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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)

CONNECTED TRANSACTION
IN RESPECT OF PROPOSED A SHARE ISSUANCE

CONNECTED TRANSACTION IN RESPECT OF PROPOSED A SHARE ISSUANCE

On 29 April 2026, the Board resolved to put forward to the general meeting to approve and authorise the Board to issue not more than 5,436,289,835 new A Shares (including 5,436,289,835 A Shares) to not more than 35 specific investors (including CSAH) at the A Share Subscription Price, and as part of the A Share Issuance, to enter into the A Share Subscription Agreement with CSAH, pursuant to which CSAH will subscribe for new A Shares at the A Share Subscription Price in the amount of not less than RMB5,000 million and not more than RMB10,000 million. The total funds to be raised from the proposed A Share Issuance will be not more than RMB15,000 million (including RMB15,000 million), which will be utilised to purchase new aircraft and supplement the general working capital of the Company.

LISTING RULES IMPLICATION

As CSAH is the controlling shareholder of the Company, it is a connected person of the Company under the Listing Rules. Consequently, the subscription of new A Shares by CSAH under the A Share Subscription Agreement constitutes connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The new A Shares to be issued pursuant to the proposed A Share Issuance will be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders at the general meeting by way of special resolutions.

GENERAL INFORMATION

A general meeting will be held to consider and, if thought fit, approve the Proposed A Share Issuance.

A circular containing, among others, further details of the Proposed A Share Issuance as well as other related matters, together with notice of the general meeting, will be despatched to the Shareholders as soon as possible as more time is required to prepare such circular.

WARNING: As the Proposed A Share Issuance is conditional upon the fulfilment of certain conditions as mentioned below, the Proposed A Share Issuance may or may not proceed. Potential investors and Shareholders are therefore advised to exercise caution when dealing in the securities of the Company.

I. CONNECTED TRANSACTION IN RESPECT OF PROPOSED A SHARE ISSUANCE

On 29 April 2026, the Board resolved to put forward to the general meeting to approve and authorise the Board to issue not more than 5,436,289,835 new A Shares (including 5,436,289,835 A Shares) to not more than 35 specific investors (including CSAH) at the A Share Subscription Price, and as part of the A Share Issuance, to enter into the A Share Subscription Agreement with CSAH, pursuant to which CSAH will subscribe for new A Shares at the A Share Subscription Price in the amount of not less than RMB5,000 million and not more than RMB10,000 million. The total funds to be raised from the proposed A Share Issuance will be not more than RMB15,000 million (including RMB15,000 million), which will be utilised to purchase new aircraft and supplement the general working capital of the Company.

1. A Share Issuance

The Board proposed to put forward to the general meeting to approve and authorise, inter alia, the Board to issue not more than 5,436,289,835 new A Shares (including 5,436,289,835 A Shares) to not more than 35 specific investors (including CSAH) at the A Share Subscription Price, with the total issue size of not more than RMB15,000 million (including RMB15,000 million). A summary of the proposal of the A Share Issuance is set out below:

Number of new A Shares to be issued

The total number of new A Shares to be issued under the A Share Issuance shall not be more than 5,436,289,835 A Shares (including 5,436,289,835 A Shares). The actual number of A Shares to be issued under the A Share Issuance shall be calculated by dividing the total raised proceeds by the A Share Subscription Price and, in accordance with Article 4 of the "Application Opinions on Articles 9, 10, 11, 13, 40, 57, and 60 of the Administrative Measures for the Registration of Securities Issuance by Listed Companies – Securities and Futures Legal Application Opinion No. 18"(《上市公司證券發行注冊管理辦法>第九條、第十條、第十一條、第十三條、第四十條、第五十七條、第六十條有關規定的適用意見——證券期貨法律適用意見第 18 號》),shall not be more than 30% of the total issued Shares immediately prior to the issuance, i.e., not exceeding 5,436,289,835 A Shares (including 5,436,289,835 A Shares). In case of ex-right or ex-dividend events including distribution of dividend, bonus issue and transfer to share capital from capital reserve or other events leading to changes in the total share capital of the Company during the period from the date of Board resolutions approving the A Share Issuance (i.e. 29 April 2026)

to the date of issuance of such new A Shares, the maximum number of A Shares to be issued under the A Share Issuance shall be adjusted accordingly.

The final number of A Shares to be issued will be determined by the Board or its authorised persons(s) within the authorisation of the general meeting upon discussions with the sponsor (the lead underwriter) *(Note)* based on the actual subscription circumstances after the A Share Issuance has been reviewed and approved by the Shanghai Stock Exchange and approved by the CSRC for registration. (*Note:* As at the date of this announcement, the Company has not engaged any sponsor or underwriter. The sponsor (the lead underwriter) will be engaged and the sponsor agreement will be entered into by the Company on normal commercial terms as and when appropriate.)

Target subscribers

As at the date of this announcement, save for CSAH who has entered into the A Share Subscription Agreement with the Company, the other specific investors for the A Share Issuance are yet to be identified. The other specific investors for the A Share Issuance include securities investment and fund management companies, securities companies, trust companies, financial companies, insurance institutional investors, qualified foreign institutional investors, and other domestic legal entity investors, natural person or other qualified investors that satisfy the requirements of CSRC. Securities investment and fund management company, securities company, qualified foreign institutional investor and Renminbi qualified foreign institutional investor subscribing for the Shares through more than two products under their management shall be regarded as one subscriber under the A Share Issuance. Trust companies, as subscribers under the A Share Issuance, are limited to use their own funds to subscribe for the Shares.

Such other specific investors shall be determined by the Board or its authorised person(s) within the authorisation of the general meeting and upon discussions with the sponsor (the lead underwriter) based on the subscription quotations in accordance with the relevant laws and regulations and the requirements of regulatory authorities after the A Share Issuance has been reviewed and approved by the Shanghai Stock Exchange and approved by the CSRC for registration.

It is expected that, save for CSAH, all other specific investors and the ultimate beneficial owners thereof will be third parties independent of the Company and the connected persons of the Company. If any of such specific investors (other than CSAH) shall be a connected person of the Company, the Company will take all reasonable measures to comply with the relevant requirements under Chapter 14A of the Listing Rules.

A Share Subscription Price

The Price Benchmark Date of the A Share Subscription Price shall be the first day of the issuance period of the new A Shares and therefore could not be determined as at the date of this announcement.

The A Share Subscription Price shall be not less than the higher of (i) 80% of the average trading price of the A Shares as quoted on the Shanghai Stock Exchange in the 20 trading days immediately prior to the Price Benchmark Date, and (ii) the latest audited net asset value per Share attributable to equity shareholders of the Company prior to the issuance (rounded up to the nearest two decimal places).

The average trading price of the A Shares in the 20 trading days preceding the Price Benchmark Date equals to the total trading amount of A Shares traded in the 20 trading days preceding the Price Benchmark Date divided by the total volume of A Shares traded in the 20 trading days preceding the Price Benchmark Date.

Where there are any ex-right or ex-dividend events, including distribution of dividend, bonus issue, rights issue, and transfer to share capital from capital reserve, during the period from the balance sheet date of the Company's latest audited financial report to the date of issuance of such new A Shares, the abovementioned audited net asset value per Share will be adjusted accordingly.

Where there are ex-right or ex-dividend events including distribution of cash dividend, bonus issue and transfer to share capital from capital reserve during the period from the Price Benchmark Date to the date of issuance of the new A Shares, the A Share Subscription Price shall be adjusted in view of the ex-right or ex-dividend events. The adjustment methods are set out as follows:

1. When distributing cash dividends only, the adjustment formula will be: $P_1 = P_0 - D$

2. When issuing bonus shares or capitalising capital reserve, the adjustment formula will be: $P_1 = P_0/(1 + N)$

3. When distributing cash dividends, issuing bonus shares or capitalising capital reserve were performed simultaneously, the adjustment formula will be: $P_1 = (P_0 – D)/ (1 + N)$

whereas P_1 represents the adjusted issue price, P_0 represents the issue price before adjustment, D represents cash dividends per Share and N represents the number of bonus shares per Share or number of Shares resulting from capitalisation of capital reserve to be issued for each Share.

Based on the above pricing mechanism, the final A Share Subscription Price will be determined by the Board or its authorised person(s) within the authorisation of the general meeting upon discussions with the sponsor (the lead underwriter) based on the subscription quotations in accordance with the relevant laws and regulations and the requirements of regulatory authorities after the A Share Issuance has been reviewed and approved by the Shanghai Stock Exchange and approved by the CSRC for registration.

For illustrative purpose only, the closing price per A Share quoted on the Shanghai Stock Exchange as at the date of this announcement was RMB5.50.

Lock-up period

The new A Shares to be subscribed by the specific investors (save for CSAH) shall not be transferred within 6 months from the completion date of the issuance thereof. CSAH undertakes that the new A Shares to be subscribed by CSAH shall not be transferred within 36 months from the completion date of the issuance thereof. The same lock-up requirement is applicable for the A

Shares the subscribers may subsequently obtain due to distribution of share dividend, transfer to share capital from capital reserve and rights issue by the Company during the lock-up period. Upon expiration of the lock-up period, the change in holding of the Shares by the subscribers shall be implemented in accordance with the requirements of the CSRC and the Shanghai Stock Exchange.

If the CSRC or the Shanghai Stock Exchange has new regulations or requirements for the above-mentioned lock-up period arrangement, the above-mentioned lock-up period arrangement will be revised and implemented in accordance with the regulations or requirements of the regulatory authorities.

Subscription method

All specific investors (including CSAH) shall subscribe for the A Shares under the A Share Issuance in cash and at the same price.

A Share Subscription Agreement

In relation to and as part of the A Share Issuance, on 29 April 2026, CSAH entered into the A Share Subscription Agreement with the Company, pursuant to which, the Company will issue and CSAH will at the A Share Subscription Price subscribe for new A Shares in the amount of not less than RMB5,000 million and not more than RMB10,000 million, the consideration of which shall be paid by cash.

Date

29 April 2026

Parties

(1) The Company, as the issuer

(2) CSAH, as the subscriber

Number of new A Shares to be issued

CSAH will subscribe for new A Shares under the A Share Issuance in the amount of not less than RMB5,000 million and not more than RMB10,000 million. The number of A Shares to be subscribed by CSAH under the A Share Issuance is calculated by dividing the total commitment amount of CSAH by the A Share Subscription Price and rounded down to the nearest integer. The Company has the right to make final decision on matters such as the number, the subscription price and the subscription amount of the new A Shares to be subscribed by CSAH according to the laws of the PRC and the issuance plan to be approved for registration by the CSRC.

Lock-up period

CSAH undertakes that the new A Shares to be subscribed by CSAH shall not be transferred within 36 months from the completion date of the issuance thereof. The same lock-up requirement is

applicable for the A Shares CSAH may subsequently obtain due to distribution of share dividend, transfer to share capital from capital reserve and rights issue by the Company during the lock-up period. Upon expiration of the lock-up period, the change in holding of the Shares by CSAH shall be implemented in accordance with the requirements of the CSRC and Shanghai Stock Exchange.

If the CSRC or the Shanghai Stock Exchange has new regulations or requirements for the above-mentioned lock-up period arrangement, the above-mentioned lock-up period arrangement will be revised and implemented in accordance with the regulations or requirements of the regulatory authorities.

Subscription Price

CSAH shall subscribe for new A Shares at the A Share Subscription Price as set forth in the paragraph headed "A Share Subscription Price" of this section.

CSAH will not participate in the market bidding process in relation to the A Share Issuance. CSAH will accept the market bidding results and subscribe for Shares at the same price with other specific investors. If the subscription price of the A Share Issuance cannot be determined by bidding process, CSAH will continue to participate in the A Share Issuance by subscribing for the Shares at the subscription base price (i.e. the higher of (i) 80% of the average trading price of the A Shares as quoted on the Shanghai Stock Exchange in the 20 trading days immediately prior to the Price Benchmark Date, and (ii) the latest audited net asset value per Share attributable to equity shareholders of the Company prior to the issuance (rounded up to the nearest two decimal places)).

After the conditions precedent set out below have all been satisfied, CSAH agreed to subscribe for the new A Shares to be issued pursuant to the Company's notice and the A Share Subscription Agreement and to transfer in a lump sum the subscription consideration in cash to a designated bank account as notified by the Company in writing.

Conditions precedent

The A Share Subscription Agreement shall take effect after being executed by the legal or authorised representatives, as well as the satisfaction of the following conditions:

(1) the approval of the Board and the approval at the general meeting of the A Share Issuance under the A Share Subscription Agreement have been obtained ;

(2) the approval by the board of directors of CSAH or the regulatory authority stipulated in the articles of association of CSAH of the subscription of the new A Shares by CSAH under the A Share Subscription Agreement has been obtained;

(3) all necessary licences, authorisations, permits, consents and other forms of approvals from the relevant approval authorities, including but not limited to the competent authorities supervising and managing the state-owned assets, for the A Share Issuance contemplated under the A Share Subscription Agreement have been obtained; and

(4) the A Share Issuance being reviewed and approved by the Shanghai Stock Exchange and being approved for registration by CSRC.

The Company and CSAH shall use their best efforts to make or cause to make necessary further action to fulfil the above conditions and A Share Issuance in accordance with the applicable laws and regulations.

In the event that the conditions set out above are not fulfilled within 12 months of the date of passing of the Shareholders' resolution approving the A Share Issuance, and an extension of the A Share Issuance has not been granted at general meetings, the A Share Subscription Agreement shall cease to be of any effect and the Company and CSAH shall have no claims against each other, save for claims arising out of any antecedent breach of the A Share Subscription Agreement. In the event that an extension of the A Share Issuance is granted at general meetings, the A Share Subscription Agreement shall remain pending for being effective until the conditions are all fulfilled or the expiry of the valid period of the relevant Shareholders' resolution in relation to the extension granted.

Completion

The completion of the A Share Subscription Agreement will take place when the Shanghai branch of the China Securities Depository and Clearing Corporation Limited confirms that the amount of new A Shares to be subscribed by CSAH pursuant to the A Share Subscription Agreement corresponding to the A Share Issuance to specific investors have been fully subscribed by CSAH and the registration has been completed.

2. Authorisation to the Board to Complete Matters Relating to the Proposed A Share Issuance

In order to ensure the smooth implementation of the relevant matters relating to the A Share Issuance, and pursuant to the laws, regulations and rules of stock exchanges, such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, Measures on the Registration and Administration of Issuance of Securities by Listed Companies and the Listing Rules, as well as the relevant provisions of the Articles of Association, the Board has proposed to seek approval at the general meeting to authorise the Board and its authorised representative(s) with all the powers necessary to proceed with the matters relating to the A Share Issuance, including but not limited to:

(1) that the Board be authorised to determine the method of issuance, the issue price, the amount of issuance, the timing of issuance, the commencement and completion date of issuance and issue targets within the scope of plan of the A Share Issuance as approved at the general meeting in accordance with regulatory requirements of the CSRC and other relevant regulatory departments;

(2) that the Board be authorised to make appropriate adjustments to such plan as described above within the scope of the A Share Issuance as approved at the general meeting and the specific plans at the time of issuance, and to authorise the Board to make the necessary supplements, adjustments or amendments to the application materials, agreements or documents of the A Share Issuance in the event of changes in the laws and regulations or policies of the relevant regulatory authorities in relation to the issue of shares to specific entities or the securities regulatory departments and other relevant government departments provide feedback and requirements on the plan and application materials of the A Share Issuance, or changes in the market conditions;

(3) that the Board be authorised to amend, supplement, execute, submit, report and implement all the agreements or documents related to the A Share Issuance and the subscription, including but not limited to the subscription agreements and other documents and agreements required for the completion of the closing thereunder, all application documents submitted to the competent authorities supervising the state-owned assets and the CSRC and the Shanghai Stock Exchange, the written communications with the competent authorities supervising the state-owned assets, the CSRC, the Shanghai Stock Exchange and the Stock Exchange in relation to the issue and the subscription (if any) of new shares, as well as forms, letters and documents submitted to Shanghai branch of the China Securities Depository and Clearing Corporation Limited;

(4) that the Board be authorised to proceed with the share registration procedures and do all appropriate and necessary acts within its scope, finalise A Share lock-up matters and complete the relevant industrial and commercial registration procedures (as applicable) after completion of fund raising of the A Share Issuance;

(5) that the Board be authorised to make corresponding adjustments to the plans for A Share Issuance and the plan for use of proceeds, approve and execute any corresponding amendments to the share issue reporting documents relating to financial reporting and earnings forecast (if any) in accordance with the requirements of governing authority;

(6) that the Board be authorised, within the scope of the use of proceeds raised and approved by the Shareholders at general meeting and according to the actual progress and the actual capital demand of the projects funded by the proceeds, to adjust or decide the specific arrangement of use of the proceeds; according to the actual progress and the operational needs of the projects, to use the Company's self-raised funds to implement the fund-raising investment project of this offering prior to the receipt of the proceeds first, and then replace the funds used after the proceeds raised are in place in accordance with the procedures prescribed by the relevant regulations; and to make necessary adjustments to the projects funded by the proceeds according to the relevant laws and regulations, the requirements of the regulatory authorities and the market conditions;

(7) that the Board be authorised to set up special account for proceeds and handle matters related to the set-up of special account for proceeds, including but not limited to confirming and signing the relevant agreements and documents required for the set-up of the special account for proceeds;

(8) under the premise of protecting the interests of the Company, to suspend, cease or terminate the A Share Issuance;

(9) that, the Board be authorised to amend the relevant clauses of the Articles of Association based on the actual results of the A Share Issuance, and to authorize the Board to handle the relevant industrial and commercial registration of changes,

(10) that the Board be authorised to execute all the documents relating to the A Share Issuance and to decide and handle all other matters relating thereto, subject to applicable laws and regulations and the provisions or requirements of relevant regulatory agencies or departments, save for those matters required by the relevant laws and regulations and the Articles of Association to be approved at the general meeting;

(11) the authorisation shall be effective for a period of 12 months from the date of approval on the resolution of authorisation at the general meeting.

On the basis of the abovementioned authorisation, the Board shall be approved to authorise the chairman of the Board, vice-chairman of the Board, any one executive director of the Company or any of his authorised person to decide, handle and deal with all matters relating to the A Share Issuance.

3. Ranking of New A Shares to be Issued under the Proposed A Share Issuance and Lock-up Period

The new A Shares to be issued pursuant to the A Share Issuance will rank, upon issue, pari passu in all respects with the A Shares in issue at the time of issue and allotment of such new A Shares, except that (i) the new A Shares to be issued to CSAH are subject to the lock-up period of 36 months; and (ii) the new A Shares to be issued to other specific investors are subject to the lock-up period of 6 months.

4. Application for Listing

The Company will apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the new A Shares to be issued under the A Share Issuance, upon expiry of the lock-up period abovementioned.

5. Shareholding Structure of the Company

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Proposed A Share Issuance:

Class of Shares	**As at the date of this announcement**		**Immediately after completion of the Proposed A Share Issuance (assuming a maximum of 5,436,289,835 A Shares are fully subscribed and none of the outstanding A Share Convertible Bonds is converted)[2 and 3]**		**Immediately after completion of the Proposed A Share Issuance (assuming a maximum of 5,436,289,835 A Shares are fully subscribed and the outstanding A Share Convertible Bonds are fully converted) [2 and 3]**	
	number of shares	*percentage ratio (%)*	*number of shares*	*percentage ratio (%)*	*number of shares*	*percentage ratio (%)*
CSAH (A Shares)	9,404,468,936	51.90%	13,028,662,159	55.31%	13,028,662,159	53.15%
Nan Lung (H Shares) [1]	2,648,836,036	14.62%	2,648,836,036	11.24%	2,648,836,036	10.81%
Public Shareholders						
A Shares	4,072,499,874	22.47%	5,884,596,486	24.98%	6,840,179,630	27.90%
H Shares	1,995,161,272	11.01%	1,995,161,272	8.47%	1,995,161,272	8.14%
Total	**18,120,966,118**	**100.00%**	23,557,255,953	100**%**	24,512,839,097	100**%**

Notes:

1. The H Shares held by Nan Lung include 31,150,000 H Shares directly held by Perfect Lines (Hong Kong) Limited, a wholly-owned subsidiary of Nan Lung.

2. Assuming that CSAH subscribes for new A Shares in the amount of RMB10,000 million and the other specific investors subscribe for new A Shares in the amount of RMB5,000 million, a maximum of 3,624,193,223 new A Shares will be issued by the Company to CSAH and 1,812,096,612 new A Shares will be issued by the Company to other specific investors.

3. As at the date of this announcement, the A Share Convertible Bonds with a nominal value of RMB5,895,948,000 were outstanding. Assuming the outstanding A Share Convertible Bonds are fully converted based on the conversion price of RMB6.17 per Share, the Company may issue approximately 955,583,144 A Shares.

6. Recent Fund Raising Activities and Use of Proceeds

The Company has not conducted any fund raising activities in the past 12 months preceding the date of this announcement.

Assuming the maximum number of new A Shares at the A Share Subscription Price under the Proposed A Share Issuance will be issued, the Company will be able to raise gross proceeds of not more than RMB15,000 million (including RMB15,000 million) from the proposed A Share Issuance. The aggregate nominal value of the new A Shares to be issued under the Proposed A Share Issuance is not more than RMB5,436,289,835. The net price of each new A Share to be issued under the Proposed A Share Issuance will be determined and disclosed upon completion of the proposed A Share Issuance, as well as the determination of the relevant expenses incurred or to be incurred in relation to the Proposed A Share Issuance in accordance with the requirements of the Listing Rules.

Details on the use of proceeds raised in cash from the A Share Issuance (after deduction of relevant expenses for the Proposed A Share Issuance) are as follows:

Serial No.	**Project Name**	**Total Investment Amount (RMB'0,000)**	**Maximum Amount of Proceeds to be Used (RMB0'000)**
1.	Procurement of 46 Aircraft(1)	3,800,100 (3)	1,050,000
2.	Supplement the general working capital (2)	450,000	450,000
Total		4,250,100	1,500,000

Notes:

1. The aircraft to be introduced are from purchase agreements signed by the Company in previous years and have been included in the Company's future fleet introduction plan disclosed in its annual reports, and does not involve the signing of new aircraft purchase agreements.

2. The general working capital of the Company to be supplemented by the proceeds from the A Share Issuance mainly includes payment for liquidity expenses incurred during the operation, including but not limited to fuel expenses, take-off and landing expenses, maintenance and repair expenses, and the purchase of aviation materials.

3. Converted at the exchange rate of US$1: RMB6.9194.

If the actual proceeds to be raised in cash from the A Share Issuance (after deduction of relevant expenses for the Proposed A Share Issuance) are less than the aggregate amount of the proceeds proposed to be invested in the aforementioned projects, the Company will adjust the above proceeds utilisation arrangement including the priority of the investment and the specific investment amount of each project according to the actual net proceeds raised, subject to the compliance with the relevant laws and regulations and according to the priorities of the projects. Any shortfall of proceeds shall be made up by the Company by utilising self-raised fund. In order to ensure the smooth progress of the investment projects and protect the interests of all Shareholders, before the actual receipt of the proceeds of the A Share Issuance, the Company will, depending on the actual situations of the progress of the above projects, first finance these projects by self-owned funds or self-raised funds, which will be replaced once the proceeds raised from the A Share Issuance have been received.

7. Reasons for and Benefits of the Proposed A Share Issuance

The proceeds from the Proposed A Share Issuance, after deduction of expenses for issuance, will be used to purchase new aircraft and supplement the general working capital. This will help the Company continuously optimize its fleet structure and improve its capacity matching capabilities, providing strong support for the Company's efforts to serve national strategies and promote the construction of a modern civil aviation industry system during the 15th Five-Year Plan period. At the same time, the use of the proceeds raised will also help the Company optimize its capital structure, reduce its debt-to-asset ratio, promote the sustained growth of its principal business, and provide financial security for the Company's further stable operation, which is of significant strategic importance to achieving the Company's long-term sustainable development. As CSAH is willing to inject further funding to the Company, the Directors consider that it is in the interests of the Company to raise capital directly from CSAH and other specific investors by way of issuance to specific investors. The Company will be able to raise gross proceeds of not more than RMB15,000 million (including RMB15,000 million) from the proposed A Share Issuance if completed. The Directors consider that the A Share Subscription Price is fair and reasonable by taking into account the recent trading prices of the A Shares. Having considered the above, the Directors consider the terms of the Proposed A Share Issuance are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the terms of the Proposed A Share Issuance and the A Share Subscription Agreement were entered into after arms-length negotiation and the terms therein are fair and reasonable, the transactions contemplated thereunder are, although not conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and are beneficial to the operation and long-term development of the Group and in the interests of the Company and its Shareholders as a whole.

8. Listing Rules Implications

As CSAH is the controlling shareholder of the Company, it is a connected person of the Company under the Listing Rules. Consequently, the subscription of new A Shares by CSAH under the A Share Subscription Agreement constitutes connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The new A Shares to be issued pursuant to the Proposed A Share Issuance will be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders at the general meeting by way of special resolutions.

Among the eight Directors, four connected Directors, Mr. Ma Xu Lun, Mr. Han Wen Sheng, Mr. Cai Zhi Zhou and Mr. Zhang Tao, were required to abstain from voting in the Board meeting in respect of the resolutions to approve the A Share Subscription Agreement and the transactions contemplated thereunder due to their positions held in CSAH. All remaining four Directors who were entitled to vote, unanimously approved the above resolutions. The format and procedure for passing the resolutions were in compliance with the Company Law of the PRC and the Articles of Association

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders, and the Independent Board Committee comprising all four independent non-executive Directors has been established to advise the Independent Shareholders, in respect of the A Share Subscription Agreement and the transactions contemplated thereunder.

In respect of the proposed resolutions to approve the Proposed A Share Issuance, the A Share Subscription Agreement and the transactions contemplated thereunder, as at the date of this announcement, CSAH and its associates, i.e., Nan Lung and Perfect Lines (Hong Kong) Limited, who are directly and indirectly holding an aggregate of 12,053,304,972 Shares, representing approximately 66.52% of the issued share capital of the Company, are required to abstain from voting at the general meeting. Each of CSAH, Nan Lung and Perfect Lines (Hong Kong) Limited controls or is entitled to exercise control over the voting right in respect of its respective shares in the Company.

9. Information of the Contracting Parties

The Company

The principal business activity of the Company is that of civil aviation.

CSAH

CSAH is a state-owned enterprise established in the PRC. The principal business activity of CSAH is operating the Group and other enterprises which the Group invested in and which constitutes wholly state-owned assets and state-owned equity formed through the state's investments.

II. GENERAL INFORMATION

A general meeting will be held to consider and, if thought fit, approve the Proposed A Share Issuance.

A circular containing, among others, further details of the Proposed A Share Issuance as well as other related matters, together with notice of the general meeting will be despatched to the Shareholders as soon as possible as more time is required to prepare such circular.

WARNING: As the Proposed A Share Issuance is conditional upon the fulfilment of certain conditions as mentioned above, the Proposed A Share Issuance may or may not proceed. Potential investors and Shareholders are therefore advised to exercise caution when dealing in the securities of the Company.

III. DEFINITIONS

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

"A Share(s)"	A share(s) with a nominal value of RMB1.00 each in the share capital of the Company;
"A Share Convertible Bonds"	the A Share convertible bonds issued by the Company on 15 October 2020 with nominal value of RMB100 each and the conversion price of RMB6.17 per Share, the conversion period of which is from 21 April 2021 to 14 October 2026
"A Share Issuance" or "Proposed A Share Issuance"	the proposed issuance of new A Shares to not more than 35 specific investors (including CSAH) under the Specific Mandate
"A Share Subscription Agreement"	the share subscription agreement entered into between the Company and CSAH on 29 April 2026, pursuant to which the Company agreed to allot and issue, and CSAH agreed to subscribe for, new A Shares in the amount of not less than RMB5,000 million and not more than RMB10,000 million at the A Share Subscription Price
"A Share Subscription Price"	the subscription price for new A Shares of the A Share Issuance
"Articles of Association"	the articles of association of the Company, as amended from time to time
"associates"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"China" or "PRC"	the People's Republic of China and, for the purpose of this announcement, 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, A Shares are listed on the Stock Exchange and the Shanghai Stock Exchange, respectively
"connected person"	has the meaning ascribed thereto under the Listing Rules
"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
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the directors of the Company

"Group"	the Company and its subsidiaries
"H Share(s) "	H share(s) with nominal value of RMB1.00 each in the share capital of the Company
"Hong Kong	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee of the Company formed to advise the Independent Shareholders in relation to the A Share Subscription Agreement and the transactions contemplated thereunder
"Independent Financial Adviser"	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and is the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Proposed A Share Issuance, the A Share Subscription Agreement and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders, other than CSAH and its associates
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Nan Lung"	Nan Lung Holding Limited, a wholly-owned subsidiary of CSAH
"Price Benchmark Date"	the first day of the issuance period of the A Share Issuance
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	collectively, A Shares and H Shares
"Shareholder(s)"	the holders of Shares
"Specific Mandate"	the specific mandate to be granted by the Shareholders to the Board in relation to the A Share Issuance
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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
29 April 2026

As at the date of this announcement, the Directors include Ma Xu Lun, Han Wen Sheng and Cai Zhi Zhou as executive Directors; Pansy Catilina Chiu King Ho, Guo Wei, Zhang Jun Sheng and Zhu Hai Ping as independent non-executive Directors; and Zhang Tao as employee Director .