



## KAZAKHSTAN-CHINA PIPELINE LLP

**Report on the execution of the approved investment program and tariff estimate for the regulated services of oil pumping through the Kenkiyak-Kumkol pipeline in the domestic market before consumers and other interested parties for 2025**

April 23, 2026

## Goals of the hearing:

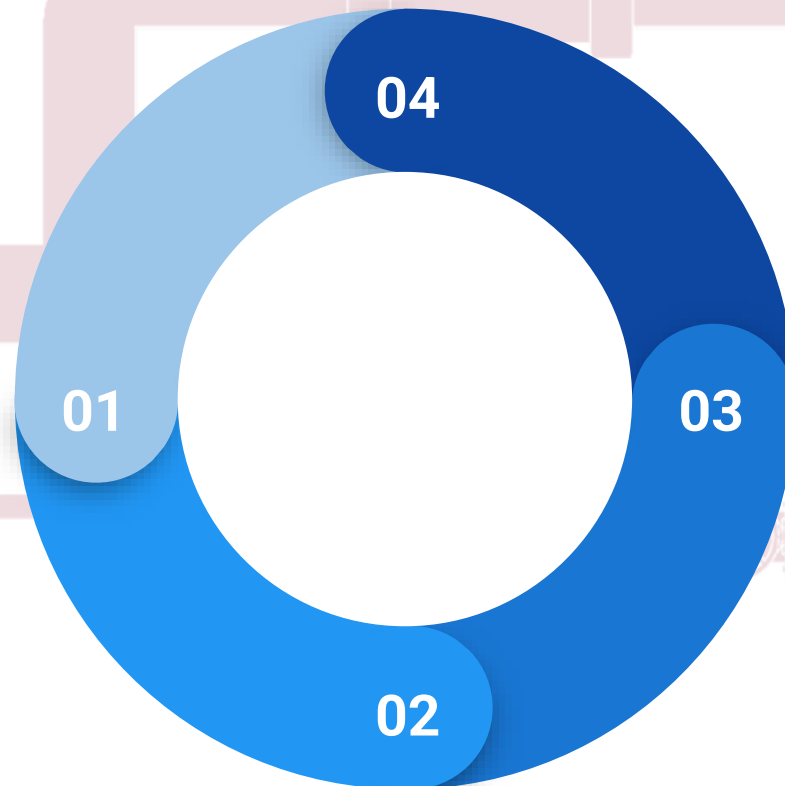
- publicity, awareness;
- observance of the balance of interests of consumers and natural monopolies;
- transparency of the activities of natural monopolies before consumers and other interested parties.

### Appointment

of the Report secretary from the employees to take minutes

### A speech

of the first director in accordance with the annual report procedure



### Summarization

and closing of the Hearing

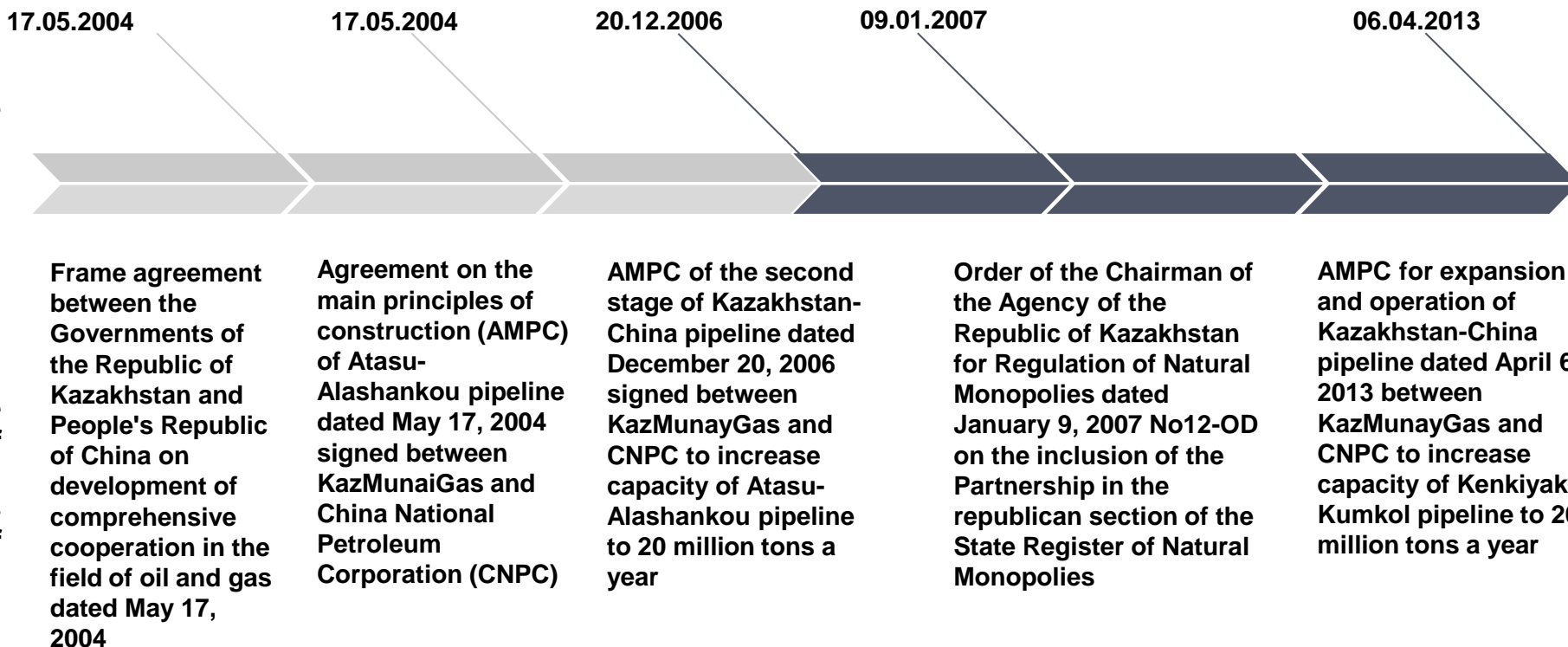
### Questions and opinions

of the Hearing participants with attachment of a written speech to the protocol

Kazakhstan-China Pipeline LLP (hereinafter - the Partnership) was established on July 6, 2004 and operates within the framework of:

## Mission:

We provide safe and uninterrupted transportation of oil through main oil pipelines in order to obtain maximum benefits for the Republic of Kazakhstan and the People's Republic of China.



50%

KazTransOil

50%

China National Oil and Gas Exploration and Development Corporation

In accordance with amendments to the RK Law on Natural Monopolies, the authorized body approved tariffs the regulated service of oil pumping the Kenkiyak-Kumkol MP system in the domestic market for a period of 2025-2029 using the incentive method of tariff regulation.

The approved tariff for 2025 is 3,338.49 tenge / 1 ton per 1000 km, effective from January 1, 2025.

## Схема магистральных трубопроводов АО «КазТрансОйл» и ТОО «Казakhstanско-Китайский Трубопровод»

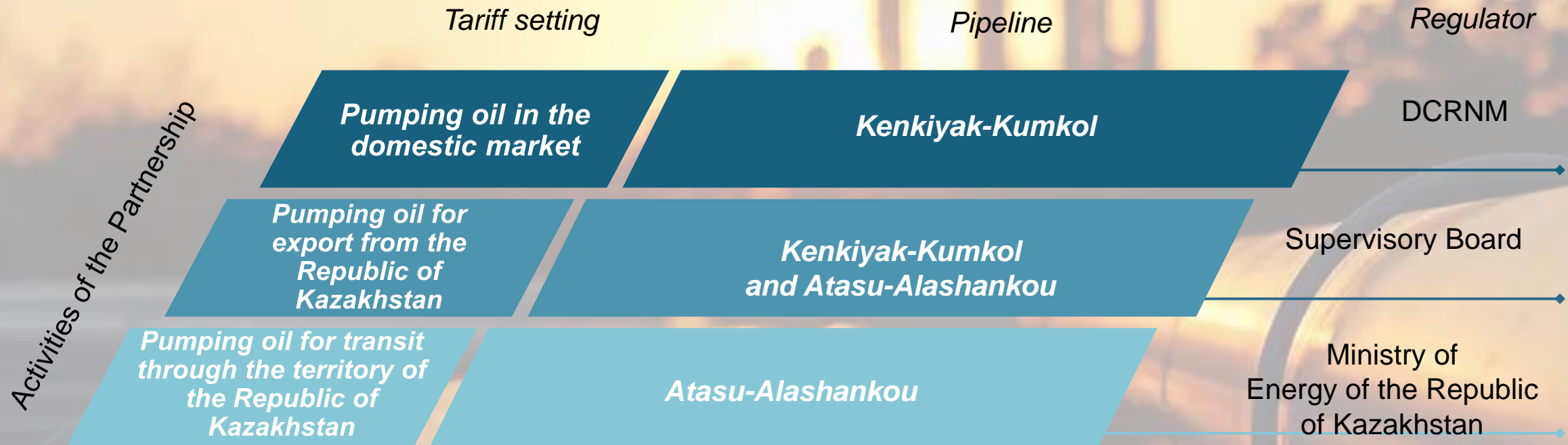


### Kenkiyak-Kumkol pipeline

Date of commissioning	October 2009	
Nominal Diameter (Diameter)	800 мм (813 мм)	
Wall thickness	9,5-11,9 мм	
Operating pressure	6,4 Мпа (64 kgf/cm <sup>2</sup> )	
length	Total	794,263 km
	On the territory of the Republic of Kazakhstan	794,263 km
Production	with full development (project)	20 million tons/year
	at the second stage (project)	10 million tons/year
	First phase of construction	10 million tons/year
Number of PTS	5	
Number of BVS	30	
Number of cathodic protection stations (CPS)	17	
Length of along-route and radial overhead lines, km	808 / 92	

### Atasu-Alashankou pipeline

Date of commissioning	July 2006	
Nominal Diameter (Diameter)	800 мм (813 мм)	
Wall thickness	7,9-11,9 мм	
Operating pressure	6,4 Мпа (64 kgf/cm <sup>2</sup> )	
Length	Total	965,1 km
	On the territory of the Republic of Kazakhstan	962,9 km
	On the territory of the PRC	2,2 km
Production	20 million tons per year	
Number of PTS	6	
Number of BVS	40	
Number of cathodic protection stations (CPS)	22+10 (installed on PS)	
Length of along-route and radial overhead lines, km	1012 / 469,5	



DCREM – Almaty Department of the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan

## The main processes of tariff formation of the Partnership



By the joint order of the Ministry of Energy of the Republic of Kazakhstan dated 8 October 20 24, No. 360 and CRNMD for the city of Almaty from 2 October 20 24 year No. 108 -OD approved the investment program of the Partnership for 2025-2029 for a total of 26.4 billion tenge, including for 2025 the IP amount of 3.5 billion tenge. thousand tenge with

No.	Name of work/service	Plan	Fact	Execution %	Deviation	Note
1	Design and survey work for the development of a working project "Major repairs/reconstruction of the 10 kV Kenkiyak-Kumkol MN overhead power line "	73 150	65,835	90%	-7 315	<b>Completed.</b> Savings under the tender.
2	Design and survey work for the development of a working project for the "Major repair of a 10 kV radial overhead power line with a total length of 108.5 km"	32,500	29,250	90%	-3 250	<b>Completed.</b> Savings under the tender.
3	Design and survey work for the development of design and estimate documentation for the reconstruction of the Kenkiyak-Kumkol main pipeline structures	94,694	85 225	90%	-9 469	<b>Completed.</b> Savings under the tender.
4	Installation of overflow on sections of roads in areas of washouts	46,791	41,600	89%	-5 191	<b>Completed.</b> Savings under the tender.
5	Construction of crossings across the Kenkiyak-Kumkol main pipelineline	22,604	22,000	97%	-604	<b>Completed.</b> Savings under the tender.
6	Implementation of PSS Kenkiyak–Kumkol MP	1,235,305	1,092,786	88%	-142 519	<b>Completed.</b> Savings from the expert assessment and tender.
7	Modernization of the TRS Kenkiyak – Kumkol MP	890 187	853 034	96%	-37 154	<b>Completed.</b> Savings from the expert assessment and tender.
8	Design and survey work for the development of design and estimate documentation for the modernization of SCADA for Kenkiyak - Kumkol pipeline network	30,000	26,730	89%	-3 271	<b>Completed.</b> Savings under the tender.
9	Design and survey work for the development of design and estimate documentation for the modernization of the Kenkiyak - Kumkol PLC	30,000	26,730	89%	-3 270	<b>Done.</b> Savings on tender
10	Major overhaul of the boiler room, heating systems, and hot water supply system of ERC Aralsk	80,576	76,510	95%	-4,066	<b>Done.</b> Savings on tender
11	Provision of equipment with motor transport and special equipment for the Kenkiyak-Kumkol railway	643,780	643 811	100%	31	<b>Fulfilled.</b> The overfulfillment is due to the increase in the cost of the bus.
12	Providing additional equipment and replacement at facilities	86 172	77,999	91%	-8 172	<b>Completed.</b> Savings under the tender.
13	Tokabay distribution substation and fire alarm system to the Kenkiyak-Kumkol main line telecommunication networks	25,000	22,250	89%	-2,750	<b>Completed.</b> Savings under the tender.
14	Design and survey work for the development of design and estimate documentation for the project for reconstruction of buildings and structures of ERC Aralsk	40,320	36,288	90%	-4 032	<b>Completed.</b> Savings under the tender.
15	Modernization of OQMS Kumkol equipment of Kenkiyak-Kumkol MP (design and survey)	38,600	34,740	90%	-3 860	<b>Completed.</b> Savings under the tender.
16	Purchase of fixed assets	133,904	159,734	119%	25,830	<b>Done.</b> The overfulfillment is associated with an increase in the quantity and cost of fixed assets.
<b>Activities implemented using the existing savings of the projects " Modernization of TRS Kenkiyak - Kumkol MP" and "Implementation of PSS PTS Kenkiyak "</b>						
17	Construction of overflows		122,350	100%	-122 350	<b>Completed</b>
18	Purchase of fixed assets		26,472	100%	-26,472	<b>Completed</b>
<b>TOTAL</b>		<b>3,503,584.62</b>	<b>3,443,344.15</b>	<b>98.3%</b>	<b>-60 240.47</b>	Savings on tenders

The overall implementation of the approved investment program for 2025 amounted to 3,443,344.15 thousand tenge, compared to the approved plan of 3,503,584.62 thousand tenge. The deviation is 60,240.47 thousand tenge, representing savings resulting from tender procedures. Thus, the investment program has been fully implemented.

The resulting savings from tenders (60,240.47 thousand tenge) were used for administrative capital investments in accordance with subparagraph 3) of paragraph 1 of Article 26 of the Law of the Republic of Kazakhstan "On Natural Monopolies."

In accordance with the order of the Department of the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan for the city of Almaty dated November 29, 2024 No. 156-OD, tariff levels were approved for the regulated service of pumping oil through the Partnership's main pipeline to the domestic market for 2025-2029 using the incentive method of tariff regulation, with entry into force on January 1, 2025.

Item No.	Name of the tariff estimate indicators for 2025	Unit of measurement	Provided for in the approved tariff estimate	Actual indicators of the tariff estimate	Deviation (%)	Deviation ( abs .)
1.	<b>Controlled expenses</b>	thousand tenge	7,850,050	8 825 805	12%	975 756
2.	<b>Uncontrolled expenses</b>	thousand tenge	1,146,866	1,171,518	2%	24,652
3.	<b>Depreciation, including:</b>	thousand tenge	3 512 201	6,287,782	79%	2,775,581
3.1	taken into account in the investment program	thousand tenge	3 512 201	3 512 201	0%	0
4	<b>Allowable profit</b> (before performance bonus payment), including:	thousand tenge	7,123,603	5,593,135	-21%	-1 530 468
4.2	taking into account the performance bonus	thousand tenge	7,123,603	5,593,135	-21%	-1 530 468
5	<b>Total income</b>	thousand tenge	<b>19,632,720</b>	<b>21 878 240</b>	<b>11%</b>	<b>2,245,520</b>
6	<b>Volume of services provided</b>	thousand tenge	7,622	8,430	11%	808
6.1	<b>Cargo turnover</b>	million tons/km	5,881	6,553	11%	673
7	<b>Tariff for 2025 (excluding VAT)</b>	tenge/ton per 1000 km	<b>3,338.49</b>	<b>3,338.49</b>	<b>0%</b>	<b>0</b>

# IMPLEMENTATION OF CONTROLLED COSTS FOR 2025



Item No.	Name of tariff estimate indicators	Units of measurement	Plan for the year	Fact for the year	Deviation, in %
<b>I</b>	<b>Costs of production of goods and provision of services, total, including</b>	<b>thousand tenge</b>	<b>6 692 626</b>	<b>7,489,941</b>	<b>12%</b>
1	Material costs ( supplies, materials , electricity)	thousand tenge	164,830	174,545	6%
2	Costs of paying wages to production personnel	thousand tenge	135,434	132,451	-2%
3	Repair	thousand tenge	263,715	242,947	-8%
<b>4</b>	<b>Other expenses</b>	<b>thousand tenge</b>	<b>6,128,647</b>	<b>6,939,998</b>	<b>13%</b>
4.1	Non-departmental and fire protection	thousand tenge	588 360	671 731	14%
4.2	O&M services	thousand tenge	4,879,287	5,667,789	16%
4.3	Metrology	thousand tenge	9,078	19,250	112%
4.4	Maintenance of equipment and metering devices	thousand tenge	60,722	42,411	-30%
4.5	Maintenance of the information and analytical system for managing the integrity of the marine nuclear power plant	thousand tenge	38,035	43,447	14%
4.6	Maintenance of communication systems	thousand tenge	174,039	100 938	-42%
4.7	Environmental monitoring and protection	thousand tenge	12,526	26,041	108%
4.8	Maintenance of hazardous production facilities in the oil and gas industry	thousand tenge	40,055	39,014	-3%
4.9	Costs of maintaining fire alarm systems	thousand tenge	22,307	15,521	-30%
4.10	Maintenance and repair of oil pipeline security systems and maintenance and repair of video surveillance systems	thousand tenge	43,710	30 140	-31%
4.11	Transportation services using official vehicles	thousand tenge	60 650	60 162	-1%
4.12	Maintenance and repair of office equipment, software and climate control systems	thousand tenge	28,430	12,267	-56%
4.13	Routine repair and maintenance of oil metering units	thousand tenge	28,370	31,663	12%
4.14	Communication services	thousand tenge	28 136	27,548	-2%
4.15	Providing food services to employees at the Kenkiyak and Kumkol administrative and amenity centers	thousand tenge	12 123	36,710	203%
4.1 6	Training, retraining and advanced training	thousand tenge	1,846	2,618	42%
4.1 7	Airline services	thousand tenge	36 229	39 282	8%
4.1 8	Maintenance of anti-terrorism security systems	thousand tenge	28,789	26 159	-9%
4.19	Diagnostic work and inspection of underwater crossings	thousand tenge	1 161	1 159	0%
4.2 0	Mandatory medical examination, according to the instructions of the Ministry of Health of the Republic of Kazakhstan	thousand tenge	1,473	4,550	209%
4.2 1	Costs of outsourcing administrative and business administration	thousand tenge	29,413	37,054	26%
4.2 2	Maintenance of administrative buildings	thousand tenge	3,907	4 175	7%
<b>II</b>	<b>Expenses for the period, total</b>	<b>thousand tenge</b>	<b>1,157,423</b>	<b>1,335,864</b>	<b>15%</b>
<b>6</b>	<b>General and administrative expenses</b>	<b>thousand tenge</b>	<b>1,157,423</b>	<b>1,335,864</b>	<b>15%</b>
6.1	Salaries of administrative staff	thousand tenge	339 204	355 232	5%
6.4	Third party services, total	thousand tenge	818 220	980 632	20%
6.4.1	Raw materials and supplies	thousand tenge	2,604	3,803	46%
6.4.2	Costs of outsourcing transport services	thousand tenge	149,430	178,090	19%
6.4.3	Training and advanced training	thousand tenge	5,788	5,697	-2%
6.4.4	Media publication costs	thousand tenge	2,059	4,092	99%
6.4 5	Travel expenses of the administrative and management personnel	thousand tenge	51 506	49 707	-3%

Name of tariff estimate indicators	Unit of measurement	Provided for in the approved tariff estimate	Actual indicators of the tariff estimate	Deviation, in %	Deviation
Social tax and PP deductions	thousand tenge	13,408	14,570	109%	1 162
OSMS PP	thousand tenge	4,063	3,974	98%	-89
OPVR PP	thousand tenge	3,386	3 311	98%	-75
SS Taxes	thousand tenge	1,051,353	1,065,793	101%	14,440
SS Insurance	thousand tenge	8 107	8,737	108%	630
Social tax and contributions of AMP	thousand tenge	33,581	39,076	116%	5,494
OSMS AMP	thousand tenge	10 176	10,657	105%	481
OPVR AMP	thousand tenge	8,480	8 881	105%	401
G&A Taxes	thousand tenge	9,830	12 251	125%	2,420
G&A Insurance	thousand tenge	4,481	4 269	95%	-212
<b>TOTAL UNCONTROLLED COSTS</b>	<b>thousand tenge</b>	<b>1,146,866</b>	<b>1,171,518</b>	<b>102%</b>	<b>24,652</b>

**Uncontrolled costs for 2025** include actual expenses for mandatory insurance, taxes, and payments determined in accordance with the tax legislation of the Republic of Kazakhstan (social tax, compulsory medical insurance, compulsory social security, property tax, and others) and amounted to 1,171,518 thousand tenge, with the approved tariff estimate indicators of 1,146,866 thousand tenge. The 2% or 24,650 thousand tenge excess in costs is due to the actual accrual of tax payments and an increase in the cost allocation base according to cargo turnover on the domestic market in G&A.

Item No.	Name of the indicators of the tariff estimate for 2025	Unit of measurement	Provided for in the approved tariff estimate	Actual indicators of the tariff estimate	Deviation, in %
3.	<b>Depreciation, including:</b>	thousand tenge	3 512 201	6,287,782	79%
3.1	taken into account in the investment program	thousand tenge	3 512 201	3 512 201	0%
4	<b>Allowable profit</b> (before performance bonus payment), including:	thousand tenge	<b>7,123,603</b>	<b>5,593,135</b>	<b>-21%</b>
4.1	related to the investment program	thousand tenge	0	0	-
4.2	taking into account the performance bonus	thousand tenge	7,123,603	5,593,135	-21%
5	<b>Total income</b>	thousand tenge	<b>19,632,720</b>	<b>21 878 240</b>	<b>11%</b>
6	<b>Volume of services provided</b>	thousand tenge	7,622	8,430	11%
6.1	<b>Cargo turnover</b>	million tons/km	5,881	6,553	11%
7	<b>Tariff for 2025 (excluding VAT)</b>	tenge/ton per 1000 km	<b>3,338.49</b>	<b>3,338.49</b>	<b>0%</b>

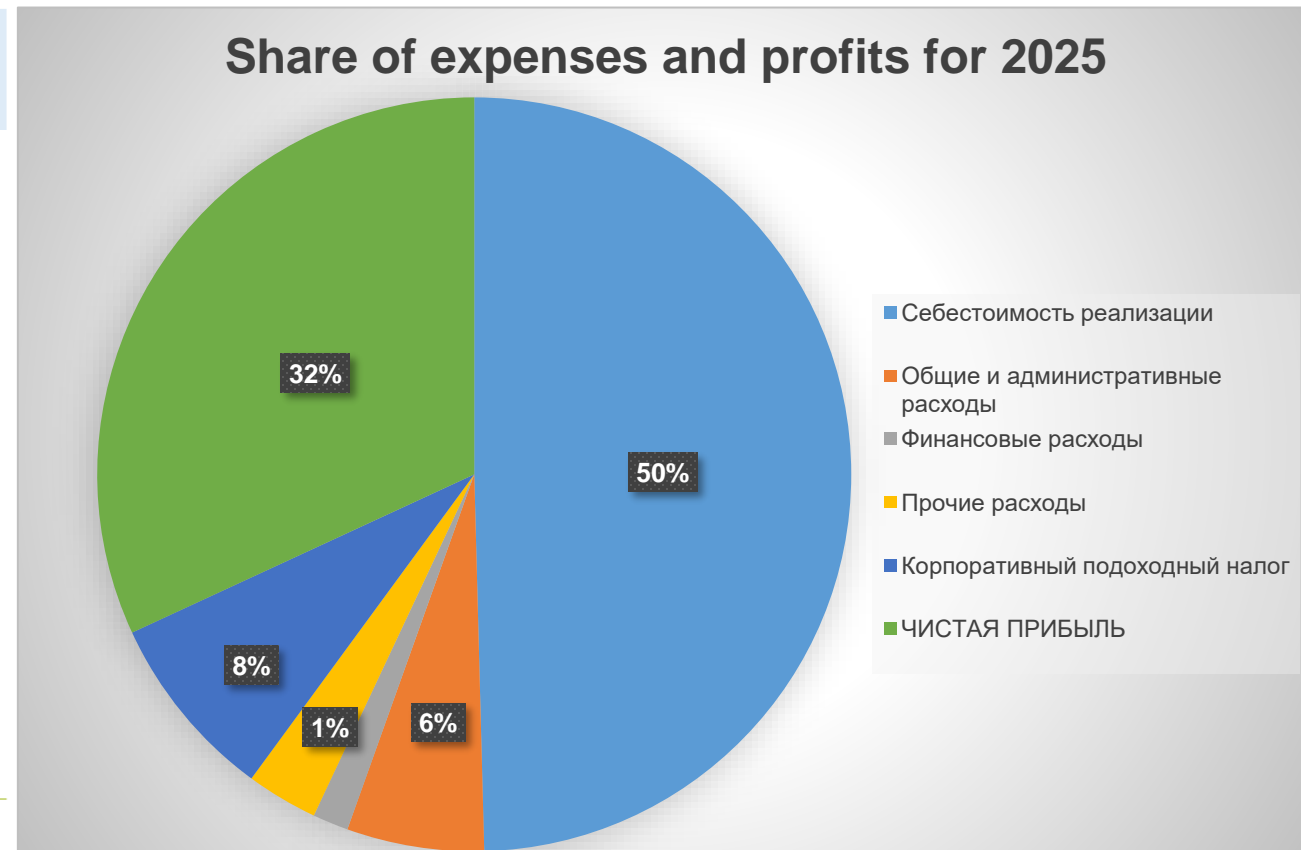
Estimated depreciation was 6,287,782 thousand tenge or 79% of the plan and is represented by accrued depreciation on production fixed assets for 2025.

Allowable profit for the reporting period, as part of the tariff estimate, amounted to 5,593,135 thousand tenge, which is 21% lower than the approved figure. This figure was calculated as the difference between revenue and controllable and uncontrollable expenses.

Tariff estimate revenues amounted to 21,878,240 thousand tenge (111%), with actual oil turnover figures of 6,553 million tons/km.

No. p/p	Quality and reliability indicator	Unit of measurement	Plan	Fact	Note
1	Timely implementation of activities provided for by the investment program	%	100	100	The project's implementation amounted to 3,443,344.15 thousand tenge, compared to the approved plan of 3,503,584.62 thousand tenge, with a deviation of 60,240.47 thousand tenge, representing savings resulting from the tender process. Therefore, the project's implementation was fully completed. The indicator was 100%.
2	Implementation of innovative technology in an enterprise providing a regulated service	event	1	1	As part of the IP, an activity to implement the Social Security System was completed . Thus, this key indicator was met.
3	Maintaining the quality, reliability and other consumer properties of goods during transportation	%	100	100	According to the oil passports, 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	thousand kWh /million t.km	0.51	0.4 1	Actual energy consumption for oil cargo turnover was 0.41 thousand kWh / million tkm . Accordingly, the actual figure was below plan, thus achieving the target.
5	The number of violations of legislation in the sphere of natural monopolies	unit	0	0	During the reporting period, there were no violations of legislation in the area of natural monopolies by the Partnership.
6	Ensuring long-term trouble-free operation of the oil pipeline	%	100	100	According to monthly reports on the implementation of key performance indicators, no accidents, incidents, casualties, or illegal actions leading to the suspension of oil transportation were recorded at the main oil pipeline facilities.
7	Implementation of schedules of approved work plans in order to prevent emergency situations	%	100	100	
8	Time to eliminate accidents	hour	72	-	No accidents were recorded during the reporting period.
9	Compliance with the qualification requirements of management personnel	%	100	100	The partnership complies with the internal requirements of the management team.
10	Reduction of depreciation of fixed assets	%	49.5	40.3	According to historical cost, the estimated accounting depreciation of fixed assets for 2025 was 40.3%.

Indicators	Fact for 2025, in thousand tenge .
<b>INCOME, total</b>	<b>84 755 017</b>
Revenue from sales	76 216 893
Transit revenues	45,567,420
Revenue from the domestic market	21 878 240
Export revenues	8 771 233
Other income	8 538 124
<b>EXPENSES, total</b>	<b>50 909 599</b>
Cost of sales	42 020 23 1
General and administrative expenses	4 989 20 7
Financial expenses	1,297,203
Expenses from non-core activities	2,602,957
<b>Corporate income tax</b>	<b>6 814 708</b>
<b>NET PROFIT</b>	<b>27 030 711</b>



net profit for 2025 amounted to 27,030,711 thousand tenge .

# ACTUAL VOLUME OF PROVISION OF REGULATED SERVICES

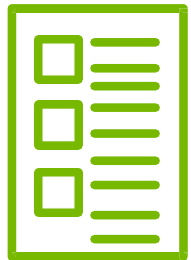
No.	Direction	Pumping volume, thousand tons	Cargo turnover, million tons /km	Share, %
1	JSC " Mangistaumunaigas "	2 011 008	1,597,269	24.37%
2	JSC "SNPS - Aktobemunaigas"	1,999,454	1,588,092	24.23%
3	JSC "Embamunaygas"	1,084,280	861 203	13.14%
4	LLP " Kazakhoil Aktobe"	350,963	278,757	4.25%
5	LLP "KAZAKHTURKMUNAI"	298 235	236,877	3.61%
6	JSC KMK Munai	276,780	219,836	3.35%
7	JSC "Kozhan"	186 126	147,833	2.26%
8	LLP "KEN-SARY"	180 370	143 261	2.19%
9	Buzachi Oil LLP	170,714	135,592	2.07%
10	Aktobe branch of the company " Alties Petroleum International B.V."	149,702	118,903	1.81%
11	Kazakhstan branch of Nelson Petroleum Buzachi B.V.	137,365	109 104	1.66%
12	Branch of the corporation "CNPC International (Buzachi) B.V." in the city of Aktau	137,353	109,094	1.66%
13	LLP " TENGE Oil & Gas"	133 158	105,762	1.61%
14	JSC "Maten Petroleum"	106 008	84 198	1.28%
15	Branch of "Dunga Operating GmbH" in the Republic of Kazakhstan	105,430	83,739	1.28%
16	LLP "KOM-MUNAY"	97 611	77,529	1.18%
17	LLP "Karakudukmunai"	91,755	72,878	1.11%
18	LLP " SK PETROLEUM"	64,286	51,060	0.78%
19	LLP " Jasy Energy"	63,387	50,346	0.77%
20	Sagiz Petroleum Company LLP	60,017	47,669	0.73%
21	LLP " Nobilis Corp"	53,715	42,664	0.65%
22	CHK Absolute Oil Ltd.	53,518	42,507	0.65%
23	Emir-Oil LLP	49 114	39,009	0.60%

No.	Direction	Pumping volume, thousand tons	Cargo turnover, million tons /km	Share, %
24	Tasbulat Oil Corporation LLP	48 309	38,370	0.59%
25	LLP " Meerbusch"	36,813	29 239	0.45%
26	LLP "POTENTIAL OIL"	35,664	28,327	0.43%
27	Prikaspien Petroleum Company	31,706	25 183	0.38%
28	LLP " ANACO"	30 249	24,026	0.37%
29	Joint Venture Arman LLP	29,548	23,469	0.36%
30	JSC " Phystech II"	24,936	19,806	0.30%
31	Eureka Oleum LLP	21,630	17 180	0.26%
32	JSC "NC "KazMunayGas"	19,990	15,877	0.24%
33	LLP "Urikhtau Operating"	18,024	14,316	0.22%
34	LLP "SOUTH-OIL"	185,579	13,854	0.21%
35	JSC "Caspian Oil TME"	14,940	11,866	0.18%
36	" BNG Ltd" LLP (" BNG Ltd")	12,766	10 140	0.15%
37	Aral Petroleum Capital	11,335	9,003	0.14%
38	Branch of the Company " Jupiter Energy Pte	10,920	8,673	0.13%
39	LLP "Aktau-Transit"	7,912	6,284	0.10%
40	LLP " Green production"	4,888	3,882	0.06%
41	Oloreso Petroleum LLP ( Oloreso Petroleum)	3,890	3,090	0.05%
42	LLP " KhamAd partners"	3,806	3,023	0.05%
43	LLP "Svetland - Oil"	3,505	2,784	0.04%
44	TOO "IPC - Munai"	1 106	878	0.01%
45	LLP "Kumkol Oil"	10 216	763	0.01%
46	LLP "Nedra Com"	1,545	115	0.00%
<b>Total for the domestic market</b>		<b>8,429,626</b>	<b>6,553,332</b>	<b>100%</b>

During the reporting period, 54 contracts were concluded with consumers for the domestic market, of which 46 shippers carried out transportation. Oil turnover to the domestic market amounted to 6,553 million tons/km, compared to the approved rate of 5,881 million tons/km in the tariff estimate, representing a 111% increase.



Data on oil pumping is processed daily, a daily oil balance is maintained, on the basis of which the accounting of commercial oil transactions is controlled, and the interaction between the delivering and receiving parties is coordinated.



Control over the quality and quantity of oil is carried out by the Partnership jointly with JSC KazTransOil .



Ensuring uninterrupted transportation of oil, reliable and safe operation of main oil pipeline facilities.



Ensuring timely adjustments to the investment program and tariff estimate for regulated oil pumping services through Kenkiyak-Kumkol pipeline system to the domestic market of the Republic of Kazakhstan for 2026.



Implementation of the investment program and tariff estimate for regulated oil pumping services through Kenkiyak-Kumkol oil pipeline system to the domestic market of the Republic of Kazakhstan for 2026.



Fulfilment of quality and reliability indicators for regulated services in 2026.



THANK YOU  
FOR YOUR ATTENTION

*Sincerely,  
Kazakhstan-China Pipeline LLP*