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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)**

**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 “**Listing Rules**”).

As China Southern Airlines Company Limited has published the Announcement of China Southern Airlines Company Limited on the 2024 Action Plan for “Improving Quality and Efficiency to Increase Returns”, the full text of the announcement is set out below for information purpose.

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 2024

*As at the date of this announcement, 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.*

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## **CHINA SOUTHERN AIRLINES COMPANY LIMITED 2024 ACTION PLAN FOR “IMPROVING QUALITY AND EFFICIENCY TO INCREASE RETURNS”**

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

In order to thoroughly implement the spirit of the Central Economic Work Conference and the Central Financial Work Conference, follow the requirements of Several Opinions on Strengthening Regulation and Forestalling Risks to Promote High-quality Development of the Capital Market and Opinions on Further Improving the Quality of Listed Companies issued by the State Council, continuously improve its quality, increase investors’ returns and enhance investors’ sense of gain, China Southern Airlines Company Limited (“China Southern Airlines”, “CSA”, the “Company”) has formulated the 2024 Action Plan for “Improving Quality and Efficiency to Increase Returns”, which was considered and approved at the twentieth meeting of the 9th session of the Board of the Company on 29 April 2024. The details are as follows:

### **I. Improving operating quality and focusing on expanding the scale of principal business**

The Company is committed to building a world-class air transportation enterprise with global competitiveness. The Company maintained a leading position in the industry in terms of safety and was awarded the “Three-Star Diamond Award for Flight Safety”, the top award for flight safety from the CAAC. As of the end of 2023, the Company operated a fleet of 908 passenger and cargo transport aircraft including Boeing 787, 777 and 737 series, Airbus 350, 330 and 320 series, and COMAC ARJ21, formed a developed route network covering China, and the rest of Asia, and effectively connecting Europe, America, Australia and Africa. The Company is the biggest airline in China with the most developed route network and the largest annual passenger traffic.

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In 2023, the Company focused on enhancing the core market competitiveness to facilitate quality and efficiency improvement in operation. The Company improved the operation of Guangzhou and Beijing as core hubs, implemented the strategy of maximising marginal contribution of flights and actively facilitated the increase and resumption of international flights. The Company vigorously promoted the establishment of the customer management system, continuously improved online and offline reach scenarios of passengers with digital and ecosystem-based concepts and prepared tailored aviation product portfolios to build an open and comprehensive aviation platform. The Company seized the new normal of the freight market, implemented the new development concept and planned and invested in the construction of freight hubs to achieve the linkage of domestic aviation and ground networks. The Company expanded the transportation of live animals, high-end precision instruments and other goods with high value. For the whole year, the Company carried 142 million passengers and 1.585 million tonnes of cargo and mail, and the Company's group customers and frequent flyers reached 29,000 and 99.06 million, respectively.

In 2024, the Company will comprehensively improve the core market competitiveness, solve key constraints and focus on quality and efficiency improvement. The Company will strengthen the connection and coordination of core hubs and network and vigorously advance complete access to the network; the Company will facilitate the implementation of the customer management system and develop customer operation capabilities covering all the online and offline touchpoints; the Company will refine the establishment of product systems and diversify product portfolios for personalised demands; the Company will deepen the building of ecosystems and expand the cooperation with industrial segments; the Company will reinforce the core competitiveness in cargo transport and transform itself towards a provider of logistic services covering the whole value chain. The Company will boost support to the digital transformation and focus on the development in digital marketing, intelligent logistics and digital operation; the Company will improve the efficiency of cost management and refined management.

## **II. Accelerating the development of new quality productive forces and increasing investment in strategic and emerging industries**

The Company always adheres to innovative development. The Company has established and improved the system and mechanism of scientific and technological innovation and boosted efforts in achieving breakthroughs in significant aviation-related technological innovation with focus on digital technology, advanced manufacturing, green and low-carbon and other sectors.

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In 2023, based on the new-generation IT architecture of “cloud platform & dual middle-platform”, the Company continued to optimise its information systems in the key areas of passenger transport marketing, operation control, air and ground services, aviation safety, cargo transport, corporate management and public platforms, which greatly improved its operational efficiency, safety quality and service standards. The digitalisation construction focusing on digitalised customer, digitalised employee, digitalised process and digitalised company proceeded steadily. The Company continued to build China Southern e-Travel, realising the full coverage of the “a hassle-free journey with one mobile device” function, and leading the industry in key indicators such as the number of social media fans, cumulative downloads and monthly active users.

In 2024, the Company will maintain strategic focus, implement strategic targets on high-quality development and explore and invest in strategic and emerging industries. The Company will deepen the reform of scientific and technological innovation mechanism, strengthen the deep collaborations of industry, academia, research and application, and accelerate the construction of a team of innovative talents in aviation science and technology; the Company will strengthen its dominant role in scientific and technological innovation, and promote the expansion of the aviation value chain and the deep integration of the supply chain; the Company will deepen the structural reform on the supply side to promote the cultivation of strategic and emerging industries.

### **III. Strengthening communication with investors to enhance transparency**

The Company adheres to the working principles of compliance, equality, initiative and honesty, continuously carries out investor relations management in an efficient and professional manner, fully safeguards the interest of investors, further strengthens effective communication and improves service quality.

In 2023, the Company continued to strengthen the two-way communication mechanism with the capital market, and actively implemented the strategy of “go out” and “bring in” to clearly introduce its business operations as a central enterprise. The Company participated in the collective performance briefing on 2022 annual reports of listed companies on the Shanghai Stock Exchange in the aviation and airport industry for the first time and pioneered a combination of cloud video live streaming and on-site interaction in the 2023 interim results press conference. This achieved a comprehensive linkage with investors both online and offline. The Company also ensured smooth communication channels such as investor hotline, investor email, and investor

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website, and actively responded to questions on “SSE E-interaction”. As the only company selected in the civil aviation industry, the Company won the fifth New Fortune – Best Listed Company (新財富“最佳上市公司”).

In 2024, the Company will continue to strengthen investor relations management, pay attention to capital market performance, and strive to align the Company’s market value with its intrinsic value. The Company will create an investor relations management culture of valuing integrity, sticking to bottom lines, standardising operations and assuming responsibility, to maximise shareholder returns and look forward to gaining more trust and support from investors.

#### **IV. Performing information disclosure obligations and improving listing compliance system**

The Company strictly complied with the relevant listing rules of all the listing places to perform its information disclosure obligations in accordance with the standards of “truth, accuracy, completeness, timeliness, fairness and effectiveness”.

In 2023, the Company strove to improve the quality of listed company, focused on the development of information disclosure system, and formulated and issued the management rules for regular reporting; the Company pre-emptively planned its listing compliance collaborative management, established a listing collaborative management mechanism and adjusted the listing compliance control methods; the Company enhanced the standardised operation management, and strengthened the full-process control of key matters such as financial data quality, management of raised funds, commitments and performance. In September 2023, the Company obtained level-A information disclosure rating from the Shanghai Stock Exchange for ten consecutive years.

In 2024, the Company will continue to improve its high-quality information disclosure system with aviation industry characteristics, strictly implement new securities regulatory requirements, optimise and standardise operational management processes, adhere to the essential requirements for listing compliance, and protect the right to know of the investors. In terms of ESG, the Company will uphold the core corporate value of “Bringing Better Flights to More”, cooperate closely with all stakeholders, and strive to fulfil corporate social responsibilities, so as to jointly build a social ecology of all-win harmony.

#### **V. Adhering to standardised operation and optimising corporate governance mechanism**

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In accordance with the requirements of relevant laws and regulations, including the Company Law and the Securities Law, and the Articles of Association, the Company has established its corporate governance system comprising the general meeting, the Board, the Supervisory Committee and the management, forming an operating mechanism that can facilitate the cooperation, coordination, and checks and balances of the Company's authority, decision-making, supervisory and executive functions.

In 2023, the Company improved its modern corporate governance system for state-owned enterprise with Chinese characteristics, continuously improved the compliance and effectiveness of the Board's operation, strengthened the duty performance assurance for external directors, promoted the effective implementation of the resolutions of the shareholders' general meeting, and comprehensively addressed various tasks in relation to work safety and reform and development, thereby effectively safeguarding the interests of the Company and the shareholders as a whole. The Board of Directors was recognised with two prestigious awards including the "2023 Best Corporate Governance Practice (2023 年公司治理最佳實踐)" and the "2023 Best Practice Case of Board of Directors of Listed Company (2023 年上市公司董事會最佳實踐)" by the China Association for Public Companies. CSA was the only aviation transportation company to win both awards and was selected as one of the 27 best examples and included in the Report on Corporate Governance for Listed Companies in China (《中國上市公司治理報告》).

In 2024, by further empowering the Board of Directors to play its role in determining strategies, making decisions and preventing risks, the Company will implement the new development concepts of innovation, coordination, environmental responsibility, openness and sharing, fully leverage the diverse backgrounds of the members of the Board of Directors, and closely follow the Company's high-quality development approach to promote the implementation of strategies. The Company will comprehensively amend, among others, the Articles of Association and rules of procedure, in accordance with the new Company Law and other new laws and regulations to continuously optimise the systems and processes; the Company will ensure efficient decision-making on key matters such as major investments, related party transactions, guarantees, organisational reform, and appointment and removal of senior management to provide strong support for the Company's vision of becoming a world-class aviation transportation enterprise.

## **VI. Other matters**

Looking ahead, the Company will continue to evaluate the implementation of the

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“Improving Quality and Efficiency to Increase Returns” action plan, explain the effects of the relevant measures, and fulfil its information disclosure obligations in a timely manner. The Company will also strive to improve the quality of listed company, increase investor returns, and enhance investors’ sense of achievement through better performance, more standardised corporate governance and more active communication with investors, so as to jointly promote the stable and healthy development of the capital market.

*The forward-looking statements contained in this report, including corporate plans, development strategies and others things which are still not facts, do not constitute substantive commitments to investors. Investors are advised to consider the associated risks.*

Board of Directors of  
China Southern Airlines Company Limited  
29 April 2024