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# 中国南方航空股份有限公司 CHINA SOUTHERN AIRLINES COMPANY LIMITED

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 1055)

## INSIDE INFORMATION ANNOUNCEMENT ON THE UNRECOVERED LOSSES AMOUNTING TO ONE-THIRD OF THE TOTAL SHARE CAPITAL

This announcement is made by the board of directors (the “**Board**”) of China Southern Airlines Company Limited (the “**Company**”) pursuant to Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

According to the audit report issued by KPMG Huazhen LLP (“**KPMG Huazhen**”), the amount of uncovered losses in the Company's consolidated statements as at 31 December 2024 has exceeded one-third of the total share capital, details of which are set out as follows:

### I. OVERVIEW

According to the audit report issued by KPMG Huazhen, the amount of uncovered losses in the Company's consolidated statements as at 31 December 2024 was RMB38.584 billion, while the Company's share capital was RMB18.121 billion, and accordingly the amount of uncovered losses has exceeded one-third of the total share capital. In accordance with the Company Law and the Articles of Association of China Southern Airlines Company Limited, the Company's uncovered losses amounted to one-third of the total share capital, which shall be subject to consideration at the general meeting of the Company.

### II. MAJOR REASONS FOR THE UNCOVERED LOSSES

In 2024, the Company actively seized market opportunities, focusing on enhancing the quality of passenger and cargo operations, strengthening lean cost control, and reducing the impact of losses. However, as at 31 December 2024, the undistributed profits remained in a state of loss.

### III. COUNTERMEASURES

In 2025, all employees of the Company will significantly enhance their sense of urgency, press forward under pressure, take on responsibilities, and spare no effort to improve operational efficiency.

1. Strengthen research and judgment of the passenger transportation market. Adhere to the strategy of "flying more routes, fully utilizing available routes and maximizing marginal contributions", optimize capacity allocation, prioritize fare control, strengthen market organization, enrich the product system, and increase transit volume.
2. Enhance cargo operations. Closely monitor changes in the cargo market, develop response plans, optimize the deployment of freighters and flight scheduling, strengthen sales organization, enhance connectivity across the network, and continuously improve contributions to cargo efficiency.
3. Deepen collaborative synergy. Work together on cost management, operational services, and other aspects, strengthen strategic, structural, and fundamental cost control, push forward the efficiency projects for profitable ideas, enhance aircraft daily utilization, and fully improve flight punctuality to provide strong support for the Company's operations.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**China Southern Airlines Company Limited**  
**Chen Wei Hua and Liu Wei**  
*Joint Company Secretaries*

Guangzhou, the People's Republic of China  
26 March 2025

*As at the date of this announcement, the Directors include Ma Xu Lun and Han Wen Sheng as executive Directors; and Pansy Catilina Chiu King Ho, Guo Wei and Zhang Jun Sheng as independent non-executive Directors.*