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OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is published pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

As China Southern Airlines Company Limited has published the “Announcement of China Southern Airlines Company Limited on the Proposed Authorization by General Meeting to the Company and Controlled Subsidiaries on the Provision of Guarantee to Wholly-owned Subsidiaries”, the full text of the announcement is set out below for information purpose. The mentioned transaction is required to be disclosed under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, and does not constitute any notifiable transaction or connected transaction as defined under the Hong Kong Listing Rules.

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

Guangzhou, the People’s Republic of China
14 May 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.

**ANNOUNCEMENT OF
CHINA SOUTHERN AIRLINES COMPANY LIMITED ON THE PROPOSED
AUTHORIZATION BY GENERAL MEETING TO THE
COMPANY AND CONTROLLED SUBSIDIARIES ON THE PROVISION OF
GUARANTEES TO WHOLLY-OWNED SUBSIDIARIES**

The board (the “Board”) of directors (the “Directors”) of the Company and all of its members confirm that the contents of this announcement do not contain misrepresentations, misleading statements or material omission, and jointly and severally accept full responsibilities for the truthfulness, accuracy and completeness of the information contained in this announcement.

Important notice:

- Information on the authorization on provision of guarantees:

| Guaranteed party | Guaranteed amount | Is there any counter-guarantee | Guarantor |
|---|--|--------------------------------|--|
| Southern Airlines No. 15 Lease (Tianjin) Company Limited | The additional maximum amount of US\$269 million, equivalent to approximately RMB1,883 million (calculated based on exchange rate of US\$1 against RMB7, same for the below) | No | China Southern Airlines Company Limited (hereinafter referred to as the “Company”) |
| 17 companies, including “Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited” to “Xiamen Airlines No. 17 (Xiamen) Aircraft Lease Company Limited” | The additional maximum amount of US\$25 million, equivalent to approximately RMB175 million. | No | Xiamen Airlines Company Limited, a controlled subsidiary of the Company (hereinafter referred to as “Xiamen Airlines”) |
| Chongqing Airlines No. 2 (Chongqing) Aircraft Lease Company Limited | The maximum amount of US\$40.8 million, equivalent to approximately RMB285.6 million | No | Chongqing Airlines Company Limited, a controlled subsidiary of the Company (hereinafter referred to as “Chongqing Airlines”) |

●As of the date of this announcement, the balance of external guarantees for Special Purpose Vehicle (hereinafter referred to as “SPV”) provided by the Company and controlled subsidiaries, Chongqing Airlines and Xiamen Airlines, were approximately US\$4,188 million (equivalent to approximately RMB29,316 million), US\$249 million (equivalent to approximately RMB1,743 million)and US\$360 million (equivalent to approximately RMB2,520 million) (unaudited), respectively;

●In accordance with the relevant requirements of the Articles of Association of the Company, this authorization on the provision of guarantees shall be submitted to the general meeting of the Company for approval.

I. OVERVIEW OF THIS GUARANTEES

Pursuant to the requirements of Articles of Association, on 14 May 2020, the Company’s eighth session of the Board held an interim meeting by way of correspondence, and considered and approved the Company and its controlled subsidiaries, Xiamen Airlines and Chongqing Airlines to provide guarantee to their wholly-owned SPVs, of which the additional total guarantee to be provided by the Company for Southern Airlines No. 15 Lease (Tianjin) Company Limited will not exceeding US\$269 million; the additional total guarantee to be provided by Xiamen Airlines for its 17 SPVs will not exceeding US\$25 million, and it is agreed that Xiamen Airlines can allocate and adjust specific guarantee amounts for their respective SPV according to the actual number of aircraft under operation and the lease term; the total guarantee to be provided by Chongqing Airlines for Chongqing Airlines No. 2 (Chongqing) Aircraft Lease Company Limited will not exceeding US\$40.8 million. The period of guarantee is ended until all the obligations under the lease agreement has been fully performed, and the scope of the guarantee is in accordance with guarantee agreement. The Board agreed to submit the above guarantees to the upcoming general meeting of the Company and authorized the Company, Xiamen Airlines and Chongqing Airlines to respectively enter into corresponding documents as to guarantee upon the approval from the general meeting.

The number of Directors supposed to be present at the interim meeting was 7, of which 7 attended in person. The Directors approved the above resolutions unanimously after consideration. The manner and procedures for considering the relevant resolutions were in compliance with the provisions of the Company Law, Securities Law and the Articles of Association of the Company.

II. BASIC INFORMATION OF THE GUARANTEED PARTIES

The main information of the 19 SPVs to which the guarantee are given is as follows:

1. Guaranteed party: Southern Airlines No. 15 Lease (Tianjin) Company Limited
Registered address: Dongjiang Free Trade Port Zone of Tianjin
Legal representative: Yuan Jin Tao

Registered capital: RMB1.7 million

Main business scope: Lease business; purchase of leased property from domestic and overseas markets; dealing with residual value and maintenance of leased property; economical consultation. (Items that must be approved in accordance with law can only be operated after approval by the relevant departments).

Material contingencies affecting the guaranteed parties' solvency: None;

The Company hold 100% equity of Southern Airlines No. 15 Lease (Tianjin) Company Limited

2. Guaranteed parties: "Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited" to "Xiamen Airlines No. 17 (Xiamen) Aircraft Lease Company Limited"

Registered address: Xiangyu Free Trade Zone of Xiamen

Legal representative: Wang Qing

Registered capital: from RMB0.1 million to RMB0.2 million, depending on the quantity and model of the operating aircraft of each SPV

Main business scope: Aircraft and aircraft equipment leasing business (SPV only); other unlisted machinery and equipment leasing (excluding items requiring approval); purchase of leased property from domestic and overseas; dealing with residual value of leased property; other unspecified professional consultation services (excluding items requiring approval); import and export of various types of commodities and technologies (not attached to the import and export commodity catalogue), except for commodities and technologies that are restricted or prohibited by the State to operate or import or export by the company; society economic consultation (excluding financial business consultation); other unspecified service industries (excluding items requiring approval).

Material contingencies affecting the guaranteed parties' solvency: None;

Xiamen Airlines, a controlled subsidiary of the Company, is owned as to 55% by the Company, 34% by Xiamen Jianfa Group Co., Ltd. and 11% by Fujian Investment and Development Group Company Limited. "Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited" to "Xiamen Airlines No. 17 (Xiamen) Aircraft Lease Company Limited" are wholly-owned subsidiaries of Xiamen Airlines.

3. Guaranteed parties: Chongqing Airlines No. 2 (Chongqing) Aircraft Lease Company Limited

Registered address: Lianglucuntan Free Trade Port Zone of Chongqing

Legal representative: Jin Wei Feng

Registered capital: RMB0.1 million

Main business scope: Permitted items: import and export of technology, import and export of goods (items that must be approved in accordance with the law can only be operated after approval by the relevant departments, and specific business items are subject to the approval documents or licenses of the relevant departments) General items: transportation equipment leasing services (except for items that are required to be approved according to law, business activities can be independently carried out according to law with the business license).

Material contingencies affecting the guaranteed parties' solvency: None;

Chongqing Airlines is the controlled subsidiary of the Company, the Company hold 60%

equity of Chongqing Airlines, and Chongqing City Transportation Development & Investment Group Corporation Limited hold 40% equity of Xiamen Airlines. Chongqing Airlines No. 2 (Chongqing) Aircraft Lease Company Limited is a wholly-owned subsidiary of Chongqing Airlines.

III. MAIN CONTENTS OF AUTHORIZATION ON THE PROVISION OF GUARANTEES

| Name of Guaranteed party | Guarantee Limit | Type of Guarantee | Guarantee Method | Period of Guarantee | Major Content of Guarantee Agreement |
|---|--|-------------------|---------------------------|---|---|
| Southern Airlines No. 15 Lease (Tianjin) Company Limited | The additional maximum amount of US\$269 million, equivalent to approximately RMB1,883 million (calculated based on exchange rate of US\$1 against RMB7, same for the below) | Credit Guarantee | Joint Liability Guarantee | The period of guarantee is ended until all the obligations under the lease agreement has been fully performed. If a lease extension occurs, the period of guarantee shall be extended accordingly | The Company provides guarantees in respect of debts owned by SPV to overseas lessor (such as rent payable) and liabilities under the lease agreement. If SPV fail to settle debts or liabilities under the lease agreement in whole or part, the Company shall fulfill the obligation of guarantee as agreed, and undertake an obligation in respect of rent and other payables to overseas lessor and liabilities under the lease agreement. |
| 17 companies, including “Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited” to “Xiamen Airlines No. 17 (Xiamen) Aircraft Lease Company Limited” | The additional maximum amount of US\$25 million, equivalent to approximately RMB175 million. | | | | |

| | | | | | |
|---|--|--|--|--|--|
| Chongqing Airlines No. 2 (Chongqing) Aircraft Lease Company Limited | The maximum amount of US\$40.8 million, equivalent to approximately RMB285.6 million | | | | |
|---|--|--|--|--|--|

Xiamen Airlines may allocate and adjust specific guarantee amounts for their respective SPV according to the actual number of aircraft under operation and the lease term within their respective maximum guarantee amounts.

IV. OPINIONS OF THE BOARD

The Board of the Company considers that the provision of guarantee for their wholly-owned SPVs by the Company and its controlled subsidiaries, is beneficial for the Company to obtain policy support in free trade zone through sub-leasing structural business and lower aircraft leasing cost and in the interests of the Company and all shareholders as a whole. As wholly-owned subsidiaries of the Company, Xiamen Airlines and Chongqing Airlines the significant decisions and daily operation of the above 19 SPVs are fully controlled by the Company, Xiamen Airlines and Chongqing Airlines, significant risk can be identified in advance and prevented effectively.

Independent Directors of the Company issued independent opinions on the above matters as follows: 1. agreed that the Company provide additional total guarantee for Southern Airlines No. 15 Lease (Tianjin) Company Limited not exceeding US\$269 million; Xiamen Airlines provide additional total guarantee for its 17 SPVs will not exceeding US\$25 million; Chongqing Airlines provide a total guarantee for Chongqing Airlines No. 2 (Chongqing) Aircraft Lease Company Limited not exceeding US\$40.8 million. The guarantees above are beneficial for the Company, Xiamen Airlines and Chongqing Airlines to reduce aircraft leasing cost and are in the interests of the Company and all shareholders; 2. the guaranteed parties are the SPVs, which are wholly-owned subsidiaries of the Company, Xiamen Airlines and Chongqing Airlines, significant risk can be identified in advance and prevented effectively by the Company and will not damage the interest of the Company and all shareholders; 3. the decision-making procedures of the Board in respect of the abovementioned guarantees are in compliance with the requirements of the listing rules of the listing place and the Articles of Association of the Company, and are legitimate and effective.

V. STATUS OF THE ACCUMULATED EXTERNAL GUARANTEES

As at the date of this announcement, the Company and Xiamen Airlines provided loan guarantees to self-sponsored trainee pilots with respect to their training fees. The outstanding loan guaranteed was approximately RMB253.5791 million, representing approximately 0.40% of the Company's audited net assets for the latest period and the amount in respect of the joint-liability guarantees is approximately RMB20.8840 million. The balance of guarantees provided by the Company and controlled subsidiaries to 43 special purpose vehicles in operation was US\$4,797 million, and no overdue guarantees up to date. The balance of external guarantee provided by Xiamen Airlines for its controlled subsidiaries was RMB3,470 million. The total guarantee amount provided by the Company and controlled subsidiaries for their controlled subsidiaries was approximately RMB37,049 million, representing approximately 58.01% of the Company's audited net assets for the latest period (all of the above figures in relation to the guarantees are unaudited).

**Board of Directors of
China Southern Airlines Company Limited**
14 May 2020

Appendix – Main financial information of SPVs for the year 2019 and the first quarter of 2020

Unit: RMB

| Year 2019 or As at 31 December 2019 | | | | | | | |
|---|---------------------|--------------------------|-------------------------|----------------------------------|-------------------|----------------|-------------------|
| SPV | Total assets | Total liabilities | Total bank loans | Total current liabilities | Net assets | Revenue | Net profit |
| Southern Airlines No. 15 Lease (Tianjin) Company Limited | 8,051,831 | 5,210,139 | 0 | 5,210,139 | 2,841,692 | 745,607,243 | 10,341,692 |
| Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited | 2,579,862 | 2,529,075 | 0 | 2,529,075 | 50,787 | 20,487,075 | -149,213 |
| Xiamen Airlines No. 2 (Xiamen) Aircraft Lease Company Limited | 613,923 | 615,640 | 0 | 615,640 | -1,717 | 5,462,753 | -101,717 |
| Xiamen Airlines No.3 (Xiamen) Aircraft Lease Company Limited | 3,312,173 | 3,332,124 | 0 | 3,332,124 | -19,950 | 3,984,141 | -119,950 |
| Xiamen Airlines No.4 (Xiamen) Aircraft | 3,222,302 | 3,240,740 | 0 | 3,240,740 | -18,439 | 4,900,855 | -118,439 |

| | | | | | | | |
|--|-----------|-----------|---|-----------|----------|------------|----------|
| Lease Company Limited | | | | | | | |
| Xiamen Airlines No.5 (Xiamen) Aircraft Lease Company Limited | 1,046,549 | 1,079,865 | 0 | 1,079,865 | -33,316 | 7,788,472 | -133,316 |
| Xiamen Airlines No.6 (Xiamen) Aircraft Lease Company Limited | 1,054,239 | 1,181,831 | 0 | 1,181,831 | -127,592 | 4,479,952 | -227,592 |
| Xiamen Airlines No.7 (Xiamen) Aircraft Lease Company Limited | 5,721,489 | 5,702,226 | 0 | 5,702,226 | 19,263 | 7,419,749 | -80,737 |
| Xiamen Airlines No.8 (Xiamen) Aircraft Lease Company Limited | 4,339,106 | 4,370,842 | 0 | 4,370,842 | -31,736 | 10,562,390 | -131,736 |
| Xiamen Airlines No.9 (Xiamen) Aircraft Lease Company Limited | 9,591,360 | 9,625,482 | 0 | 9,625,482 | -34,122 | 9,457,291 | -134,122 |

| | | | | | | | |
|---|-----------|-----------|---|-----------|----------|------------|----------|
| Xiamen Airlines No.10 (Xiamen) Aircraft Lease Company Limited | 4,292,026 | 4,340,540 | 0 | 4,340,540 | -48,514 | 10,631,580 | -148,514 |
| Xiamen Airlines No.11 (Xiamen) Aircraft Lease Company Limited | 7,688,522 | 7,738,149 | 0 | 7,738,149 | -49,627 | 11,405,536 | -149,627 |
| Xiamen Airlines No.12 (Xiamen) Aircraft Lease Company Limited | 4,987,503 | 5,027,986 | 0 | 5,027,986 | -40,483 | 7,401,699 | -140,483 |
| Xiamen Airlines No.13 (Xiamen) Aircraft Lease Company Limited | 4,598,352 | 4,729,110 | 0 | 4,729,110 | -130,758 | 7,179,847 | -230,758 |
| Xiamen Airlines No.14 (Xiamen) Aircraft Lease Company Limited | 44,795 | 157,217 | 0 | 157,217 | -112,422 | 5,670,188 | -212,422 |
| Xiamen Airlines No.15 (Xiamen) | 43,451 | 159,716 | 0 | 159,716 | -116,265 | 5,667,689 | -216,265 |

| | | | | | | | |
|---|-----------|-----------|---|-----------|---------|------------|----------|
| Aircraft Lease Company Limited | | | | | | | |
| Xiamen Airlines No.16 (Xiamen) Aircraft Lease Company Limited | 2,486,026 | 2,509,318 | 0 | 2,509,318 | -23,292 | 3,463,294 | -123,292 |
| Xiamen Airlines No.17 (Xiamen) Aircraft Lease Company Limited | 7,490,130 | 7,501,758 | 0 | 7,501,758 | -11,628 | 16,512,958 | -211,628 |

Unit: RMB

| First Quarter of 2020 or As at 31 March 2020 (the figures are unaudited) | | | | | | | |
|--|--------------|-------------------|------------------|---------------------------|------------|------------|------------|
| SPV | Total assets | Total liabilities | Total bank loans | Total current liabilities | Net assets | Revenue | Net profit |
| Southern Airlines No. 15 Lease (Tianjin) Company Limited | 11,903,996 | 9,068,528 | 0 | 9,068,528 | 2,835,468 | 85,486,540 | -6,224 |
| Xiamen Airlines No. 1 (Xiamen) Aircraft Lease Company Limited | 686,506 | 162,786 | 0 | 162,786 | 523,720 | 11,642,687 | 349,933 |
| Xiamen Airlines | 316,446 | 15,908 | 0 | 15,908 | 300,538 | 6,139,874 | 302,254 |

| | | | | | | | |
|---|---------|--------|---|--------|---------|-----------|---------|
| No. 2 (Xiamen) Aircraft Lease Company Limited | | | | | | | |
| Xiamen Airlines No.3 (Xiamen) Aircraft Lease Company Limited | 137,095 | 1,680 | 0 | 1,680 | 135,415 | 5,948,124 | 31,920 |
| Xiamen Airlines No.4 (Xiamen) Aircraft Lease Company Limited | 398,087 | 12,089 | 0 | 12,089 | 385,998 | 8,502,078 | 229,694 |
| Xiamen Airlines No.5 (Xiamen) Aircraft Lease Company Limited | 379,541 | 14,727 | 0 | 14,727 | 364,814 | 7,869,743 | 279,805 |
| Xiamen Airlines No.6 (Xiamen) Aircraft Lease Company Limited | 258,691 | 11,682 | 0 | 11,682 | 247,010 | 5,548,161 | 221,949 |
| Xiamen Airlines No.7 (Xiamen) Aircraft Lease | 193,512 | 0 | 0 | 0 | 193,512 | 0 | -93,652 |

| | | | | | | | |
|---|---------|--------|---|--------|---------|-----------|---------|
| Company Limited | | | | | | | |
| Xiamen Airlines No.8 (Xiamen) Aircraft Lease Company Limited | 238,638 | 9 | 0 | 9 | 238,629 | 0 | 173 |
| Xiamen Airlines No.9 (Xiamen) Aircraft Lease Company Limited | 429,832 | 34,346 | 0 | 34,346 | 395,487 | 8,963,318 | 11,877 |
| Xiamen Airlines No.10 (Xiamen) Aircraft Lease Company Limited | 239,698 | 9 | 0 | 9 | 239,689 | 0 | 174 |
| Xiamen Airlines No.11 (Xiamen) Aircraft Lease Company Limited | 658,577 | 64,438 | 0 | 64,438 | 594,139 | 9,102,160 | 262,444 |
| Xiamen Airlines No.12 (Xiamen) Aircraft Lease Company Limited | 159,995 | 3,678 | 0 | 3,678 | 156,317 | 1,920,164 | -87,894 |
| Xiamen Airlines | 105,209 | 0 | 0 | 0 | 105,209 | 1,864,626 | -16,983 |

| | | | | | | | |
|--|---------|--------|---|--------|---------|-----------|---------|
| No.13 (Xiamen) Aircraft Lease Company Limited | | | | | | | |
| Xiamen Airlines No.14 (Xiamen) Aircraft Lease Company Limited | 249,182 | 10,219 | 0 | 10,219 | 238,963 | 5,724,794 | 194,168 |
| Xiamen Airlines No.15 (Xiamen) Aircraft Lease Company Limited | 248,205 | 10,238 | 0 | 10,238 | 237,967 | 5,724,794 | 194,516 |
| Xiamen Airlines No.16 (Xiamen) Aircraft Lease Company Limited | 294,621 | 9,112 | 0 | 9,112 | 285,509 | 5,940,286 | 173,133 |
| Xiamen Airlines No.17 (Xiamen) Aircraft Lease Company Limited | 462,106 | 7,850 | 0 | 7,850 | 454,256 | 5,827,900 | 149,142 |

Note: Chongqing Airlines No.2 (Chongqing) Aircraft Lease Company Limited is newly established, therefore there is no financial information.