

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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 of China Southern Airlines Company Limited (the “Company”) will be held at No. 1 Conference Room, 4th Floor, Pearl Hotel CSN, No. 5 Road, Southern Work District, Baiyun International Airport, Guangzhou, Guangdong Province, the PRC on Tuesday, 30 June 2009 at 9:30 a.m. for the purpose of considering, if thought fit, to approve the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 14 May 2009 (the “Circular”):

ORDINARY RESOLUTIONS

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

1. to consider and approve the Report of the Directors of the Company for the year 2008;
2. to consider and approve the Report of the Supervisory Committee of the Company for the year 2008;
3. to consider and approve the audited consolidated financial statements of the Company for the year 2008;
4. to consider and approve any adjustment to be made to certain items contained in the financial statements of the Company for the year 2008 in accordance with the relevant rules and regulations;
5. to consider and approve the profit distribution proposal for the year 2008:

As audited by KPMG Huazhen, under the PRC accounting standards, the Company recorded a loss of RMB4,790 million (unconsolidated data, which applies to other data hereinafter) during the year 2008, and the accumulated loss of the Company amounted to RMB5,837 million as at 31 December 2008. Under the provisions of the Company Law, the Company shall not make appropriations to its reserve fund and distribute any dividends for the year 2008.

6. to consider and approve the appointment of KPMG Huazhen as the PRC auditors of the Company for the year 2009 and KPMG as the international auditors of the Company for the year 2009 and authorize the Board to determine their remuneration;
7. to consider and approve the appointment of Mr. Zhang Zi Fang as an executive Director of the Fifth Session of the Board of the Company with effect from the passing of this resolution on the date of the AGM and authorise the Board to determine his remuneration;

8. to consider and approve the resignation of Mr. Yang Guang Hua as a supervisor of the Fifth Session of the Supervisory Committee of the Company because of his personal job arrangement;
9. to consider and approve the appointment of Mr. Li Jia Shi as a supervisor of the Fifth Session of the Supervisory Committee of the Company with effect from the passing of this resolution on the date of the AGM and authorise the Supervisory Committee to determine his remuneration;
10. to consider and approve the “Administrative Measures on Directors’ Remuneration of China Southern Airlines Company Limited” and “Administrative Measures on Supervisors’ Remuneration of China Southern Airlines Company Limited” as set out in the Circular;
11. to consider and approve the 2009 annual cap of the continuing connected transactions (has the meaning ascribed thereto under the SSE Listing Rules) entered into between the Company and CSAHC and its controlled entities as set out below:

| No. | Parties | Connected relations | Type of connected transactions | Connected transactions | Pricing basis | Cap of 2009 (RMB ten thousands) | Amount of connected transactions in 2008 (RMB ten thousands) | Remarks | |
|-------|---|---|--------------------------------|---|--|---------------------------------|--|---|--|
| 1 | CSAHC | Parent company | Other outflow | Rental of lands and buildings | Agreed by reference to market price | 3,714.87 | 2,982.80 | Original office building, parcels of land in Nanyang, Hengyang, Shashi, Zhanjiang, etc. | |
| | | | | Rental of lands and buildings | Agreed by reference to market price | 7,029.18 | 7,029.18 | Original lands and real estates in Xinjiang, Beihang etc. | |
| 2 | Southern Airlines (Group) Import and Export Trading Company | a wholly-owned subsidiary of the parent company | Acquiring labour service | Handling fee for purchases | Based on a fixed percentage of purchasing amount, and the percentage was agreed by reference to market price | 9,000 | 4,986.70 | | |
| 3 | China Southern Airlines Group Passenger and Cargo Agent Company Limited | a wholly-owned subsidiary of the parent company | Acquiring agency service | Air ticket sales and cargo agency, etc. | Determined according to existing regulations of CAAC or agreed by both parties by reference to market price | 25,000 | 13,440.40 (agency sales revenue) | Note: the actual amount of agency fee paid in 2008 was RMB4,032,000 | |
| 4 | Guangzhou China Southern Airlines Property Management Company Limited | a wholly-owned subsidiary of the parent company | Acquiring labour service | Property management and maintenance fee | Determined based on price lower than that offered by independent third parties | 4,701 | 3,084.10 | | |
| Total | | | | | | / | <u>49,445.05</u> | <u>31,523.18</u> | |

12. to consider and approve the airline service agreement entered into between the Company and TravelSky Technology Limited.

On 7 May 2009, the Company entered into a service agreement with TravelSky Technology Limited (“TravelSky”) pursuant to which TravelSky agreed to provide to the Company with aviation information technology service and technical support and its related business services, including: (i) flight control system services; (ii) electronic travel distribution system services; (iii) airport passenger processing system services; and (iv) civil aviation and commercial data network services for the period commencing from 1 January 2009 to 31 December 2009. The service fee is determined with reference to the prescribed prices of Civil Aviation Administration of China, depending on the types of system through which the transactions are processed. The 2009 service fees payable by the Company to TravelSky is expected to be not more than RMB400 million.

SPECIAL RESOLUTIONS

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

13. “**THAT** (a) the proposed establishment of a cash dividend policy of the Company pursuant to the “Decisions Concerning Certain Amendments in Regulations for Distribution of the Cash Dividend Made by Listed Companies” (CSRC Decree No. 【2008】 57) and the proposed amendment to the Articles of Association as set out in the Circular be and are hereby approved; and (b) the Board (and its delegates) be and are hereby authorised to make further amendments which in their opinion may be necessary, desirable and expedient in accordance with the mandatory requirements of the applicable laws and regulations, and as may be required by the Relevant Authorities, and to apply for approvals from the Relevant Authorities, if necessary.”
14. “**THAT** (a) the proposed expansion of the scope of business of the Company by including “insurance agency services” and the consequential amendment to the Articles of Association as set out in the Circular be and are hereby approved; and (b) the Board (and its delegates) be and are hereby authorised to make further amendments which in their opinion may be necessary, desirable and expedient in accordance with the mandatory requirements of the applicable laws and regulations, and as may be required by the Relevant Authorities, and to apply for approvals from the Relevant Authorities, if necessary.”

By Order of the Board of
China Southern Airlines Company Limited
Xie Bing and Liu Wei
Joint Company Secretaries

Guangzhou, the People’s Republic of China

14 May 2009

As at the date of this notice, the Directors include Si Xian Min, Li Wen Xin, Wang Quan Hua, Liu Bao Heng, Tan Wan Geng, Xu Jie Bo and Chen Zhen You as executive Directors; and Wang Zhi, Sui Guang Jun, Gong Hua Zhang and Lam Kwong Yu as independent non-executive Directors.

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, at the close of trading in the afternoon of 29 May 2009 and 27 May 2009 respectively (“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 of the Company 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. Eligible Shareholders who intend to attend the AGM either in person or by proxy must deliver to the Company on or before 10 June 2009, in person or by post at the registration address of the Company, or by fax at (+86) 20-8665 9040, the reply slip, which is attached to the notice of the AGM as Attachment A.
- b. 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.
- c. Holders of H Shares who intend to attend the AGM must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited, the registrar of H Shares of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, at or before 4:00 p.m. on 29 May 2009.
- d. The register of H Shares will be closed from 30 May 2009 to 30 June 2009 (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 of the Company. 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 annual general meeting, 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 notarially 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 Hong Kong Registrars Limited within the same period of time.

4. Miscellaneous

- a. The AGM is expected to last for half day. Eligible Shareholders (or their proxies) who attend shall bear their own travelling and accommodation expenses.
- b. The address of the headquarters of the Company is:
1st Floor, No. 278 Ji Chang Road
Guangzhou 510405, Guangdong Province
People's Republic of China
Telephone No.: (+86) 20-8612 4462
Facsimile No.: (+86) 20-8665 9040
Website: www.csair.com
Contact person: Mao Lixing
- 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.