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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) MAJOR TRANSACTION
IN RELATION TO PURCHASE OF AIRCRAFT
AND
(2) SUPPLEMENTAL NOTICE OF EGM

A supplemental notice setting out the additional resolutions to be resolved at the EGM to be held at 10:30 a.m. on Monday, 29 July 2024 at No. 3301 Conference Room, 33th Floor, China Southern Airlines Building, No. 68 Qixin Road, Bai Yun District, Guangzhou, Guangdong Province, the PRC is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you intend to be present at the EGM, you are requested to complete the accompanying second form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 24 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the second form of proxy will not prevent you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

24 June 2024

CONTENTS

DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – GENERAL INFORMATION	II-1
SUPPLEMENTAL NOTICE OF EGM	EGM-1

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
“Agreement”	the C919 Aircrafts Purchase Agreement entered into between COMAC and the Company on 29 April 2024, pursuant to which the Company agreed to purchase and COMAC agreed to sell the Aircraft
“Aircraft”	100 C919 series aircraft, the subject matter of the Agreement
“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 the Directors
“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
“COMAC”	means Commercial Aircraft Corporation of China, Ltd. (中國商用飛機有限責任公司), a company incorporated in the PRC with limited liability
“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
“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 Company Limited, a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company
“Directors”	the directors of the Company
“EGM”	the first extraordinary general meeting of 2024 of the Company to be convened and held for the purpose of, among other things, approving the Agreement and the transactions contemplated thereunder

DEFINITIONS

“Group”	the Company and its subsidiaries (as defined in the Listing Rules)
“H Share(s)”	H Share(s) of RMB1.00 each in the capital of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	19 June 2024, 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
“Nan Lung”	Nan Lung Holding Limited, a wholly-owned subsidiary of CSAH
“Purchase”	the purchase of the Aircraft under the Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	State-owned Assets Supervision and Administration Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	the holders of the Shares
“Shares”	collectively, A Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“US dollars” or “US\$”	United States dollars, the lawful currency of the United States of America

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*)

Luo Lai Jun

Registered address:

Unit 301, 3/F, Office Tower
Guanhao Science Park Phase I
12 Yuyan Street, Huangpu District
Guangzhou, Guangdong Province
PRC 510530

Independent Non-Executive Directors:

Pansy Catilina Chiu King Ho

Gu Hui Zhong

Guo Wei

Cai Hong Ping

Supervisors:

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

Lin Xiao Chun

Yang Bin

24 June 2024

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION
IN RELATION TO PURCHASE OF AIRCRAFT
AND
(2) SUPPLEMENTAL NOTICE OF EGM**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 29 April 2024, in relation to the major transaction in relation to purchase of aircraft. The purpose of this circular is, among other things, to provide you with more information in relation to the aforesaid Purchase, to enable you to make an informed decision on whether to vote for or against the resolution at the EGM.

LETTER FROM THE BOARD

II. THE AGREEMENT

Date

29 April 2024

Parties

- (i) The Company, as the purchaser. The principal business activity of the Company is that of civil aviation.
- (ii) COMAC, a company incorporated in the PRC with limited liability, as the vendor. The principal business activity of COMAC mainly include the design, research and development, production, modification, test, sales, maintenance, servicing, technology development and consulting services, etc. of civil aircraft and related products. As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, COMAC is owned by the following parties:
 - (a) as to 49.80% by the SASAC of the State Council;
 - (b) as to 20.92% by Shanghai Guosheng (Group) Co., Ltd. (上海國盛(集團)有限公司), which is directly wholly-owned by Shanghai SASAC;
 - (c) as to 9.97% by Aviation Industry Corporation of China, Ltd. (中國航空工業集團有限公司), which is directly wholly-owned by the SASAC of the State Council;
 - (d) as to 4.12% by Aluminum Corporation of China (中國鋁業集團有限公司), which is directly wholly-owned by the SASAC of the State Council;
 - (e) as to 4.12% by China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司), which is directly wholly-owned by the SASAC of the State Council;
 - (f) as to 4.12% by Sinochem Corporation (中國中化股份有限公司), which is owned as to 98% by Sinochem Group Co., Ltd. (中國中化集團有限公司) and 2% by Sinochem Investment Development Co., Ltd. (中化投資發展有限公司), respectively, and is ultimately wholly-owned by the State Council;
 - (g) as to 2.98% by China National Building Materials Group Corporation (中國建材集團有限公司), which is directly wholly-owned by the State Council;
 - (h) as to 2.00% by China Electronics Technology Group Corporation (中國電子科技集團有限公司), which is directly wholly-owned by the SASAC of the State Council;and

LETTER FROM THE BOARD

- (i) as to 1.99% by China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司), which is directly wholly-owned by the State Council.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of COMAC and its ultimate beneficial owners is a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company, and is not a connected person of the Company.

Aircraft to be purchased

100 C919 series aircraft, all being new aircraft to be manufactured by COMAC.

Consideration

According to the information provided by COMAC, the catalogue price of one C919 series aircraft is priced at US\$99 million (equivalent to approximately RMB703.55 million). The catalogue price of the Aircraft in aggregate is approximately US\$9.9 billion (equivalent to approximately RMB70.36 billion). Such catalogue price includes price for airframe and engine.

The Agreement was negotiated and entered into with customary business and industry practice, and thus is on normal commercial terms. The aggregate actual consideration for the Aircraft, which is determined after an arm's length negotiation between the COMAC and the Company, is lower than the catalogue price as provided by COMAC because of the price concessions granted by COMAC to the Company in relation to the Aircraft. Such price concessions were determined after arm's length negotiations between the Company and COMAC and as a result, the actual consideration for the Aircraft is significantly lower than the catalogue price of the Aircraft mentioned above. The Board (including the independent non-executive Directors) is of the view that there is no material impact of the price concessions obtained in the Purchase on the operating costs of the Group.

In respect of the Purchase, the Agreement contains confidentiality provisions restricting, among other things, disclosure of the consideration of the Purchase. In addition, consistent with the customary practice of the local aviation industry, the consideration for the purchase of the Aircraft is not customarily disclosed to the public. The Company, as the purchaser, is subject to a strict confidentiality obligation to COMAC under which no disclosure with respect to the actual consideration of the Aircraft shall be made. Any disclosure of the actual consideration of the Aircraft will result in a breach of the Company's confidentiality obligations to COMAC and will expose the Company to material litigation risk and irreparable reputation damage, as well as the loss of the price concessions to be granted by COMAC and the future purchases from COMAC, and hence constitutes a significant negative impact on the Group and will therefore not be in the interest of the Company and its Shareholders as a whole. The Company has made an application to the Stock Exchange for a waiver from strict compliance with Rule 14.58(4) and Rule 14.66(4) of the Listing Rules in respect of the disclosure of the actual consideration for the Aircraft.

LETTER FROM THE BOARD

The Board is of the view that the extent of the price concessions granted to the Group in the Purchase is comparable with the price concessions that the Group had obtained in the past under previous similar transactions with other aircraft manufacturers. The Company also believes that there is no material difference between the effect of the price concessions obtained in the Purchase and each of the previous similar transactions with other aircraft manufacturers on the Group's operating costs taken as a whole.

Payment and delivery terms

The aggregate consideration for the Purchase is denominated in US dollars and shall be settled by cash in RMB. According to the current delivery schedule, the Aircraft will be delivered in stages to the Company during the period commencing from 2024 to 2031. The total consideration will be paid to COMAC in instalments according to the respective delivery schedule for each of the relevant Aircraft from 2024 to 2031. Pursuant to the general industry practice, the settlement of the consideration of the Purchase comprises deposit, prepayment and final payment. The late payment interest shall be paid in case of late payment of consideration.

Source of funding

The Purchase will be funded partly by internal resources of the Group and partly through loans or other finance arrangement by banks or other institutions. Such banks are not and will not be connected persons (as defined in the Listing Rules) of the Company. As of the date hereof, the Company has not entered into any agreement with any of these banks for financing the Purchase. The Company will follow the necessary legal procedures and will make the necessary disclosure in accordance with the Articles of Association and comply with the applicable Listing Rules when the Company enters into any agreement with any institutions for financing the Purchase. In addition, if the Company enter into any agreement for financing the Purchase with any institution which is the connected person of the Company, the Company will further comply with the relevant requirements of the Listing Rules.

As the payment for the consideration of the Purchase will be made in instalments according to the respective delivery schedule, the Company will comprehensively evaluate the then actual circumstances when deciding the suitable source of funding, including but not limited to: (i) the liquidity level and the level of borrowings of the Company at the material time, given the substantial purchase cost of the Aircraft; (ii) the financing cost in the market; and (iii) the customary practice of the aviation industry to finance the aircraft purchase through a mixture of internal resources and loans and other finance arrangement such as operating lease and finance lease. Based on the above, the Board is of the opinion that the source of funding for the Purchase are fair and reasonable.

Conditions precedent

The Purchase is subject to the Shareholders' approval, pursuant to the Listing Rules, the Articles of Association and the relevant rules and regulations of the Shanghai Stock Exchange.

LETTER FROM THE BOARD

Reasons for the purchase

The purchase of Aircraft aligns with the strategy of our country and effectively meets the medium to long term fleet development needs of the Company. Under the overall layout of the national civil aviation development strategy, China's civil aviation industry will be committed to rapid industry development and deep structural optimization during the '14th Five-Year Plan' to '16th Five-Year Plan' period. The domestic market demand for narrow-body aircraft is showing a significant upward trend. To adapt to this demand change, the Company needs to maintain a stable fleet growth to ensure that capacity supply keeps pace with the continuously expanding route network and the yearly increasing demand for aviation services. In this context, the Company plans to introduce 100 C919 series aircrafts between 2024 and 2031, and combining with the Company's existing aircraft order deliveries (including but not limited to its previous aircraft purchase in 2022) and the aging aircraft retirement plan during the '14th Five-Year Plan' to '16th Five-Year Plan' period, it is expected that this could alleviate the Company's capacity demand pressure, achieve a balanced fleet structure and enhance the overall strength and brand image of the Company by leveraging on the promotional effect of introducing domestically-produced aircraft.

The Directors (including the independent non-executive Directors) consider that the Purchase is in the ordinary and usual course of business of the Group, the terms of the Agreement are fair and reasonable, are on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Implication under the listing rules

As the relevant percentage ratio for the Purchase with regards to the consideration test under Rule 14.07 of the Listing Rules is above 25% and less than 100%, the Purchase will constitute a major transaction, therefore is also subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

The Purchase is also required to be disclosed pursuant to the relevant rules and regulations of the Shanghai Stock Exchange.

The EGM will be convened for the purposes of, among other matters, considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders has any material interest in the Purchase, and therefore no Shareholder is required to abstain from voting on the relevant resolution for approving the Purchase at the EGM.

LETTER FROM THE BOARD

III. EGM

A notice convening the EGM to be held at 10:30 a.m., on Monday, 29 July 2024 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 for the EGM and a reply slip have been despatched by the Company on 14 June 2024 and are also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.csair.com>).

A supplemental notice setting out the additional resolutions to be resolved at the EGM is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you intend to be present at the EGM, you are requested to complete the accompanying second form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of holders of H Shares) or the principal office of the Company in the PRC at No. 68 Qixin Road, Baiyun District, Guangzhou, PRC 510403 (in case of holders of A Shares), no later than 24 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the second form(s) of proxy will not preclude you from attending, and voting in person at, the EGM or any adjournment thereof if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles of Association, any vote of the Shareholders at the EGM must be taken by poll.

IV. RECOMMENDATION OF THE BOARD

The Directors consider that the major transaction in relation to the purchase of aircraft is in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders to vote in favour of the abovementioned resolutions to be proposed at the EGM as set out in the notice and the supplemental notice of the EGM.

V. ADDITIONAL INFORMATION

Your attention is drawn to the financial and general information set out in the appendices to this circular.

By Order of the Board
Ma Xu Lun
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the years ended 31 December 2023, 2022 and 2021 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.csair.com>):

- annual report of the Company for the year ended 31 December 2023 published on 24 April 2024 (pages 131-239);

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042401610.pdf>
- annual report of the Company for the year ended 31 December 2022 published on 26 April 2023 (pages 140-256); and

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042600538.pdf>
- annual report of the Company for the year ended 31 December 2021 published on 25 April 2022 (pages 158-276);

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042501459.pdf>

2. INDEBTEDNESS

At the close of business on 30 April 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total indebtedness of the Group was as follows:

	<i>RMB (Million)</i>
Bank loans and other loans	<u>93,714</u>
Medium-term notes	<u>17,123</u>
Ultra-short-term financing bills	<u>502</u>
Convertible bonds (excluding the derivative component)	<u>5,612</u>
Lease liabilities	<u>88,348</u>
Guarantees provided	
Personal bank loans for pilot trainees	<u>89</u>

As at 30 April 2024, all the bank loans and other loans, medium-term notes, ultra-short-term financing bills and convertible bonds (excluding the derivative component) of the Group disclosed above are unsecured and unguaranteed.

Save as aforesaid or as otherwise mentioned herein and apart from intra-group liabilities, the Group did not have any material outstanding debt securities, term loans, other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments and borrowings, and any material outstanding mortgages, charges, contingent liabilities and guarantees of the Group as at the close of business on 30 April 2024.

The Directors are not aware of any material changes in the indebtedness or contingent liabilities of the Group since 30 April 2024.

3. EFFECT

As the Purchase will be partly financed through loans or other finance arrangement by banks or other institutions. and partly financed by internal fund, the Purchase may therefore result in an increase in the Company's debt-to-equity ratio, but as the consideration for the Purchase is payable by instalments, it is not expected to have any substantial impact on the Company's cash-flow position or its business operations and the Purchase will not add immediate financial burden to the Company. The Purchase is not expected to result in any material impact on the earnings, assets and liabilities of the Group.

4. MATERIAL ADVERSE CHANGE

The Directors confirmed that there is no material adverse change in the financial or trading position of the Group since 31 December 2023 (being the date to which the latest published audited financial statements of the Company were made up).

5. WORKING CAPITAL

Taking into account the present internal resources and the available banking facilities of the Group, and considering the effect of the Purchase, the Board, after due and careful enquiry, is of the opinion that the working capital of the Group is sufficient for the Group's requirement for at least 12 months from the date of this circular.

6. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Looking ahead into 2024, with global inflation steadily declining and China's economic recovery accelerating, the global economy will confront various challenges due to the impacts of tightening monetary policies and geopolitical conflicts. According to the International Monetary Fund's projection, global economic growth is expected to be 3.1% in 2024.

In 2024, as the fundamentals of China's economy, which is resilience, promising, dynamic and long-term positive, remain unchanged, China is expected to consolidate and boost the momentum of economic recovery and continuously promote the effective improvement in quality and reasonable expansion in quantity of its economy.

Facing the complex and severe domestic and international situation, the Group will be prepared to respond to various risks and challenges, comprehensively advance the implementation of the overarching approach for high-quality development to ensure sustainable and high-quality safety. It will enhance and improve operational standards, fully strengthen service control, accelerate the implementation of significant strategies, practically facilitate the deepening and improvement of reform and constantly stride forward towards the goal of building the Group into a world-class aviation transportation enterprise.

1. 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.

2. DISCLOSURE OF INTERESTS OF DIRECTORS, CHIEF EXECUTIVE AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors, chief executive or Supervisors and their respective associates had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or were required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers in Appendix C3 of the Listing Rules.

None of the Directors, chief executive or Supervisors of the Company and their respective close associates (as defined in the Listing Rules) has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder of the Company.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors, chief executive and Supervisors of the Company, the interests and short positions of the following persons (other than the Directors, chief executive or Supervisors of the Company) in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group, or had any option in respect of such capital are set out below:

Name of shareholder	Capacity	Type of Share	Number of Shares held	Approximate	Approximate	Approximate
				% of the total issued A Shares (Note 5)	% of the total issued H Shares (Note 5)	% of the total issued share capital of the Company (Note 5)
CSAH	Beneficial owner	A Shares	14,840,738,255 (L) (Note 1)	110.12%	–	81.90%
	Interest in controlled corporation	H Shares	3,503,865,005 (L) (Note 2)	–	75.45%	19.34%
		Total	18,344,603,260 (L)	–	–	101.23%
Nan Lung	Beneficial owner and interest of controlled corporations	H Shares	3,503,865,005 (L) (Note 3)	–	75.45%	19.34%
American Airlines Group Inc. (Note 4)	Interest of controlled corporations	H Shares	270,606,272 (L)	–	5.83%	1.49%

Notes:

- As at the Latest Practicable Date, CSAH was directly interested in 14,840,738,255 A Shares of the Company, which included 5,436,269,319 A Shares subscribed under the A Share Subscription Agreement entered into between the Company and CSAH on 31 May 2023, details of which are set out in the Company's announcement dated 31 May 2023 and Company's circular dated 19 June 2023. As at the Latest Practicable Date, those A Shares have not been issued.
- As at the Latest Practicable Date, CSAH was indirectly interested in 3,503,865,005 H Shares of the Company through its controlled corporations Nan Lung and Perfect Lines (Hong Kong) Limited, a wholly-owned subsidiary of Nan Lung, which included 855,028,969 H Shares subscribed by Nan Lung under the H Share Subscription Agreement entered into between the Company and Nan Lung on 31 May 2023, details of which are set out in the Company's announcement dated 31 May 2023 and Company's circular dated 19 June 2023. As at the Latest Practicable Date, those H Shares have not been issued.

3. As at the Latest Practicable Date, Nan Lung was interested in 3,503,865,005 H Shares of the Company, which included the indirect interests in the 31,150,000 H Shares held through Perfect Lines (Hong Kong) Limited, its wholly-owned subsidiary, and the direct interests in the 3,472,715,005 H Shares (which included not more than 855,028,969 H Shares subscribed under the H Shares Subscription Agreement). As at the Latest Practicable Date, those H Shares have not been issued.
4. American Airlines Group Inc. was deemed to be interested in 270,606,272 H Shares by virtue of its 100% control over American Airlines.
5. The percentage was calculated according to the relevant total issued A Shares of 13,476,910,632 A Shares, total issued H Shares of 4,643,997,308 H Shares and the total issued Shares of 18,120,907,940 Shares of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, chief executives and Supervisors of the Company, no other person (other than the Directors, chief executives or Supervisors of the Company) had an interest or short position in the Shares or underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group.

4. MATERIAL LITIGATION

No member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any members of the Group, as at the Latest Practicable Date.

5. DIRECTORS' AND SUPERVISORS' INTERESTS

- (a) None of the Directors or Supervisors has any direct or indirect interest in any assets which have been, since 31 December 2023, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) None of the Directors or Supervisors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

6. SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. MISCELLANEOUS

- (a) The joint company secretaries of the Company are Mr. Chen Weihua and Dr. Liu Wei.

Mr. Chen Wei Hua, male, born in October 1966 (aged 57), graduated from Peking University Law School with a bachelor's degree, majoring in Law and obtained an Executive Master of Business Administration (EMBA) degree from Tsinghua University School of Economics and Management. He is an economist, a qualified lawyer in the PRC, a qualified corporate legal counselor and a member of the Chinese Communist Party. Mr. Chen began his career in July 1988. He successively served as Deputy Director of Legal Department of China Southern Airlines (Group) Corporation, Deputy Director of the Office (Director of the Legal Division) of China Southern Airlines Company Limited and China Southern Airlines (Group) Corporation. Mr. Chen was the Chief Legal Adviser of China Southern Airlines Company Limited and Director of the Legal Division of China Southern Airlines Company Limited from June 2004. Mr. Chen has been the Chief Legal Adviser and General Manager of the Legal Division of China Southern Airlines Company Limited since October 2008. He has served as Chief Legal Adviser of China Southern Airlines Company Limited since April 2017. Mr. Chen has been the Chief Legal Adviser and Secretary to the Board of China Southern Airlines Company Limited since September 2022; He has served as Chief Compliance Officer of China Southern Air Holding Company Limited, Chief Legal Adviser and Secretary to the Board of China Southern Airlines Company Limited since December 2022. From March 2023, he served as Chief Compliance Officer and Secretary of the Board of Directors of China Southern Air Holding Company Limited, Chief Legal Adviser and Secretary of the Board of directors of China Southern Airlines Company Limited. From May 2023, he served as Chief Compliance Officer, Chief Legal Adviser and Secretary of the Board of Directors of China Southern Air Holding Company Limited, and Chief Legal Adviser and Secretary of the Board of Directors of China Southern Airlines Company Limited. Currently, he also acts as a Director of Xiamen Airlines Company Limited, a Member Representative of the Standing Board of the China Association for Public Companies, a member of the IATA Legal Advisory Council, and Vice Chairman of the Sixth Session of the Council of the Listed Companies Association of Guangdong.

Dr. Liu Wei, male, aged 66, graduated from the Northwest University of China, the China University of Political Science and Law and the University of Cambridge with a bachelor's degree in Chinese literature, a master's degree in law and a Ph.D. in Law, respectively. Dr. Liu Wei also completed his Common Professional Examination (CPE) with the Manchester University in England, as well as the Postgraduate Certificate in Laws (PCLL) with the University of Hong Kong. Dr. Liu Wei has PRC lawyer qualification and is a solicitor qualified to practice law in Hong Kong and in England. Dr. Liu Wei is currently a partner of Jingtian & Gongcheng LLP and has extensive experience in providing effective and commercially-valuable

legal services for large-scale market-leading enterprises relating to corporate finance, listing, regulatory and compliance matters. During the period from 26 November 2007 to 20 July 2015 and since 22 September 2022, Dr. Liu Wei acted as a Joint Company Secretary.

- (b) The registered address of the Company is at Unit 301, 3/F, Office Tower, Guanhao Science Park Phase I, 12 Yuyan Street, Huangpu District, Guangzhou, Guangdong Province, PRC and the principal place of business of the Company in Hong Kong is at Unit B1, 9th Floor, United Centre, 95 Queensway, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Hong Kong Registrars Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

8. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this circular:

- (a) On 22 September 2022, the Company and CSAH entered into the agreement, pursuant to which the Company agreed to sell, and CSAH agreed to purchase, approximately 57.9% equity interests in Southern Airlines General Aviation Co., Ltd. (the "SAGA") (representing the corresponding registered capital of SAGA of RMB0.77688 billion, which has been fully paid-up) at the Consideration of RMB1.18 billion. Upon Completion, the Company will cease to have any interest in SAGA and SAGA will cease to be a subsidiary of the Company.
- (b) On 31 May 2023, CSAH entered into the A Shares subscription agreement with the Company, pursuant to which, the Company will issue not more than 5,436,269,319 new A Shares (including 5,436,269,319 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 RMB17,500 million (including RMB17,500 million), 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.
- (c) On 31 May 2023, the Company entered into the H Shares subscription agreement with Nan Lung (a wholly-owned subsidiary of CSAH), pursuant to which the Company shall issue and Nan Lung shall subscribe in cash for not more than 855,028,969 new H Shares (including 855,028,969 H Shares) at the H Share subscription price, representing not more than 20% of the number of issued H Shares as at the date of the 2021 annual general meeting of the Company on which the general mandate was approved, and raising gross proceeds of not more than HK\$2,900 million (including HK\$2,900 million).

- (d) On 29 December 2023, the Company entered into the capital increase agreement (“**Sichuan Airlines Capital Increase Agreement**”) with Sichuan Airlines Group Company Limited (“**Sichuan Airlines Group**”), Shandong Airlines Company Limited, China Eastern Airlines Company Limited, Chengdu Ginkgo Jin Ge Investment Co., Ltd. and Sichuan Airlines Company Limited (“**Sichuan Airlines**”), pursuant to which, among others, the Company agreed to contribute RMB4.68 billion to Sichuan Airlines.
- (e) On 29 April 2024, the Company entered into the supplemental agreement to the Sichuan Airlines Capital Increase Agreement with Sichuan Airlines Group, pursuant to which, among others, the Company and Sichuan Airlines Group agreed to jointly promote the listing of Sichuan Airlines.

9. DOCUMENT ON DISPLAY

A copy of the Agreement will be available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.csair.com>) from the date of this circular and for a reasonable period of time (not less than 14 days).

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10) and paragraph 43(2)(c) of Appendix D1B to the Listing Rules from the Stock Exchange, so that information in relation to the actual consideration for the Purchase, price calculation mechanism, payment arrangement, late payment interests, models and models selection arrangement and delivery arrangements, all of which are core trade secrets for contracting parties and have comparable commercial sensitivity, will be redacted pursuant to a request for confidential treatment by COMAC. The above redacted information is commercially sensitive information strictly exclusive to each party to the Agreement and generally recognised as customised and confidential information in the aviation industry, the disclosure of which will be competitively harmful to the Company and shall be subject to the written consent of COMAC. In addition, information in relation to the exchange rate, bank accounts and contact information of the parties of the Agreement will also be redacted. Such information are solely for the purpose of the performance of the Aircraft Purchase Agreement and are not material to the decision of the Shareholders in respect of the Purchase. The material terms stipulated under the Agreement have been summarised and disclosed in this circular, from which the Shareholders and the investing public will be able to have sufficient information about the Purchase and assess the impact of the Purchase so that the Shareholders and the investing public would make an informed voting decision on the Purchase. In addition, the Shareholders and the investing public are provided with sufficient information regarding the reasons for and benefits of the Purchase. Therefore, the redacted version of the Agreement is not likely to mislead the Shareholders with regard to the facts and circumstances, knowledge of which is essential for the informed assessment of the Purchase. Accordingly, only the redacted version of the Agreement will be available on the website of the Stock Exchange and the Company’s own website as one of the documents on display, which will be published by the Company on display for a period of 14 days.

SUPPLEMENTAL NOTICE OF EGM



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)

SUPPLEMENTAL NOTICE OF EXTRAORDINARY GENERAL MEETING

Reference is made to the notice (the “**First Notice**”) of the first extraordinary general meeting of 2024 (the “**EGM**”) dated 14 June 2024 of China Southern Airlines Company Limited (the “**Company**”). The EGM 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 Monday, 29 July 2024 at 10:30 a.m..

The board of directors of the Company (the “**Board**”) received the motion made by China Southern Air Holding Company Limited, a controlling shareholder of the Company, for additional proposals to be submitted to the EGM for approval by the shareholders of the Company. According to the relevant requirements of laws, regulations and the articles of association of the Company, the Board consented to submit the additional proposals to EGM for review. The format and procedure for the proposed submission of additional resolutions were in compliance with the provisions of the Company Law and the articles of association of the Company.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the EGM will be held as originally scheduled and will consider and, if thought fit, approve the following resolutions as ordinary resolutions. Unless otherwise indicated, capitalised terms used herein have the same meanings as those defined in the circular of the Company dated 24 June 2024 (the “**Circular**”).

AS ORDINARY RESOLUTION

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

7. The resolution regarding the purchase of 100 C919 aircraft by the Company.

The ordinary resolutions (7.00) to (9.00) as set out in the First Notice shall be renumbered as ordinary resolutions (8.00) to (10.00).

By Order of the Board of
CHINA SOUTHERN AIRLINES COMPANY LIMITED
Chen Wei Hua and Liu Wei
Joint Company Secretaries

Guangzhou, the People's Republic of China
24 June 2024

As at the date of this notice, the Directors include Ma Xu Lun, Han Wen Sheng and Luo Lai Jun as executive Directors; and Pansy Catilina Chiu King Ho, Gu Hui Zhong, Guo Wei and Cai Hong Ping as independent non-executive Directors.

SUPPLEMENTAL NOTICE OF EGM

Notes:

1. Save for the inclusion of the newly proposed resolution, there are no other changes to the resolutions set out in the First Notice. Please refer to the First Notice for the other resolutions to be passed at the EGM and other relevant matter.
2. Since the proxy form sent together with the First Notice (the “**First Proxy Form**”) does not contain the proposed additional resolution as set out in this supplemental notice of EGM, a new proxy form (the “**Second Proxy Form**”) has been prepared and is enclosed with this supplemental notice of EGM.
3. The Second Proxy Form for use at EGM is enclosed and is also published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.csair.com>). Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed Second Proxy Form in accordance with the instructions printed thereon no later than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be).
4. Clarification is also made to the voting instructions on “Accumulative Voting” for ordinary resolutions (7.00) to (9.00) set out in the First Proxy Form, which are now renumbered as ordinary resolutions (8.00) to (10.00) in the Second Proxy Form. Shareholders should follow the voting instructions on “Accumulative Voting” as set out in Note 6 of the Second Proxy Form to vote on ordinary resolutions (8.00) to (10.00).
5. A shareholder who has not yet lodged the First Proxy Form with the Company’s H Share registrar – Hong Kong Registrars Limited is requested to lodge the Second Proxy Form if he or she wishes to appoint proxies to attend the EGM on his or her behalf. The Company’s H Share registrar – Hong Kong Registrars Limited is at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong. In this case, the First Proxy Form should not be lodged with the Company’s H Share registrar.
6. A shareholder who has already lodged the First Proxy Form with the Company’s H Share registrar should note that:
 - a. If no Second Proxy Form is lodged with the Company’s H Share registrar, the First Proxy Form will be treated as a valid proxy form lodged by him or her if correctly completed. The proxy so appointed by the shareholder will be entitled to vote at his or her discretion or to abstain from voting on any resolutions properly put to the EGM other than those referred to in the First Notice and the First Proxy Form, including the additional proposed resolution as set out in this supplemental notice of EGM.
 - b. If the Second Proxy Form is lodged with the Company’s H Share registrar at or before 10:30 a.m. on Sunday, 28 July 2024, the Second Proxy Form will revoke and supersede the First Proxy Form previously lodged by him or her. The Second Proxy Form will be treated as a valid proxy form lodged by the shareholder if correctly completed.
 - c. If the Second Proxy Form is lodged with the Company’s H share registrar after 10:30 a.m. on Sunday, 28 July 2024, the Second Proxy Form will be invalid. It will not revoke the First Proxy Form previously lodged by the shareholder. The First Proxy Form will be treated as a valid proxy form lodged by him or her if correctly completed. The proxy so appointed by the shareholder will be entitled to vote at his or her discretion or to abstain from voting on any resolutions properly put to the EGM other than those referred to in the First Notice and the First Proxy Form, including the additional proposed resolution as set out in this supplemental notice of EGM.
7. Shareholders are reminded that completion and delivery of the First Proxy Form and/or the Second Proxy Form will not preclude shareholders from attending and voting in person at the EGM or at any adjourned meeting should they so wish.