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COMPLETION OF THE NON-PUBLIC ISSUANCE OF H SHARES

References are made to the announcements of China Southern Airlines Company Limited (the “**Company**”) dated 30 October 2019, 11 February 2020 and 8 April 2020 (the “**Announcements**”) and the circular of the Company dated 12 November 2019 (the “**Circular**”) in relation to, amongst others, the H Share Issuance of the Company. Unless otherwise defined, capitalised terms used herein shall have the same meaning as those defined in the Announcements and the Circular.

The Company is pleased to announce that all of the conditions precedent set out in the H Shares Subscription Agreement have been fulfilled. The Price Benchmark Date for the new H Shares was 8 April 2020 and the H Share Subscription Price was determined as HK\$5.75 per H Share in accordance with the mechanism as disclosed in the Circular, representing the latest audited net asset value per Share attributable to equity shareholders of the Company in HK\$ calculated based on the median exchange rate announced by the People’s Bank of China on the Price Benchmark Date for the new H Shares. A total of 608,695,652 H Shares have been issued to Nan Lung Holding Limited (“**Nan Lung**”) at an issue price of HK\$5.75 per H Share on 15 April 2020. Accordingly, immediately after completion of the H Share Issuance, the total number of issued Shares is 12,875,867,938 Shares, comprised of 4,275,144,849 issued H Shares and 8,600,723,089 issued A Shares. The net price of each new H Share issued under the H Share Issuance was HK\$5.74 per H Share.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after the completion of the H Share Issuance is as follows:

Class of shares	Immediately before the completion of the H Share Issuance		Immediately after the completion of the H Share Issuance	
	number of shares	percentage ratio (%)	number of shares	percentage ratio (%)
China Southern Air Holding Limited Company (“ CSAH ”)	6,199,719,248	50.54	6,808,414,900	52.88
<i>Among which:</i>				
A Shares held directly	4,528,431,323	36.92	4,528,431,323	35.17

by CSAH ^(Note 1) H Shares held through Nan Lung ^(Note 1)	1,671,287,925	13.62	2,279,983,577	17.71
Other Shareholders (A Shares)	4,072,291,766	33.20	4,072,291,766	31.63
Other Shareholders (H Shares)	1,995,161,272	16.26	1,995,161,272	15.50
Total	12,267,172,286	100.00	12,875,867,938	100.00 ^(Note 2)

Notes:

1. Immediately after completion of the H Share Issuance, CSAH was deemed to be interested in an aggregate of 2,279,983,577 H Shares through its direct and indirect wholly-owned subsidiaries in Hong Kong, of which 31,150,000 H Shares were directly held by Perfect Lines (Hong Kong) Limited (representing approximately 0.73% of its then total issued H Shares) and 2,248,833,577 H Shares were directly held by Nan Lung (representing approximately 52.60% of its then total issued H Shares). As Perfect Lines (Hong Kong) Limited is also a wholly-owned subsidiary of Nan Lung, Nan Lung was also deemed to be interested in the 31,150,000 H Shares held by Perfect Lines (Hong Kong) Limited.
2. Discrepancies between the column sum and the total shareholding are due to rounding of percentage numbers.

As at the date of this announcement, the A Share Issuance has not been completed. The Company will disclose the relevant information in a timely manner according to the progress of relevant matters. Investors are advised to pay attention to the investment risks.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to seek professional advice if they are in any doubt about their position and as to actions that they should take.

By order of the Board
China Southern Airlines Company Limited
Xie Bing
Company Secretary

Guangzhou, the People's Republic of China
15 April 2020

As at the date of this announcement, the Directors include Wang Chang Shun, Ma Xu Lun and Han Wen Sheng as executive Directors; and Zheng Fan, Gu Hui Zhong, Tan Jin Song and Jiao Shu Ge as independent non-executive Directors.