-Kumkol MP						30 000,0	0,0	-30 000,00	
10		Major repairs of the boiler room, heating systems, hot water supply of ERC Aralsk						80 576,5	0,0	-80 576,49	
11		Equipment of Kenkiyak-Kumkol MP with motor transport and special machinery involved in the operation and maintenance of the pipeline, as well as for prompt response to emergency situations						643 780,0	0,0	-643 780,00	
12		Outfitting and replacement of equioment and devices at the Kenkiyak-Kumkol facilities involved in the operation and maintenance of the oil pipeline, as well as for prompt response to emergency situations						86 171,7	70 065,0	-16 106,70	
13		Design survey for the development of design estimate documentation for connecting the distribution substation (Solenaya, Saksaulskaya, Tokabay, Aralsk), the Tokabay fire alarm system to the telecommunication networks of the Kenkiyak-Kumkol MP						25 000,0	0,0	-25 000,00	
14		Design survey for the development of design documentation for the project "Reconstruction of buildings and structures of ERC Aralsk of Kenkiyak-Kumkol MP						40 320,0	0,0	-40 320,00	
15		Modernization of the equipment of the OQMS Kumkol of Kenkiyak-Kumkol MP (design survey)						38 600,0	0,0	-38 600,00	
16		Acquisition of fixed assets						133 904,4	28 290,0	-105 614,45	
	Total:			7 622	4 150			3 512 210,41	98 355,00	-3 413 835,41	

[illegible]

Item No.	Tariff estimate indicators	Unit of measurement	Provided for in the approved tariff estimate	Actual indicator of the tariff estimate	Deviation, in %	Reasons of deviation
1.	Controlled expenses	x1000 tenge	7 850 050	4 283 662	-45%	
2.	Uncontrolled expenses	x1000 tenge	1 146 866	592 354	-48%	
3.	Depreciation, including:	x1000 tenge	3 512 201	3 059 242	-13%	
3.1	taken into account in the investment program	x1000 tenge	3 512 201	0	-100%	
4	Allowable profit (before payment of performance bonuses), including:	x1000 tenge	7 123 603	2 838 367	-60%	
4.1	related to the investment program	x1000 tenge	0		0%	
4.2	taking into account the bonus for efficiency	x1000 tenge	7 123 603	2 838 367	-60%	
5	Total income	x1000 tenge	19 632 720	10 773 626	-45%	
6	Volume of services provided	x1000 tenge	7 622	4 150	-46%	
6.1	Cargo turnover	x1000 tkm	5 881	3 227	-45%	
7	Tariff (excluding VAT)	tenge/ton per 1000 km	3 338,49	3 338,49	0%	

4. Information on compliance with quality and reliability indicators of regulated services of oil pumping through the Kenkiyak-Kumkol main pipeline in the domestic market of Kazakhstan-China Pipeline LLP based on the results of the I half of 2025.

Item No.	Quality and reliability indicator	Unit of measurement	Plan for 2025	Actual of the current half-year	Evaluation of compliance with reliability and quality indicators	Note
1	2	3	4	5	6	7
1	Timely implementation of activities provided for by the investment program	%	100	3	100	The investment program execution amounted to 98,355,000 tenge or 3%. Full disbursement is expected by the end of the current year.
2	Implementation of innovative technology in an enterprise for a regulated service	activity	1	0	1	As part of the execution of the investment program, this indicator is expected to be achieved by the end of this year.
3	Maintaining the quality, reliability and other consumer properties of goods during their transportation	%	100	100	100	According to the oil passport, the quality of the transported oil meets the standards.
4	Reduction or maintenance at the accepted level of specific energy consumption for oil cargo turnover through main pipelines	x1000 kWh/million t.km	0,51	0,44	0,51	Actual indicators for specific energy consumption for oil cargo turnover for the I half of 2025 amounted to 0.44 thousand kWh/million t.km.
5	Number of violations of legislation in the sphere of natural monopolies	units	0	0	0	During the reporting period, the authorized body did not establish any violations of the legislation of the Republic of Kazakhstan on natural monopolies.
6	Ensuring long-term emergency-free operation of the oil pipeline	%	100	100	100	According to monthly reports on the achievement of key performance indicators, no emergencies, incidents, accidents, or illegal actions that led to the suspension of oil transportation were recorded at the facilities of the main oil pipelines.
7	Compliance with schedules of approved work plans in order to prevent emergency situations	%	100	100	100	
8	Time of emergency response	hour	72	72	72	No accidents were recorded during the reporting period.
9	Compliance with the qualification requirements of the management staff	%	100	100	100	The partnership complies with the internal requirements of the management.
10	Reduction of depreciation of fixed assets	%	49,5	42,07	49,5	The accounting depreciation of fixed assets is presented.

5. Main financial and economic indicators of the Partnership’s activities for the I half of 2025.

No.	Name	Actual indicators for the I half of 2025 (x1000 tenge)
1	Revenue	39 390 298
2	Cost of services	-20 271 953
3	Gross profit	19 118 345
4	Administrative expenses	-2 054 932
5	Other income from non-core activities	3 740 527
6	Total operating profit	20 803 940
7	Financing costs	-554 931
8	Other expenses from non-core activities	-147 631
9	Profit/(loss) before tax	20 101 379
10	Income tax expenses	4 048 215
11	Net income (loss)	16 053 164

5. Volumes of regulated services provided during the reporting period

Item No.	Tariff estimate indicators	Unit of measurement	Planned for 2025	Actual of the I half of 2025	Deviation in %
1	Volume of oil pumped	x1000 tons	7 622	4 150	-45,5%
2	Cargo turnover	million tkm	5 881	3 227	-45,1%

6. Work carried out with consumers of regulated services

During the reporting period, the Partnership concluded 55 contracts for transportation via the Kenkiyak-Kumkol main oil pipeline in the domestic market, of which 42 shippers transported oil. At the same time, the cargo turnover via the Kenkiyak-Kumkol main oil pipeline in the domestic market for the I half of 2025 amounted to 3,227 million tons/km with an approved plan for the year in the amount of 5,771 million tons/km, the execution is 55%. A daily oil balance is maintained, pumping data is processed, on the basis of which the accounting of commercial oil transactions is controlled, and the interaction of the delivering and receiving parties is coordinated. Control over the quality and quantity of oil is carried out by the Partnership jointly with KazTransOil.

7. Prospects of activity (development plans)

- 1) Ensuring uninterrupted transportation of oil, reliable and safe operation of main oil pipeline facilities;
- 2) Ensuring timely adjustment of the investment program and tariff estimate for regulated services of oil pumping through the Kenkiyak-Kumkol MP system in the domestic market of the Republic of Kazakhstan for 2025;
- 3) Execution of the investment program and tariff estimate for regulated services of oil pumping through the Kenkiyak-Kumkol MP system in the domestic market of the Republic of Kazakhstan for 2025.
- 4) Achievement of quality and reliability indicators of regulated services for 2025.