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If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of China Southern Airlines Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

- (1) GENERAL MANDATE TO ISSUE SHARES;**
 - (2) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS;**
 - (3) GENERAL MANDATE TO REPURCHASE A SHARES;**
 - (4) GENERAL MANDATE TO REPURCHASE H SHARES;**
 - (5) UNRECOVERED LOSSES AMOUNTING TO ONE-THIRD OF THE TOTAL
SHARE CAPITAL;**
 - (6) AUTHORISATION TO XIAMEN AIRLINES COMPANY LIMITED ON THE
PROVISION OF GUARANTEES TO ITS SUBSIDIARIES;**
 - (7) PROPOSED APPOINTMENT OF DIRECTOR AND SUPERVISOR;
AND**
 - (8) NOTICE OF AGM**
-

A notice convening the AGM to be held at 9 a.m. on Friday, 23 May 2025 at No. 3301 Conference Room, 33th Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC, a form of proxy to be used at the AGM is despatched by the Company together with this circular and is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.csair.com>).

If you are not able to attend and/or vote at the AGM, you are strongly urged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	A Share(s) of RMB1.00 each in the capital of the Company
“A Share Repurchase Mandate”	the general mandate proposed to be granted to the Board to repurchase A Shares not exceeding 10% of the number of A Shares in issue as at the date of passing the proposed relevant resolutions at the AGM
“AGM”	an annual general meeting of the Company to be convened at 9 a.m. on Friday, 23 May 2025
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Authorisation on the Provision of Guarantees”	the authorisation by the AGM to Xiamen Airlines on the provision of guarantees to Hebei Airlines, SPVs, Xiamen Airlines Finance Lease and its SPV, Jiangxi Airlines and Shangzhou Logistics
“Board”	the board of the directors of the Company
“China” or “PRC”	the People’s Republic of China and, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Company”	China Southern Airlines Company Limited, a company incorporated under the laws of the PRC whose H Shares and A Shares are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“CSAH”	China Southern Air Holding Limited Company, a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company
“Debt Financing Instruments”	the debt financing instruments to be issued by the Company and/or its controlled or wholly-owned subsidiary in one or multiple tranches, including but not limited to corporate bonds, ultra-short-term financing bills, short-term financing bills and mid-term notes
“Directors”	the directors of the Company

DEFINITIONS

“Group”	the Company and its subsidiaries (as defined in the Listing Rules)
“H Share(s)”	H Share(s) with a nominal value of RMB1.00 each in the share capital of the Company
“H Share Repurchase Mandate”	the general mandate proposed to be granted to the Board to repurchase H Shares not exceeding 10% of the number of H Shares in issue as at the date of passing the proposed relevant resolutions at the AGM
“Hebei Airlines”	Hebei Airlines Company Limited, a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Xiamen Airlines as at the Latest Practicable Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangxi Airlines”	Jiangxi Airlines Company Limited, a limited liability company incorporated under the laws of the PRC and a majority-held subsidiary of Xiamen Airlines as at the Latest Practicable Date
“Latest Practicable Date”	23 April 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Proposed Appointment of Director”	the proposed appointment of Mr. Zhu Haiping as an independent non-executive Director of the 10th session of the Board
“Proposed Appointment of Supervisor”	the proposed appointment of Mr. Zhang Tao as a shareholder representative supervisor of the 10th session of the Supervisory Committee
“Proposed Appointments”	the Proposed Appointment of Director and the Proposed Appointment of Supervisor
“Proposed Issuance”	the proposed issuance of the Debt Financing Instruments by the Company
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shangzhou Logistics”	Shangzhou Aviation Logistics Co., Ltd., a limited liability company incorporated under the laws of the PRC and a joint venture of Xiamen Airlines as at the Latest Practicable Date
“Shareholders”	the holders of the Shares
“Shares”	collectively, A Shares and H Shares
“SPVs”	Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited to Xiamen Airlines No. 21 (Xiamen) Aircraft Lease Company Limited, limited liability companies incorporated under the laws of the PRC and wholly-owned subsidiaries of Xiamen Airlines as at the Latest Practicable Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Xiamen Airlines”	Xiamen Airlines Company Limited, a limited liability company incorporated under the laws of the PRC and a majority-held subsidiary of the Company as at the Latest Practicable Date
“Xiamen Airlines Capital”	Xiamen Airlines Capital (Hong Kong) Company Limited, a limited liability company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Xiamen Airlines as at the Latest Practicable Date
“Xiamen Airlines Finance Lease”	Xiamen Airlines Finance Lease Company Limited, a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Xiamen Airlines as at the Latest Practicable Date
“%”	per cent

LETTER FROM THE BOARD



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)

Directors:

Executive Directors:

Ma Xu Lun (*Chairman of the Board*)

Han Wen Sheng (*Vice Chairman of the Board and President*)

Independent non-executive Directors:

Pansy Catilina Chiu King Ho

Guo Wei

Zhang Jun Sheng

Supervisors:

Ren Ji Dong (*Chairman of the Supervisory Committee*)

Wei Zhen Xing

Yang Bin

Registered address:

Unit 301, 3/F, Office Tower

Guanhao Science Park Phase I

12 Yuyan Street, Huangpu District

Guangzhou, Guangdong Province

PRC 510530

30 April 2025

To the Shareholders

Dear Sir or Madam,

- (1) GENERAL MANDATE TO ISSUE SHARES;
(2) GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS;
(3) GENERAL MANDATE TO REPURCHASE A SHARES;
(4) GENERAL MANDATE TO REPURCHASE H SHARES;
(5) UNRECOVERED LOSSES AMOUNTING TO ONE-THIRD OF THE TOTAL
SHARE CAPITAL;
(6) AUTHORISATION TO XIAMEN AIRLINES COMPANY LIMITED ON THE
PROVISION OF GUARANTEES TO ITS SUBSIDIARIES;
(7) PROPOSED APPOINTMENT OF DIRECTOR AND SUPERVISOR;
AND
(8) NOTICE OF AGM

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with information regarding, among other things, (1) the proposed grant of general mandate to the Board to issue Shares; (2) the proposed grant of general mandate to the Board to issue Debt Financing Instruments; (3) the proposed grant of general mandate to repurchase A Shares; (4) the proposed grant of general mandate to repurchase H Shares; (5) the Company's unrecovered losses amounting to one-third of the total share capital; (6) the proposed Authorisation on the Provision of Guarantees; (7) the Proposed Appointments; and (8) the notice of the AGM.

II. GENERAL MANDATE TO ISSUE SHARES

In order to ensure flexibility and to give discretion to the Board in the event that it becomes desirable to issue any Shares, a special resolution will be proposed at the AGM to give an unconditional general mandate to the Board, to separately or concurrently, allot, issue, and deal with additional A Shares and/or H Shares of the Company and to make or grant offers, agreements or options in respect thereof, with a total number of Shares not exceeding 20% of the total number of Shares in issue (including A Shares and H Shares) as at the date of passing the relevant resolution at the AGM (the "**General Mandate**"), at a discount (if any) of no more than 20% to the benchmark price as required by Rule 13.36(5) of the Listing Rules.

The General Mandate will lapse until the earlier of:

- (a) the conclusion of the 2025 annual general meeting of the Company;
- (b) the expiration of the 12 months period following the passing of this resolution; and
- (c) the revocation or variation of the authority given to the Board under this resolution by a special resolution of the Shareholders at a general meeting.

Pursuant to the relevant laws and regulations of the PRC, any additional issuance of A Shares exceeding RMB300 million or exceeding 20% of the net assets of the Company at the latest year end would still require the approval of the Shareholders at a general meeting even if the General Mandate is approved at the AGM. Given the size of the Company, issuance of A Shares not exceeding RMB300 million and not exceeding 20% of the net assets of the Company at the latest year end is not applicable to the Company, and the Company currently has no plan to issue Shares with small value to specific targets so that no authorisation is proposed to the AGM as to issuance of A Shares with small value, meaning that any issuance of A Shares in any amount would require prior approval from the Shareholders at a general meeting.

LETTER FROM THE BOARD

As at 31 March 2025, the Company had in issue 18,120,915,555 Shares. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot, issue and deal with up to a maximum of 3,624,183,111 A Shares and/or H Shares in aggregate, representing 20% of the number of Shares in issue on the basis that no further Shares will be issued by the Company prior to the AGM.

It is also proposed at the AGM to give a conditional general mandate to the Board to increase the registered capital of the Company to reflect the issuance of Shares authorised under the General Mandate, to make such appropriate and necessary amendments to the Articles of Association as it thinks fit to reflect such increase in the registered capital of the Company, and to take any other action and go through any procedure required to effect such increase in the registered capital of the Company.

III. GENERAL MANDATE TO ISSUE DEBT FINANCING INSTRUMENTS

(i) General Information

In order to establish highly-efficient, fast and cost-efficient financing channels and better meet the demand of the operation and long-term development of the Company, the Company proposes to issue one or a portfolio of Debt Financing Instruments in one or multiple tranches. In order to seize the market opportunity and improve the financing flexibility and efficiency, the Board has resolved to obtain the general mandate to issue the Debt Financing Instruments, which shall be subject to the Shareholders' approval by way of a special resolution at the AGM.

LETTER FROM THE BOARD

(ii) Particulars of Proposed Issuance

Particulars regarding the Proposed Issuance are as follows:

- (a) Issuer: the Company and/or its controlled or wholly-owned subsidiary, and the specific issuer shall be determined by the Board according to the needs of issuance
- (b) Issue size: the balance of each type of Debt Financing Instruments outstanding will be within the permissible size for debt issuance in accordance with the requirements of the applicable laws, and the Debt Financing Instruments shall be issued in accordance with this mandate. The specific issue size shall be determined by the Board according to the capital needs and the market conditions
- (c) Term and type: not more than 15 years for one single-term type of instrument or a portfolio of multiple types of instruments with various terms (excluding perpetual bonds), and the specific term composition and the issue size of different types of instruments with various terms shall be determined by the Board according to the relevant requirements and market conditions
- (d) Use of proceeds: the proceeds to be raised from the Proposed Issuance are intended to be used towards meeting the demand of the Company's production and operations, adjusting its debt structure, replenishing its working capital and/or investment in its projects, among others, and the specific use of proceeds shall be determined by the Board according to the capital needs
- (e) Term of validity of the mandate: from the date of the passing of the resolution at the AGM to the date of the 2025 annual general meeting of the Company. If the Board and/or its authorised representative has decided on the relevant issuance within the term of validity of the mandate, and the Company has also obtained the approval, permission or registration from the regulatory departments for the issuance within the term of validity of the mandate, the Company may complete the relevant issuance within the valid period of such approval, permission or registration.

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(iii) Authorisation to the Board

It is proposed to the Shareholders at the AGM to authorise the Board, generally and unconditionally, to deal with the following in accordance with the specific needs of the Company and market conditions:

- (i) to determine the issuer, type, specific instruments, detailed terms, conditions and other matters relating to the Proposed Issuance (including, but not limited to, the specific issue size, actual principal amount, currency, issue price, interest rate or mechanism for determining the interest rate, issue place, issue timing, term, whether or not to issue in multiple tranches and number of tranches, whether or not to set repurchase or redemption terms, credit rating, guarantee, repayment term, use of proceeds, underwriting arrangements and all other matters relating to the Proposed Issuance);
- (ii) to take all necessary and incidental actions and steps in respect of the Proposed Issuance (including, but not limited to, engagement of intermediaries, making applications to relevant regulatory authorities on behalf of the Company for approval, registration, filing and other procedures relating to the Proposed Issuance, execution of all necessary legal documents related to the Proposed Issuance to proceed with the issuance and other matters relating to the repayment of principal and interest and trading of the Debt Financing Instruments during their terms);
- (iii) to approve, confirm and endorse any of the above actions and steps taken by the Company relating to the Proposed Issuance;
- (iv) to make adjustments to the specific plans for the Proposed Issuance in accordance with the opinions of the relevant regulatory authorities or the then prevailing market conditions within the authority of the Board, in the case of any change in policies of regulatory authorities or any change of market conditions, except where voting at a general meeting is required by any relevant laws and regulations and the Articles of Association of the Company;
- (v) to determine and handle all relevant matters relating to the listing of the Debt Financing Instruments upon the completion of the Proposed Issuance, and other matters relating to the repayment of principal and interest and trading of the Debt Financing Instruments during their terms.
- (vi) to approve, sign and distribute announcements and circulars relating to the Proposed Issuance in accordance with the applicable regulatory rules adopted at the listing place, and to disclose relevant information.

LETTER FROM THE BOARD

(vii) to deal with other specific matters relating to the Proposed Issuance and the listing of relevant Debt Financing Instruments.

(viii) to make adjustments to each relevant matter and the performance during the term of validity in accordance with laws, regulations and normative documents and the actual performance of the Proposed Issuance.

IV. PROPOSED GRANT OF A SHARE REPURCHASE MANDATE AND H SHARE REPURCHASE MANDATE

In order to allow the Company to repurchase the Shares in a timely and flexible manner, the resolutions in relation to the proposed grant of the A Share Repurchase Mandate and the H Share Repurchase Mandate were considered and approved by the Board on 26 March 2025. The resolutions in relation to the proposed grant of the A Share Repurchase Mandate and the H Share Repurchase Mandate will be submitted, by way of special resolutions, for the Shareholders' consideration and approval at the AGM, particulars of which are set out as follows and in the notice of the AGM of this circular.

It is proposed that the Board be authorised to repurchase, during the Relevant Period, (i) an aggregate number of A Shares not exceeding 10% of the total number of A Shares in issue as at the date on which the resolution in relation to the grant of the A Share Repurchase Mandate is considered and approved at the Shareholder's General Meeting; and/or (ii) an aggregate number of H Shares not exceeding 10% of the total number of H Shares in issue as at the date on which the resolution in relation to the grant of the H Share Repurchase Mandate is considered and approved at the Shareholder's General Meeting, in accordance with market conditions and the needs of the Company, in order to maintain the value of the Company and the interests of Shareholders, or to use the Shares for purposes including but not limited to, employee stock ownership plan or equity incentive, conversion of corporate bonds issued by the Company that are convertible into Shares, etc.

For the purpose of the A Share Repurchase Mandate and the H Share Repurchase Mandate, "Relevant Period" means the period from the date of passing of the special resolution(s) in respect of the grant of the A Share Repurchase Mandate and/or the grant of the H Share Repurchase Mandate, respectively, at the AGM until whichever is the earliest of:

- (i) the conclusion of the 2025 annual general meeting of the Company; or
- (ii) the date on which the A Share Repurchase Mandate and/or the H Share Repurchase Mandate set out in the relevant special resolution(s) is revoked or varied by way of special resolution(s) at any general meeting.

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If within the Relevant Period, the Board or a person authorised by the Board has signed the necessary documents and handled the necessary procedures, and such documents, procedures may need to be performed or carried out at or after the end of the Relevant Period, or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

It is proposed that the Board also be generally authorised to handle relevant matters in relation to the repurchase of the A Shares and/or the H Shares, including but not limited to:

- (i) formulate and implement the detailed repurchase plan, including but not limited to determining the class of Shares to be repurchased, repurchase price, number of Shares to be repurchased, timing of repurchase and period of repurchase, pursuant to the requirements under the laws and regulations including the Company Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules for Repurchase of Shares by Listed Companies and the Articles of Association as amended and in effect from time to time;
- (ii) notify the creditors and publish announcements in accordance with the provisions of the Company Law and other relevant laws, regulations and regulatory documents and the Articles of Association (if applicable);
- (iii) open stock account and complete the corresponding registration procedure of the change in foreign exchange;
- (iv) determine the specific purpose of the repurchase of A Shares and/or the H Shares based on the actual situations of the Company and within the time limit specified by applicable laws and regulations, and adjust or change the purpose of the repurchase of A Shares and/or H Shares within the scope permitted by the applicable laws and regulations;
- (v) fulfil the relevant approval or filing procedures in accordance with the requirements of the regulatory authorities and the places of listing of the Company (if applicable);
- (vi) complete the procedure for the transfer or cancellation of the Shares repurchased according to the actual repurchase situation, to amend the Articles of Association with respect to relevant content such as the total share capital and shareholding structure, and to perform the relevant domestic and foreign registration and filing procedures related to repurchase according to the statutory requirements in the PRC and foreign regions;

LETTER FROM THE BOARD

- (vii) make adjustments to the repurchase plan and continue to handle matters relevant to the repurchase in accordance with the relevant requirements of the PRC, the government departments and securities regulatory authorities as well as the market conditions and the actual operational situation of the Company where there are new policy requirements on share repurchase under the laws and regulations or by securities regulatory authorities, or where there are changes in the market conditions, except for those subject to re-voting at the general meetings pursuant to the requirements of relevant laws and regulations and the Articles of Association;
- (viii) deal with other matters that are considered necessary, proper and appropriate to the exercise of the general mandate by the Board, provided that such matters are not in contravention of applicable domestic and overseas laws and regulations; and
- (ix) subject to the above authorisations, the Board continues to authorise any one executive Director to determine, execute and handle all matters relating to the aforesaid repurchase of Shares.

The proposed grant of the A Share Repurchase Mandate and the H Share Repurchase Mandate respectively is merely authorisation by the Shareholders' meetings to the Board to handle matters relevant to the repurchase of the Shares. Subject to consideration and approval by the AGM, the Company will determine whether it will proceed with the repurchase and make specific repurchase plans, as and when appropriate.

An explanatory statement containing information regarding the proposed grant of the A Share Repurchase Mandate and the H Share Repurchase Mandate is set out in Appendix I to this circular.

V. THE COMPANY'S UNRECOVERED LOSSES AMOUNTING TO ONE-THIRD OF THE TOTAL SHARE CAPITAL

Reference is made to the Company's announcement dated 26 March 2025 in relation to the Company's unrecovered losses amounting to one-third of the total share capital.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

VI. AUTHORISATION TO XIAMEN AIRLINES ON THE PROVISION OF GUARANTEES TO ITS SUBSIDIARIES

(i) General Information

Reference is made to the announcement of the Company dated 29 April 2025 in relation to the Authorisation on the Provision of Guarantees.

On 29 April 2025, the Board resolved to authorise Xiamen Airlines to provide guarantees to Hebei Airlines, SPVs, Xiamen Airlines Finance Lease and its SPV, Jiangxi Airlines and Shangzhou Logistics with a maximum balance up to RMB3,610 million, RMB2,500 million, RMB600 million, RMB870 million and RMB300 million or equivalent in foreign currency during the period from 1 July 2025 to 30 June 2026, respectively, and authorise the legal representative of the above relevant companies (or their authorised persons) to carry out all formalities relating to the above guarantees, including but not limited to the signing of relevant agreements and documents. The Authorisation on the Provision of Guarantees shall be subject to the Shareholders' approval at the AGM in accordance with the requirements of Shanghai Stock Exchange and the Articles of Association.

(ii) Information on the Guaranteed Parties

(a) *Hebei Airlines*

Name of the guaranteed party:	Hebei Airlines Company Limited
Place of registration:	World Trade Plaza Hotel, No. 303 Zhongshan East Road, Chang'an District, Shijiazhuang, Hebei Province
Legal representative:	Chen Hong Bo
Registered capital:	RMB3,590 million

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Business scope: Domestic (including Hong Kong, Macau and Taiwan) air passenger and cargo transport services; international (to the neighboring countries) air passenger and cargo transport services; civil aircraft maintenance; operation and management of dedicated roads for airport; leasing of aviation equipment, tools and devices, and sale of aviation equipment; import and export of commodities and technologies (except for those prohibited by PRC or subject to approval); insurance brokerage and agency services; advertising design, production, agency and publishing services; catering services; retail of prepackaged foods, daily necessities, artware and souvenirs; business training (excluding educational training, vocational training and other training that requires approval); laundry services; and leasing of non-residential real estate (businesses subject to approval according to the laws may only be carried out upon approval by the relevant authority).

Material contingencies affecting the solvency of the guaranteed party: None

Shareholder and shareholding structure: owned as to 100% by Xiamen Airlines.

As at the Latest Practicable Date, the guaranteed party is rated AA for the credit rating by the Bank of China.

Asset liability ratio of the guaranteed party as of March 2025: 86.47%.

LETTER FROM THE BOARD

Financial information for the latest one year and one period of the guaranteed party:

Unit: RMB million

Item	As at 31 December 2024	As at 31 March 2025 <i>(unaudited)</i>
Total assets	5,074.48	5,003.14
Total liabilities	4,486.84	4,326.06
Total bank loans	2,698.71	3,433.79
Total current liabilities	1,634.09	1,465.60
Net assets	587.64	677.08
	January- December 2024	January- March 2025 <i>(unaudited)</i>
Revenue	4,017.09	1,054.30
Net profit	277.10	90.26

(b) SPVs

Name of the guaranteed party:	Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited to Xiamen Airlines No. 21 (Xiamen) Aircraft Lease Company Limited
Place of registration:	Unit 431-H, 4th Floor, Building C, Xiamen International Shipping Center, No. 93 Xiangyu Road, Xiamen Area (Bonded Area) of China (Fujian) Pilot Free Trade Zone
Legal representative:	Wang Qing
Registered capital:	ranging from RMB0.1 million to RMB0.2 million, respectively, depending on the quantity and model of the aircrafts operated by each SPV;

LETTER FROM THE BOARD

Business scope: leasing of aircraft and aircraft equipment (SPVs only); other unspecified leasing of machinery and equipment (excluding items subject to approval); purchase of leased property from the domestic and overseas; treatment of residual value of leased property; other unspecified professional consulting services (excluding items subject to approval); import and export of various types of commodities and technologies (with no import and export commodity catalogue attached), except for those restricted or prohibited by the country to be operated or imported or exported by the Company; social economy consulting services (excluding financial consulting services); and other unspecified services (excluding items subject to approval).

Material contingencies affecting the solvency of the guaranteed party: None

Shareholder and shareholding structure: owned as to 100% by Xiamen Airlines.

As at the Latest Practicable Date, the guaranteed party has obtained no credit rating by any bank.

Among the SPVs, Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited to Xiamen Airlines No. 18 (Xiamen) Aircraft Lease Company Limited have been established and authorised by the shareholders of the Company at the general meeting of the Company, while Xiamen Airlines No. 19 (Xiamen) Aircraft Lease Company Limited to Xiamen Airlines No. 21 (Xiamen) Aircraft Lease Company Limited are new companies proposed to be established by Xiamen Airlines. SPVs have no financial information for the latest one year and one period.

LETTER FROM THE BOARD

(c) *Xiamen Airlines Finance Lease and its SPV*

Name of the guaranteed party:	Xiamen Airlines Finance Lease Company Limited
Place of registration:	201-111, 2nd Floor, No. 7 Huyu Road, Xiamen Area (Comprehensive Bonded Zone) of China (Fujian) Pilot Free Trade Zone
Legal representative:	Cai Jin Gao
Registered capital:	RMB1,000 million
Business scope:	Finance lease, leasing, purchase of leased property from the domestic and overseas, treatment and maintenance of residual value of leased property, leasing transaction consulting and guarantee services and other financial leasing businesses approved by the relevant authority; concurrent operation of commercial factoring business in connection with the major businesses of Xiamen Airlines Finance Lease; other unspecified professional consulting services (excluding items subject to approval); import and export of various types of commodities and technologies (with no import and export commodity catalog attached), except for those restricted or prohibited by PRC to be operated or imported or exported by the Company; social economy consulting services (excluding financial consulting services); and other unspecified services (excluding items subject to approval). (The aforementioned businesses do not include business to which the special management measures for foreign investment admission apply.)
Material contingencies affecting the solvency of the guaranteed party:	None
Shareholder and shareholding structure:	owned as to 75% by Xiamen Airlines and 25% by Xiamen Airlines Capital.

Asset liability ratio of the guaranteed party as of March 2025: 74.80%.

LETTER FROM THE BOARD

Financial information for the latest one year and one period of the guaranteed party:

Unit: RMB million

Item	As at 31 December 2024	As at 31 March 2025 <i>(unaudited)</i>
Total assets	3,985.56	4,281.04
Total liabilities	2,910.96	3,202.23
Total bank loans	1,863.14	1,802.11
Total current liabilities	1,041.90	1,644.16
Net assets	1,074.60	1,078.80
	January- December 2024	January- March 2025 <i>(unaudited)</i>
Revenue	47.78	17.06
Net profit	36.20	7.14

LETTER FROM THE BOARD

The SPV of Xiamen Airlines Finance Lease are 11 wholly-owned project companies established for risk isolation, ranging from Xiamen Airlines Rong No. 1 (Xiamen) Leasing Company Limited to Xiamen Airlines Rong No. 11 (Xiamen) Leasing Company Limited, with registered addresses in the Xiamen area of China (Fujian) Pilot Free Trade Zone and Tianjin Pilot Free Trade Zone, respectively. Each SPV's legal representative is Cai Jin Gao. One of the SPV has a registered capital of RMB171 million, while the other SPV each has a registered capital of RMB0.1 million.

Business scope: Licensed Project: financial leasing companies establish project companies in bonded areas within China to carry out financial leasing business. (For projects that require approval by law, business activities can only be carried out after approval by relevant departments. The specific business projects shall be subject to the approval documents or licenses issued by the relevant departments).

Material contingencies affecting the solvency of the guaranteed party: None

As at the Latest Practicable Date, the guaranteed party has obtained no credit rating by any bank.

Shareholder and shareholding structure: owned as to 100% by Xiamen Airlines Finance Lease. SPV have no financial information for the latest one year and one period.

LETTER FROM THE BOARD

(d) Jiangxi Airlines

Name of the guaranteed party:	Jiangxi Airlines Company Limited
Place of registration:	Building 5, Nanchang Base, Nanchang Changbei Airport, Nanchang Economic and Technological Development Zone, Nanchang, Jiangxi Province
Legal representative:	Kang Zhi Yang
Registered capital:	RMB2,500 million
Business scope:	Public air transport, civil aircraft maintenance, food sales, alcohol business (items that need to be approved according to law can only be operated within the validity period of the license after being approved by the relevant departments, and the specific business items and license period are subject to the approval documents or licenses of the relevant departments) General items: aviation international cargo transport agency, supply chain management services, civil aviation materials sales, cargo import and export, technology import and export, domestic trade agency, housing leasing, non-residential real estate leasing, advertising production, advertising release, advertising design and agency, arts and crafts and collectibles wholesale (except ivory and its products), internet sales (except for the sales of goods subject to approval), cosmetics retail, daily necessities sales, sports goods and equipment retail, household appliances sales, household goods sales, sales of office supplies, tea set sales, luggage sales, toy sales (except for projects that require approval according to law, business activities can be carried out independently with business license in accordance with the law)
Material contingencies affecting the solvency of the guaranteed party:	None
Shareholder and shareholding structure:	owned as to 60% by Xiamen Airlines and 40% by Jiangxi Aviation Industry Group Company Limited.

As at the Latest Practicable Date, the guaranteed party is rated A for the credit rating by the Bank of China.

Asset liability ratio of the guaranteed party as of March 2025: 48.60%.

LETTER FROM THE BOARD

Financial information for the latest one year and one period of the guaranteed party:

Unit: RMB million

Item	As at 31 December 2024	As at 31 March 2025 <i>(unaudited)</i>
Total assets	3,319.79	3,117.79
Total liabilities	1,767.61	1,515.11
Total bank loans	0	0
Total current liabilities	801.47	610.45
Net assets	1,552.18	1,602.68
	January- December 2024	January- March 2025 <i>(unaudited)</i>
Revenue	1,948.42	520.04
Net profit	68.09	50.50

LETTER FROM THE BOARD

(e) *Shangzhou Logistics*

Name of the guaranteed party:	Shangzhou Aviation Logistics Co., Ltd.
Place of registration:	Room 601H, Free Trade Law Building, No. 15 Xiangxing 1st Road, Xiamen Area, Pilot Free Trade Zone, China (Fujian)
Legal representative:	Wang Zhi Bing
Registered capital:	RMB1,000 million
Business scope:	mainly engaged in air international cargo transportation agency, domestic cargo transportation agency, land international cargo transportation agency, sea international cargo transportation agency, etc.
Material contingencies affecting the solvency of the guaranteed party:	None
Shareholder and shareholding structure:	owned as to 37.9% by Xiamen Airlines, 50.1% by Xiamen C&D Inc. and 12% by Fujian Zongteng Network Co., Ltd.

As at the Latest Practicable Date, the guaranteed party is rated AAA for the credit rating by the China Merchants Bank.

Asset liability ratio of the guaranteed party as of March 2025: 31.47%.

LETTER FROM THE BOARD

Financial information for the latest one year and one period of the guaranteed party:

Unit: RMB million

Item	As at 31 December 2024	As at 31 March 2025 <i>(unaudited)</i>
Total assets	1,328.91	1,165.44
Total liabilities	537.08	366.76
Total bank loans	0	0
Total current liabilities	502.21	320.59
Net assets	791.83	798.68
	January- December 2024	January- March 2025 <i>(unaudited)</i>
Revenue	1,452.10	383.11
Net profit	25.35	6.85

(iii) Relationship between the Guaranteed Parties and the Company

Xiamen Airlines, a controlled subsidiary of the Company, is owned as to 55% by the Company, 34% by Xiamen C&D Group Company Limited and 11% by Fujian Investment and Development Group Company Limited, respectively. Hebei Airlines and SPVs are wholly-owned subsidiaries of Xiamen Airlines. Xiamen Airlines Finance Lease is owned as to 75% by Xiamen Airlines and 25% by Xiamen Airlines Capital, respectively, and the SPV of Xiamen Airlines Finance Lease are wholly-owned subsidiaries of Xiamen Airlines Finance Lease. Jiangxi Airlines is a controlled subsidiary of Xiamen Airlines and is owned as to 60% by Xiamen Airlines. Shangzhou Logistics is a joint venture of Xiamen Airlines and is owned as to 37.9% by Xiamen Airlines.

(iv) Main Contents of Authorisation on the Provision of Guarantees

As at the Latest Practicable Date, Xiamen Airlines has not entered into any guarantee agreements with any third-party entities beyond the scope of authorisation. The abovementioned guarantee limits shall only be taken as the maximum guarantee that may be provided by Xiamen Airlines as authorised, and the specific guarantee amounts within the foregoing guarantee limits shall be subject to the guarantee agreements entered into with the relevant financial institutions. The Company will perform its information disclosure obligations in accordance with the actual execution of any guarantee agreement.

LETTER FROM THE BOARD

(v) **Status of the Cumulative External Guarantees**

As at the Latest Practicable Date, the Company and Xiamen Airlines have provided loan guarantees for self-sponsored trainee pilots with respect to their training fees. The outstanding loan guaranteed amounts approximately to RMB55.0423 million, representing approximately 0.16% of the Company's audited net assets for the latest period and the amount of the joint liability guarantee is approximately RMB29.6417 million. The balance of guarantee provided by the Company and its controlled subsidiaries to 34 special purpose vehicles in operation is US\$4,838 million, with no overdue guarantees up to date. The balance of guarantees provided by Xiamen Airlines to its controlled subsidiaries (excluding SPVs) is RMB2,230 million. The total amount of guarantee provided by the Company and its controlled subsidiaries to their controlled subsidiaries amounts approximately to RMB36,958 million, representing approximately 106.42% of the Company's audited net assets for the latest period (all of the above figures in relation to the guarantees are unaudited).

VII. PROPOSED APPOINTMENTS

References are made to the announcements of the Company dated 27 December 2024 and 26 March 2025, respectively.

Proposed Appointment of Director

On 27 December 2024, the Board resolved to propose to appoint Mr. Zhu Haiping (“**Mr. Zhu**”) as an independent non-executive Director of the 10th session of the Board based on the recommendation proposed by the nomination committee of the Board.

In accordance with the Articles of Association, the Proposed Appointment of Director is subject to the approval by the Shareholders at a general meeting of the Company. Upon due appointment of Mr. Zhu, he will enter into a service contract with the Company and shall hold his office until the expiration of the term of the current session of the Board.

LETTER FROM THE BOARD

The biographical details of Mr. Zhu are as follows:

Mr. Zhu Haiping, male, born in 1963 (aged 61), graduated from the Department of Engine, Beihang University, majoring in jet engine principles, received a MBA from China Europe International Business School, and is a member of the Chinese Communist Party and began his career in 1985. He served as the Deputy Division-level Secretary in the Office of the Director of the General Office of the Civil Aviation Administration of China, the Deputy Manager and Manager of the First Department of China Aviation Supplies Import and Export Corporation. From May 2004 to December 2004, he served as the Assistant to the General Manager of China Aviation Supplies Import and Export Corporation; from December 2004 to February 2006, he served as the Deputy General Manager of China Aviation Supplies Import and Export Corporation; from February 2006 to August 2012, he served as the Assistant to the General Manager of China Aviation Supplies Holding Company; from August 2012 to September 2018, he served as the Member of the Party Committee and Assistant to the General Manager of China Aviation Supplies Holding Company; from September 2018 to June 2023, he served as the Member of the Party Committee and the Deputy General Manager of China Aviation Supplies Holding Company. He also served as the General Manager and Deputy Party Secretary of China Aviation Supplies Import and Export Co., Ltd., and the Chairman of AerDragon Aviation Leasing Co., Ltd.

Pursuant to the “Administrative Measures on Directors’ Remuneration of China Southern Airlines Company Limited”, the annual basic emolument of a Director is determined with reference to the responsibilities, risks and contributions of his/her position. The annual basic emolument of Mr. Zhu as an independent non-executive Director of the 10th session of the Board is either RMB200,000 (before taxation) or be determined according to relevant national policies. The annual basic emolument of independent non-executive Directors of the 10th session of the Board was approved by the Shareholders on the first extraordinary general meeting of 2024 of the Company on 29 July 2024.

As at the Latest Practicable Date, save as disclosed above, Mr. Zhu (i) has not held any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other major appointments and professional qualifications; (ii) has not had any relationship with any Directors, supervisors, senior management, substantial or controlling shareholders of the Company; (iii) has not held any other position with the Group; and (iv) has not had any interests in shares of the Company within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed above, there is no other matter that needs to be brought to the attention of the holders of securities of the Company in connection with the Proposed Appointment of Director, nor is there any other information to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules.

LETTER FROM THE BOARD

Proposed Appointment of Supervisor

On 26 March 2025, the Supervisory Committee resolved to propose to appoint Mr. Zhang Tao (“**Mr. Zhang**”) as a shareholder representative supervisor of the 10th session of the Supervisory Committee.

In accordance with the Articles of Association, the Proposed Appointment of Supervisor is subject to the approval by the Shareholders at the AGM. Upon due appointment of Mr. Zhang, he will enter into a service contract with the Company and shall hold his office until the expiration of the term of the current session of the Supervisory Committee.

The biographical details of Mr. Zhang are as follows:

Zhang Tao, male, born in February 1973 (52 years old), graduated from the Faculty of Law of Peking University, majoring in Economic Law, and obtained his master’s degree in Management from Quebec University in Canada, majoring in Project Management. He is a member of the Chinese Communist Party. Mr. Zhang started his career in July 1995, and served as the Deputy General Manager and a member of the Party Committee of Guizhou Airport Group Company Limited. He served as Party Secretary and Executive Vice President of Guizhou Airlines Company Limited in December 2013; Party Secretary and Deputy General Manager of Guangzhou Flight Division of China Southern Airlines Company Limited in September 2017; Party Secretary and Vice President of Fleets Division of China Southern Airlines Company Limited in May 2018. From December 2020, he served as Director of the Organization and Personnel Division of China Southern Air Holding Company Limited and China Southern Airlines Company Limited.

Pursuant to the “Administrative Measures on Supervisors’ Remuneration of China Southern Airlines Company Limited”, the emolument of a supervisor is determined with reference to the responsibilities, risk and contributions of his/her position. Mr. Zhang will not receive any remuneration from the Company for his role as a supervisor of the Company.

As at the Latest Practicable Date, save as disclosed, Mr. Zhang (i) had not held any directorships in other publicly listed companies in the last three years; (ii) had not had any relationship with any directors, supervisors, senior management, substantial or controlling shareholders of the Company; and (iii) had not had any interests in shares of the Company within the meaning of Part XV of the SFO.

There is no other matter that need to be brought to the attention of the Shareholders in connection with the Proposed Appointment of Supervisor, nor is there any other information to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules.

LETTER FROM THE BOARD

VIII. AGM

A notice convening the AGM to be held at 9 a.m. on Friday, 23 May 2025 at No. 3301 Conference Room, 33th Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC, a form of proxy to be used at the AGM is despatched by the Company together with this circular and is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.csair.com>).

In order to determine the list of Shareholders who are entitled to attend the AGM, the Company's register of members will be closed from Wednesday, 14 May 2025 to Friday, 23 May 2025, both days inclusive, during which period no transfer of H Shares will be effected. In order to attend and vote at the AGM, holders of H Shares whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at or before 4:30 p.m. on Tuesday, 13 May 2025, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy enclosed in the notice of AGM in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the AGM and voting in person if you so wish.

IX. RECOMMENDATION OF THE BOARD

The Directors believe that all the resolutions proposed for consideration and approval by the Shareholders at the AGM are in the best interests of the Company and the Shareholders as a whole, and the Company will continue to comply with the requirements of the Listing Rules and all the decisions made by the Board will be in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM as set out in the notice of AGM.

LETTER FROM THE BOARD

X. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board

Ma Xu Lun

Chairman

The following is an explanatory statement required by Rule 10.06(1) (b) of the Hong Kong Listing Rules to provide the Shareholders with information reasonably necessary to enable such Shareholders to make an informed decision on whether to vote for or against the special resolution to approve the grant of the A Share Repurchase Mandate and the grant of the H Share Repurchase Mandate.

1. NUMBER OF SHARES PROPOSED TO BE REPURCHASED

As at the Latest Practicable Date, the total number of issued Shares was 18,120,915,555, which comprised 13,476,918,247 A Shares and 4,643,997,308 H Shares.

Subject to the passing of the special resolutions in respect of the grant of the A Share Repurchase Mandate and the grant of the H Share Repurchase Mandate, on the basis that the total number of issued A Shares (being 13,476,918,247 A Shares) and the total number of issued H Shares (being 4,643,997,308 H Shares) as at the Latest Practicable Date, will remain unchanged on the date of the AGM, during the period in which the A Share Repurchase Mandate and the H Share Repurchase Mandate remain in force, the Directors will be authorised to repurchase up to 1,347,691,824 A Shares under the A Share Repurchase Mandate and to repurchase up to 464,399,730 H Shares under the H Share Repurchase Mandate, representing 10% of the total issued A Shares and 10% of the total issued H Shares, respectively.

2. REASONS FOR SHARE REPURCHASE

In order to maintain the value of the Company and rights and interests of the Shareholders, and to allow the Company to repurchase the Shares in a timely and flexible manner, it is proposed that the Board shall be granted the A Share Repurchase Mandate and the H Share Repurchase Mandate.

The repurchase of the A Shares and/or the H Shares will only be exercised when the Directors believe such repurchase will benefit the Company and the Shareholders as a whole.

3. SOURCE OF FUNDS

In repurchasing the A Shares and/or the H Shares, the Company may use its self-owned funds or self-raised funds legally available for such purpose in accordance with the applicable laws and regulations of the PRC, listing rules of the Company's listing places and the Articles of Association.

4. IMPACT ON WORKING CAPITAL

As compared with the financial position of the Company as at 31 December 2024 (being the date to which the latest audited accounts of the Company were made up), the Directors consider that there will not be a material adverse impact on the working capital or the gearing position of the Company in the event that the A Share Repurchase Mandate and/or the H Share Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period.

5. MARKET PRICES OF SHARES

The highest and lowest prices at which the A Shares and the H Shares were traded on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively, during each of the previous twelve months up to the Latest Practicable Date were as follows:

	A Shares		H Shares	
	Lowest <i>RMB</i>	Highest <i>RMB</i>	Lowest <i>HK\$</i>	Highest <i>HK\$</i>
2024				
April	5.41	5.77	2.54	2.98
May	5.56	6.16	2.81	3.48
June	5.66	5.99	2.88	3.44
July	5.69	6.03	2.77	3.12
August	5.56	6.09	2.65	2.98
September	5.18	6.60	2.36	3.75
October	5.68	7.18	2.91	3.86
November	6.00	6.98	3.18	4.00
December	6.42	7.49	3.60	4.42
2025				
January	5.85	6.53	3.43	4.12
February	5.61	6.18	3.31	3.86
March	5.66	6.16	3.45	4.07
April (up to the Latest Practicable Date)	5.35	5.90	2.95	3.59

6. GENERAL

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined under the Hong Kong Listing Rules) have any present intention, in the event that the proposed grant of the A Share Repurchase Mandate and/or the proposed grant of the H Share Repurchase Mandate are approved by the Shareholders, to sell any Shares to the Company.

The Company has not been notified by any core connected persons (as defined under the Hong Kong Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the proposed grant of the A Share Repurchase Mandate and/or the proposed grant of the H Share Repurchase Mandate are approved by the Shareholders.

The Directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the Company to make repurchases of the A Shares and/or the H Shares pursuant to the A Share Repurchase Mandate and/or the H Share Repurchase Mandate in accordance with the Hong Kong Listing Rules and the applicable laws and regulations of the PRC.

The Company may cancel the shares bought back under the H Share Repurchase Mandate, and/or hold them as treasury shares subject to, for example, market conditions, purposes of repurchase and its capital management needs at the relevant time of the repurchase.

Neither the explanatory statement nor the A Share Repurchase Mandate/H Share Repurchase Mandate has any unusual features.

7. TAKEOVERS CODE

If on exercise of the powers to repurchase the A Shares and/or the H Shares pursuant to the A Share Repurchase Mandate and/or the H Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, CSAH and the parties acting in concert with it controlled or was entitled to exercise control over the voting rights in respect of 9,404,468,936 A Shares and 2,648,836,036 H Shares, representing approximately 66.52% of the total issued share capital of the Company, and CSAH was the controlling shareholder of the Company.

In the event that the Directors should exercise the A Share Repurchase Mandate and H Share Repurchase Mandate in full, the proportional interests in the voting rights of the CSAH in the Company would be increased to approximately 73.91% of the total share capital of the Company (if it does not participate in such repurchase). On this basis, the Directors are of the view that an exercise of the A Share Repurchase Mandate and/or the H Share Repurchase Mandate in full will not give rise to an obligation on CSAH to make a mandatory offer under Rule 26 of the Takeovers Code. Accordingly, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase of A Shares and/or the H Shares.

Moreover, the Directors will not make any repurchase of Shares on the Stock Exchange if such repurchase of Shares would result in the requirements under Rule 8.08 of the Hong Kong Listing Rules not being complied with.

8. SHARE REPURCHASES MADE BY THE COMPANY

The Company had not purchased any Shares (whether on the Hong Kong Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

THE PLAN OF SHAREHOLDERS' RETURN (2025–2027)

Pursuant to the requirements of the Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies (Zheng Jian Fa [2012] No. 37), the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (Zheng Jian Hui Gong Gao [2023] No.61) issued by China Securities Regulatory Commission, the Shanghai Stock Exchange Listed Company Self-regulatory Guidelines No. 1 – Standardized Operations and the relevant provisions of the Articles of Association, in order to improve and perfect the shareholder return and dividend system of China Southern Airlines Co., Ltd. (hereinafter referred to as the “**Company**”), establish a sustainable, stable and scientific shareholder return plan and mechanism, and safeguard the legitimate rights and interests of investors, the board of directors (hereinafter referred to as the “**Board**”) of the Company has formulated the Dividend Distribution Plan for Shareholders of China Southern Airlines Company Limited (2025–2027) (hereinafter referred to as the “**Plan**”) and the main contents are as follows:

I. FACTORS CONSIDERED IN THE FORMULATION OF THE PLAN

The Company is committed to its strategic goals and future sustainable development. On the basis of a comprehensive analysis of factors including but not limited to the Company’s actual situation, business development targets, Shareholders’ requests and intention, costs of social capital, the cash flow of the Company, the Company fully considered its present and future scale of profits, stage of development and financing environment, in order to establish sustainable, stable and scientific return plan and mechanism for its investors, as well as make systematic arrangement for the profit distribution to ensure the continuity and stability of its profit distribution policies.

II. PRINCIPLES FOR FORMULATION OF THE PLAN

1. The Dividend Distribution Plan for Shareholders of the Company shall be formulated with due regard to the opinions of the shareholders (particularly minority investors), the independent directors and the supervisors;
2. The Dividend Distribution Plan for Shareholders of the Company shall be strictly in accordance with the profit distribution policy as specified in the Articles of Association;
3. The formulation of the Dividend Distribution Plan for Shareholders of the Company shall give full consideration to the investors’ return, reasonably balance and deal with the relationship between the Company’s own stable and healthy development and return to the shareholders, and implement scientific, sustainable and stable profit distribution policy.

III. THE DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS OF THE COMPANY IN THE UPCOMING THREE YEARS (2025–2027)

1. Profit distribution forms: The Company may distribute dividends in cash, shares, a combination of cash and shares or in other reasonable manners in compliance with laws and regulations.
2. Conditions and proportion of distribution of cash dividends: Provided that the Company records a profit for the year and there is distributable profit, and after allocation to the statutory common reserve fund and discretionary common reserve fund as required, there are no exceptional matters including material investment plans or material cash outflows (material investment plans or material cash outflows refer to proposed external investments, acquisition of assets or purchase of equipment in the coming 12 months that in aggregate constitute expenditure exceeding 30% of the net assets of the Company as shown in the latest audited consolidated statements) and there has not incurred any material losses (losses in the amount exceeding 10% of the net assets of the Company as shown in the latest audited consolidated statements), the Company shall distribute cash dividends out of profit in an amount not less than 10% of the distributable profit for the year (i.e. profit realized for the year after making up for losses and allocation to reserve fund). The accumulated payment of dividend in cash for the last three years may not be less than 30% of the Company's average distributable profit for the last three years. The accumulated payment of dividend in cash for the coming three years may not be less than 30% of the Company's average distributable profit for such three years.
3. Differential cash dividend policy: The Board shall take into account the industry nature where the Company operates, its development stage, operation model and level of profitability as well as whether it has material capital expenditure arrangement and propose a differential cash dividend policy according to the procedure as stipulated in the Articles of Association based on the following circumstances:
 - (1) Where the Company is developing at a mature stage and there is no material capital expenditure arrangement, the minimum proportion of cash dividends to such profit distribution shall reach 80% in making profit distribution;
 - (2) Where the Company is developing at a mature stage and there are material capital expenditure arrangements, the minimum proportion of cash dividends to such profit distribution shall reach 40% in making profit distribution;
 - (3) Where the Company is developing at a growing stage and there are material capital expenditure arrangements, the minimum proportion of cash dividends to such profit distribution shall reach 20% in making profit distribution;

The Board shall determine the Company's stage of development for the purpose of dividends distribution with reference to the actual situation. Where the Company's stage of development is difficult to ascertain but an arrangement for material capital expenditure exists, the profit distribution shall be handled pursuant to the aforesaid rules.

4. Intervals for profit distribution by the Company: Provided that the conditions of profit distribution are met and the Company's normal operation and sustainable development are ensured, the Company shall in principle distribute profit on an annual basis, and interim profit may also be distributed based on the profitability and capital requirement conditions of the Company.
5. Conditions of profit distribution by way of share dividends: Provided that the minimum proportion of distribution of cash dividends is met and reasonable scale of share capital and shareholding structure of the Company are ensured, and with particular attention paid on keeping the steps of capital expansion in pace with the growth in operation results, if there are special circumstances which prevent cash distribution, the Company may consider distributing profit by way of share dividends as a return to investors after consideration of its annual profitability and cash flow position and performance of the procedures required by the Articles of Association. Where the Company made a payment of dividend satisfied by an allotment of shares or completed conversion of capital common reserve fund into capital, the Company may elect not to distribute dividend in cash for the same year, and that year is not counted in the three years as stated above in this article.

IV. FORMULATION CYCLE AND RELEVANT DECISION-MAKING MECHANISM OF THE PLAN

1. The Dividend Distribution Plan for Shareholders shall be reviewed at least once every three years. The plan for a particular period of time shall be devised based on the operating conditions and opinions of the shareholders (particularly minority shareholders) of the Company, the independent directors and the supervisors.
2. The Dividend Distribution Plan for Shareholders of the Company shall be formulated by the Board with due regard to the Company's profit scale, cash flow, development stage and current capital requirements as well as the opinions of the shareholders (particularly minority shareholders), the independent directors and the supervisors, and considered by the Board before submission to a general meeting for approval.
3. The Board's activities and decision-making procedures of dividend policy implementation shall be supervised by the Supervisory Committee.

V. ADJUSTMENT TO THE DIVIDEND DISTRIBUTION PLAN FOR SHAREHOLDERS

During the Plan period, if the Company has to adjust the 3-year plan determined by the Plan due to significant changes to the external operation environment or its own operations, the Board shall, upon detailed demonstration and investigation, fully consider and take the opinions of the independent directors into account. Proposed amendments shall be considered and approved by the Board then submitted at the General Meeting to the shareholders present at the General Meeting for voting, and approved by the shareholders representing more than two thirds of voting rights under the conditions set out in the Articles of Association.

VI. DISCLOSURE OF EXECUTION OF PROFIT DISTRIBUTION PLAN AND CASH DIVIDENDS POLICY

The Company shall disclose in detail its formulation and implementation of cash dividends policy in its annual report. If the Company records a profit for the year and there is distributable profit but no cash dividends plan has been proposed, the Company shall, in its annual report, describe in detail the reason for not proposing profit distribution. Should there be any adjustment or change to the cash dividends policy, detailed descriptions shall be provided on the regulatory compliance and transparency regarding the conditions and procedures for such adjustment or change.

VII. SUPPLEMENTARY PROVISIONS

In case of any matter that has not been covered in this Plan, the laws, regulations, normative documents and the Articles of Association shall apply. This Plan shall be interpreted by the Board of the Company and shall take effect from the date on which it is considered and approved at the general meeting of the Company.

China Southern Airlines Company Limited

26 March 2025

NOTICE OF AGM



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of China Southern Airlines Company Limited (the “Company”) will be held at No. 3301 Conference Room, 33th Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC on Friday, 23 May 2025 at 9 a.m. for the purpose of considering, if thought fit, to approve the following resolutions. Unless otherwise indicated, capitalised terms used herein have the same meanings as those defined in the circular of the Company dated 30 April 2025 (the “Circular”):

AS ORDINARY RESOLUTIONS

To consider and, if thought fit, approve the following resolutions as ordinary resolutions:

1. Resolution regarding the Report of the Board of the Directors of the Company for the year 2024;
2. Resolution regarding the Report of the Supervisory Committee of the Company for the year 2024;
3. Resolution regarding the full text and extract of Annual Report and the Annual Results Announcement of the Company for the year 2024;
4. Resolution regarding the audited consolidated financial statements of the Company for the year 2024;
5. Resolution regarding the profit distribution proposal of the Company for the year 2024

Considering that the Company does not meet the conditions for profit distribution as required under the Articles of Association, the Board did not recommend any payment of cash dividend or conversion of capital reserve into share capital or other profit distribution of the Company for the year 2024;

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6. Resolution regarding the Company's unrecovered losses amounting to one-third of the total share capital;
7. Resolution regarding the appointment of external auditor of the Company for the year 2025

To agree to appoint KPMG Huazhen (Special General Partnership) to provide professional services to the Company for its domestic financial reporting and internal control reporting for the year 2025 and to appoint KPMG to provide professional services to the Company for its Hong Kong financial reporting for the year 2025;

8. Resolution regarding the provision of guarantees by Xiamen Airlines Company Limited;
9. Resolution regarding the Plan of Shareholders' Return of China Southern Airlines Company Limited (2025–2027). Details of this resolution are set out in Appendix II to the Circular.

AS SPECIAL RESOLUTIONS

To consider and, if thought fit, approve the following resolutions as special resolutions:

10. **THAT**

(A) the Board of the Company be and is hereby authorised to allot, issue and deal with additional shares of the Company under the general mandate.

- (1) subject to paragraph (3) of this resolution, the Board of the Company be and is hereby generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph (4) of this resolution) of all the powers of the Company to allot, issue and deal with additional A Shares and/or H Shares of the Company (hereinafter referred to as “**Shares**”) and to make or grant offers, agreements and options which might require the exercise of such powers;
- (2) the authorisation to the Board of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period be and is hereby approved;
- (3) the total number of additional A Shares and/or H Shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with either separately or concurrently by the Board of the Company pursuant to the authorisation in paragraph (1) of this resolution shall not exceed 20% of the total number of the Company's existing issued Shares (including A Shares and H Shares) in issue at the date of passing this resolution; and

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- (4) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until the earlier of:

- (a) the conclusion of the 2025 annual general meeting of the Company;
 - (b) the expiration of the 12 months period following the passing of this resolution; and
 - (c) the revocation or variation of the authority given to the Board of the Company under this resolution by a special resolution of the Company’s shareholders at a general meeting.
- (B) the Board of the Company be and is hereby authorised to increase the registered capital of the Company to reflect the issue of Shares authorised pursuant to the above paragraph (A) of this resolution, to make such appropriate and necessary amendments to the Articles of Association as they think fit to reflect such increase in the registered capital of the Company upon the allotment or issuance of shares, and to take any other action and go through any procedure required to effect such increase of the registered capital of the Company.
11. THAT the Board be and is hereby authorised to determine the specific Debt Financing Instruments and issuance plan, and to issue, in one or multiple tranche(s), Debt Financing Instruments within the permissible size for debt issuance in accordance with the requirements of the applicable laws and regulations under the general mandate.
12. (1) To consider and approve the grant of the A Share Repurchase Mandate:

“THAT

The Board be authorised to repurchase, during the Relevant Period, an aggregate number of A Shares not exceeding 10% of the total number of A Shares in issue as at the date on which the resolution in relation to the grant of the A Share Repurchase Mandate is considered and approved at the AGM, in accordance with market conditions and the needs of the Company, in order to maintain the value of the Company and the interests of Shareholders, or to use the Shares for purposes including but not limited to, employee stock ownership plan or equity incentive, conversion of corporate bonds issued by the Company that are convertible into Shares, etc.

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For the purpose of the A Share Repurchase Mandate, “Relevant Period” means the period from the date of passing of the special resolution(s) in respect of the grant of the A Share Repurchase Mandate at the AGM until whichever is the earliest of:

- (i) the conclusion of the 2025 annual general meeting of the Company; or
- (ii) the date on which the A Share Repurchase Mandate set out in the relevant special resolution(s) is revoked or varied by way of special resolution(s) at any general meeting.

If within the Relevant Period, the Board or a person authorised by the Board has signed the necessary documents and handled the necessary procedures, and such documents, procedures may need to be performed or carried out at or after the end of the Relevant Period, or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

The Board also be authorised to handle relevant matters in relation to the repurchase of A Shares, including but not limited to:

- (i) formulate and implement the detailed repurchase plan, including but not limited to determining the class of Shares to be repurchased, repurchase price, number of Shares to be repurchased, timing of repurchase and period of repurchase, pursuant to the requirements under the laws and regulations including the Company Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules for Repurchase of Shares by Listed Companies and the Articles of Association as amended and in effect from time to time;
- (ii) notify the creditors and publish announcements in accordance with the provisions of the Company Law and other relevant laws, regulations and regulatory documents and the Articles of Association (if applicable);
- (iii) open stock account and complete the corresponding registration procedure of the change in foreign exchange;
- (iv) determine the specific purpose of the repurchase of A Shares based on the actual situations of the Company and within the time limit specified by applicable laws and regulations, and adjust or change the purpose of the repurchase of A Shares within the scope permitted by the applicable laws and regulations;
- (v) fulfil the relevant approval or filing procedures in accordance with the requirements of the regulatory authorities and the places of listing of the Company (if applicable);

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- (vi) complete the procedure for the transfer or cancellation of the Shares repurchased according to the actual repurchase situation, amend the Articles of Association with respect to relevant content such as the total share capital and shareholding structure, and perform the relevant domestic and foreign registration and filing procedures related to repurchase according to the statutory requirements in the PRC and foreign regions;
 - (vii) make amendments to the repurchase plan and continue to handle matters relevant to the repurchase in accordance with the relevant requirements of the PRC, the government departments and securities regulatory authorities as well as the market conditions and the actual operational situation of the Company where there are new policy requirements on share repurchase under the laws and regulations or by securities regulatory authorities, or where there are changes in the market conditions, except for those subject to re-voting at the general meetings pursuant to the requirements of relevant laws and regulations and the Articles of Association;
 - (viii) deal with other matters that are considered necessary, proper and appropriate to the exercise of the general mandate by the Board, provided that such matters are not in contravention of applicable domestic and overseas laws and regulations; and
 - (ix) subject to the above authorisations, the Board continues to authorise any one executive Director to determine, execute and handle all matters relating to the aforesaid repurchase of Shares.”
- (2) To consider and approve the grant of the H Share Repurchase Mandate:

“THAT

The Board be authorised to repurchase, during the Relevant Period, an aggregate number of H Shares not exceeding 10% of the total number of H Shares in issue as at the date on which the resolution in relation to the grant of the H Share Repurchase Mandate is considered and approved at the AGM, in accordance with market conditions and the needs of the Company, in order to maintain the value of the Company and the interests of Shareholders, or to use the Shares for purposes including but not limited to, employee stock ownership plan or equity incentive, conversion of corporate bonds issued by the Company that are convertible into Shares, etc.

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For the purpose of the H Share Repurchase Mandate, “Relevant Period” means the period from the date of passing of the special resolution(s) in respect of the grant of the H Share Repurchase Mandate at the AGM until whichever is the earliest of:

- (i) the conclusion of the 2025 annual general meeting of the Company; or
- (ii) the date on which the H Share Repurchase Mandate set out in the relevant special resolution(s) is revoked or varied by way of special resolution(s) at any general meeting.

If within the Relevant Period, the Board or a person authorised by the Board has signed the necessary documents and handled the necessary procedures, and such documents, procedures may need to be performed or carried out at or after the end of the Relevant Period, or continued after the end of the Relevant Period, the Relevant Period will be extended accordingly.

The Board also be authorised to handle relevant matters in relation to the repurchase of H Shares, including but not limited to:

- (i) formulate and implement the detailed repurchase plan, including but not limited to determining the class of Shares to be repurchased, repurchase price, number of Shares to be repurchased, timing of repurchase and period of repurchase, pursuant to the requirements under the laws and regulations including the Company Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules for Repurchase of Shares by Listed Companies and the Articles of Association as amended and in effect from time to time;
- (ii) notify the creditors and publish announcements in accordance with the provisions of the Company Law and other relevant laws, regulations and regulatory documents and the Articles of Association (if applicable);
- (iii) open stock account and complete the corresponding registration procedure of the change in foreign exchange;
- (iv) determine the specific purpose of the repurchase of H Shares based on the actual situations of the Company and within the time limit specified by applicable laws and regulations, and adjust or change the purpose of the repurchase of H Shares within the scope permitted by the applicable laws and regulations;

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- (v) fulfil the relevant approval or filing procedures in accordance with the requirements of the regulatory authorities and the places of listing of the Company (if applicable);
- (vi) complete the procedure for the transfer or cancellation of the Shares repurchased according to the actual repurchase situation, amend the Articles of Association with respect to relevant content such as the total share capital and shareholding structure, and perform the relevant domestic and foreign registration and filing procedures related to repurchase according to the statutory requirements in the PRC and foreign regions;
- (vii) make amendments to the repurchase plan and continue to handle matters relevant to the repurchase in accordance with the relevant requirements of the PRC, the government departments and securities regulatory authorities as well as the market conditions and the actual operational situation of the Company where there are new policy requirements on share repurchase under the laws and regulations or by securities regulatory authorities, or where there are changes in the market conditions, except for those subject to re-voting at the general meetings pursuant to the requirements of relevant laws and regulations and the Articles of Association;
- (viii) deal with other matters that are considered necessary, proper and appropriate to the exercise of the general mandate by the Board, provided that such matters are not in contravention of applicable domestic and overseas laws and regulations; and
- (ix) subject to the above authorisations, the Board continues to authorise any one executive Director to determine, execute and handle all matters relating to the aforesaid repurchase of Shares.”

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AS ORDINARY RESOLUTIONS

To consider and, if thought fit, approve the following resolutions as ordinary resolutions:

13.00 Resolution regarding the election of independent non-executive Director of the 10th session of the Board of the Company;

13.01 Resolution regarding the election of Mr. Zhu Haiping as an independent non-executive Director of the 10th session of the Board of the Company.

14.00 Resolution regarding the election of shareholder representative Supervisor of the 10th session of the Supervisory Committee of the Company;

14.01 Resolution regarding the election of Mr. Zhang Tao as a shareholder representative Supervisor of the 10th session of the Supervisory Committee of the Company.

(“Accumulative voting” will be used in respect of all the sub-resolutions of Resolutions No. 13.00 and No. 14.00. Please refer to note 4 for details.)

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
30 April 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.

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Notes:

1. Persons who are entitled to attend the AGM

- a. Holders of the H Shares and A Shares whose names appear on the register of holders of H Shares and register of holders of A Shares of the Company, respectively, on Wednesday, 14 May 2025 (“**Eligible Shareholders**”) or their representatives are entitled to attend the AGM after completion of the required registration procedures in accordance with Note 2 “Registration procedures for attending the AGM”. Holders of A Shares shall receive a notice separately.
- b. The directors, supervisors and senior management of the Company.
- c. Representatives of the professional advisers hired by the Company and special guests invited by the Board.

2. Registration procedures for attending the AGM

- a. When attending the AGM, individual Eligible Shareholder or his/her proxy shall bring along his/her identity card. The legal representative of a corporate Eligible Shareholder attending the AGM shall bring along his/her identity card, together with a notarised copy of the resolution or power of attorney issued by the board of directors or other governing body of the corporate Eligible Shareholder to appoint such legal representative to attend the meeting.
- b. Holders of H Shares who intend to attend the AGM must deliver their instruments of transfer together with the relevant share certificates to Computershare Hong Kong Investor Services Limited, the registrar of H Shares, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Tuesday, 13 May 2025.
- c. The register of holders of H Shares will be closed from 14 May 2025 to 23 May 2025 (both days inclusive), during which period no transfer of H Shares will be registered.

3. Proxies

- a. An Eligible Shareholder has the right to appoint one or more proxies to attend the AGM and vote on his/her behalf. A proxy does not need to be a Shareholder. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- b. A proxy must be appointed by an Eligible Shareholder or his/her attorney by way of a form of proxy for the AGM, which is attached to the notice of AGM as Attachment B. If the proxy is appointed by the attorney of an Eligible Shareholder, the power of attorney or other authorisation document(s) authorizing such attorney to appoint the proxy must be notarised.
- c. To be valid, for holders of A Shares, the notorially certified power of attorney, or other document of authorisation, and the form of proxy must be delivered to the registered address of the Company no later than 24 hours before the time appointed for the holding of the AGM. To be valid, for holders of H Shares, the notarised power of attorney or other authorisation document(s), together with the completed form of proxy for the AGM, must be lodged with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong within the same period of time.

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4. Miscellaneous

- a. The AGM are expected to last for not more than one day. Eligible Shareholders (or their proxies) who attend shall bear their own travelling and accommodation expenses.
- b. The address of the headquarter of the Company is:

China Southern Airlines Building
No. 68 Qixin Road, Baiyun District
Guangzhou
Guangdong Province
Postcode 510403
Telephone No.: (+86) 20-8611 2480
Facsimile No.: (+86) 20-8665 9040
Website: www.csair.com
Contact person: Ms. Yang
- c. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll.
- d. According to Article 110 of the Articles of Association of the Company, the accumulative voting system referred to herein means that, in the election of directors or supervisors at the general meeting, each share carrying voting right shall carry the same number of voting right as the number of directors or supervisors proposed to be elected, and the voting rights of the shareholders may be freely cast among the proposed directors and supervisors, either be separately cast in favour of a number of nominees or be collectively cast in favour of one nominee. As such, based on the number of votes that the nominated directors and supervisors have got and the number of directors or supervisors proposed to be elected, those who have got more votes shall be elected.