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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)

## **SUPPLEMENTAL AGREEMENT IN RELATION TO DISCLOSEABLE TRANSACTION**

Reference is made to the announcement (the “**Announcement**”) of China Southern Airlines Company Limited (the “**Company**”) dated 29 December 2023 in relation to the Capital Contribution to Sichuan Airlines. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

On 29 April 2024 (after trading hours), the Company and Sichuan Airlines Group entered into a supplemental agreement to the Agreement (the “**Supplemental Agreement**”).

### **THE SUPPLEMENTAL AGREEMENT**

The principal terms of the Supplemental Agreement are set out as follows:

#### **(I) Date**

29 April 2024

#### **(II) Parties**

(a) the Company; and

(b) Sichuan Airlines Group.

#### **(III) Supplemental Agreement**

The Company and Sichuan Airlines Group agreed to jointly promote the listing of Sichuan Airlines.

Pursuant to the Supplemental Agreement, if Sichuan Airlines is not successfully listed in 2028, the Company shall be entitled to transfer all or part of its equity interest in Sichuan Airlines in accordance with the articles of association of Sichuan Airlines. Such transfer price shall be

determined in accordance with the higher of: (1) the value of asset valuation of the equity interest to be transferred based on mutually agreed valuation benchmark date at the time when the Company requests for the transfer; or (2) the corresponding value of the equity interest to be transferred by the Company to the actual total capital contribution made by the Company pursuant to the Capital Contribution plus the interest calculated based on the loan market quotation rate published by the National Interbank Funding Center for the corresponding period. The transfer price must comply with the regulations of state-owned asset supervision. If there are no other shareholders or third-party subscriptions, Sichuan Airlines Group must fully subscribe for the equity interest to be transferred by the Company according to the transfer plan specified by the Company.

## **REASONS FOR THE SUPPLEMENTAL AGREEMENT**

Being one of the shareholders of Sichuan Airlines, the Company had the successful listing of Sichuan Airlines as the condition for its capital contribution under the Agreement. The Company's entering into the Supplemental Agreement with Sichuan Airlines Group shall ensure the safety of the capital injection made by the Company to Sichuan Airlines, thereby safeguarding the long-term interests of the Company's shareholders. Based on the above, the Directors considers that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The arrangement under the Supplemental Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with the relevant Listing Rules requirements when it exercises the repurchase option under the Supplemental Agreement.

This announcement is supplemental to and should be read in conjunction with the Announcement. Save as specified herein, the above supplemental information does not affect other information and contents set out in the Announcement.

**WARNING: The listing of Sichuan Airlines may or may not proceed, potential investors and shareholders of the Company are therefore advised to exercise caution when dealing in the securities of the Company.**

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.*