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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)

THIRD QUARTERLY REPORT OF 2023

Summary

The quarterly financial report for the third quarter of 2023 (i.e. the three months ended 30 September 2023, the “**reporting period**”) of China Southern Airlines Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was prepared in accordance with the PRC Accounting Standards and was unaudited.

This announcement is published pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

IMPORTANT NOTICE:

The board of directors (the “**Board**”) and the supervisory committee of China Southern Airlines Company Limited (the “**Company**”) and its directors (the “**Directors**”), supervisors and senior management warrant the truthfulness, accuracy and completeness of the content contained in this quarterly report, and the report does not contain inaccurate or misleading statements or material omission, and jointly and severally accept full legal responsibility.

The responsible person of the Company, Mr. Ma Xu Lun (Chairman), the responsible person of the accounting of the Company, Mr. Yao Yong (Executive Vice President, Chief Accountant and Chief Financial Officer of the Company), and the responsible person of the accounting department, Ms. Mao Juan (General Manager of Finance Department) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

Whether the Third Quarterly Financial Statements have been audited

Yes No

I. MAJOR ACCOUNTING DATA

(I) Principal accounting data and financial indicators

Unit: Million Currency: RMB

| Items | The reporting period | Increase/(decrease) as compared with the corresponding period last year (%) | Nine months ended 30 September 2023 | Increase/(decrease) as compared with the corresponding period last year (%) |
|---|----------------------|---|-------------------------------------|---|
| Operating revenue | 47,661 | 62.42 | 119,491 | 70.31 |
| Net profit attributable to shareholders of the Company | 4,195 | N/A | 1,320 | N/A |
| Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses | 3,809 | N/A | -151 | -99.18 |
| Net cash flows generated from operating activities | N/A | N/A | 36,979 | 406.56 |
| Basic earnings per share (RMB/share) | 0.23 | N/A | 0.07 | N/A |
| Diluted earnings per share (RMB/share) | 0.21 | N/A | 0.05 | N/A |
| Weighted average return on net assets (%) | 10.43 | Increased by 22.41 percentage points | 3.16 | Increased by 38.10 percentage points |
| | | As at the end of the reporting period | As at the end of last year | Increase/(decrease) as compared with that of the end of last year (%) |
| Total assets | | 306,201 | 312,001 | -1.86 |
| Equity attributable to shareholders of the Company | | 42,314 | 41,057 | 3.06 |

Note: The “reporting period” and the same expressions hereafter mentioned refer to the three-months period from the beginning to the end of the third quarter of 2023.

(II) Non-recurring gains and losses

Unit: Million Currency: RMB

| Items | Amount for the reporting period | Amount for the period from the beginning of the year to the end of the reporting period |
|---|---------------------------------|---|
| Gains or losses on disposal of non-current assets | 56 | 249 |
| Government grants recorded in the income statement for the current period, but exclusive of government grants which are closely related to the normal business of the Company and entitled pursuant to unified standard quota or amount under the government policy | 280 | 643 |
| In addition to the valid hedging business related to the company's normal business operations, the gains/losses from changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and investment income from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and other investments in debt | -35 | 580 |
| Other non-operating income and expenses other than the above item | 140 | 317 |
| Less: Effect on income tax | 9 | 183 |
| Effect on non-controlling interests (after tax) | 46 | 135 |
| Total | 386 | 1,471 |

Notes on defining any non-recurring gains and losses items as listed in the “The No.1 Explanatory Announcement Regarding Information Disclosure for Companies Issuing Securities Publicly – Non-Recurring Gains and Losses” as recurring gains and losses items

Applicable Not applicable

(III) Changes to major accounting data and financial indicators and reasons

✓ Applicable □ Not applicable

| Items | Percentage of change (%) | Main reason(s) |
|---|--------------------------|---|
| Operating revenue-the reporting period | 62.42 | Operating revenue has increased, mainly due to an increase of passenger revenue, when the industry recovered during the reporting period as compared with the same period last year |
| Operating revenue-nine months ended 30 September 2023 | 70.31 | Operating revenue has increased, mainly due to an increase of passenger revenue, when the industry recovered during the nine months ended 30 September 2023 as compared with the same period last year |
| Net profit attributable to shareholders of the Company-the reporting period | N/A | The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the reporting period as compared with the same period last year |
| Net profit attributable to shareholders of the Company-nine months ended 30 September 2023 | N/A | The Group recorded profit during the nine months ended 30 September 2023 as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the nine months ended 30 September 2023 as compared with the same period last year |
| Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses-the reporting period | N/A | The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the reporting period as compared with the same period last year |
| Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses-nine months ended 30 September 2023 | -99.18 | The Group recorded profit during the nine months ended 30 September 2023 as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the nine months ended 30 September 2023 as compared with the same period last year |

| Items | Percentage of change (%) | Main reason(s) |
|--|--------------------------------------|---|
| Net cash flows generated from operating activities-nine months ended 30 September 2023 | 406.56 | Operating revenue has increased, mainly due to an increase of passenger revenue, when the industry recovered during the nine months ended 30 September 2023 as compared with the same period last year |
| Basic earnings per share-the reporting period | N/A | The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the reporting period as compared with the same period last year |
| Basic earnings per share-nine months ended 30 September 2023 | N/A | The Group recorded profit during the nine months ended 30 September 2023 as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the nine months ended 30 September 2023 as compared with the same period last year |
| Diluted earnings per share-the reporting period | N/A | The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the reporting period as compared with the same period last year |
| Diluted earnings per share-nine months ended 30 September 2023 | N/A | The Group recorded profit during the nine months ended 30 September 2023 as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the nine months ended 30 September 2023 as compared with the same period last year |
| Weighted average return on net assets-the reporting period | Increased by 22.41 percentage points | The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the reporting period as compared with the same period last year |
| Weighted average return on net assets-nine months ended 30 September 2023 | Increased by 38.10 percentage points | The Group recorded profit during the nine months ended 30 September 2023 as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry recovered during the nine months ended 30 September 2023 as compared with the same period last year |

II. INFORMATION OF SHAREHOLDERS

(I) Total number of ordinary shareholders and number of preference shareholders with restored voting rights and shareholdings of the top ten shareholders

Unit: Share

| Total number of ordinary shareholders as at the end of the reporting period | 162,987 | Total number of preference shareholders with restored voting rights as at the end of the reporting period (if any) | Not applicable | | | |
|---|---------------------------------------|--|--|---|--|------------------|
| Shareholdings of the top ten shareholders | | | | | | |
| Name of shareholder | Capacity of shareholder | Total number of shares held at the end of the reporting period | Shareholding percentage at the end of the reporting period (%) | Number of shares subject to trading restrictions at the end of the reporting period | Status of pledged, marked or frozen shares | |
| | | | | | Status of shares | Number of shares |
| China Southern Air Holding Company Limited | State-owned legal entity | 9,404,468,936 | 51.90 | 803,571,428 | No | 0 |
| Nan Lung Holding Limited | State-owned legal entity | 2,612,124,036 | 14.41 | 0 | No | 0 |
| HKSCC Nominees Limited | Overseas legal entity | 1,750,815,837 | 9.66 | 0 | Not known | - |
| Hong Kong Securities Clearing Company Limited | Overseas legal entity | 654,597,606 | 3.61 | 0 | No | 0 |
| China Securities Finance Corporation Limited | State-owned legal entity | 320,484,148 | 1.77 | 0 | No | 0 |
| American Airlines, Inc. | Overseas legal entity | 270,606,272 | 1.49 | 0 | No | 0 |
| China National Aviation Fuel Group Limited | State-owned legal entity | 261,685,354 | 1.44 | 0 | No | 0 |
| Spring Airlines Co., Ltd. | Domestic non-State-owned legal entity | 140,043,961 | 0.77 | 0 | No | 0 |
| China Structural Reform Fund Corporation Limited | State-owned legal entity | 72,077,475 | 0.40 | 0 | No | 0 |
| Industrial Bank Co., Ltd. – Guangfa Ruiyi Leading Hybrid Securities Investment Fund | Domestic non-State-owned legal entity | 70,644,579 | 0.39 | 0 | No | 0 |

| Particulars of the top ten shareholders not subject to trading restrictions | | | |
|---|--|--------------------------------|------------------|
| Name of shareholder | Number of tradable shares not subject to selling restrictions | Type and number of shares | |
| | | Type of shares | Number of shares |
| China Southern Air Holding Company Limited | 8,600,897,508 | RMB ordinary shares | 8,600,897,508 |
| Nan Lung Holding Limited | 2,612,124,036 | Overseas-listed foreign shares | 2,612,124,036 |
| HKSCC Nominees Limited | 1,750,815,837 | Overseas-listed foreign shares | 1,750,815,837 |
| Hong Kong Securities Clearing Company Limited | 654,597,606 | RMB ordinary shares | 654,597,606 |
| China Securities Finance Corporation Limited | 320,484,148 | RMB ordinary shares | 320,484,148 |
| American Airlines, Inc. | 270,606,272 | Overseas-listed foreign shares | 270,606,272 |
| China National Aviation Fuel Group Limited | 261,685,354 | RMB ordinary shares | 261,685,354 |
| Spring Airlines Co., Ltd. | 140,043,961 | RMB ordinary shares | 140,043,961 |
| China Structural Reform Fund Corporation Limited | 72,077,475 | RMB ordinary shares | 72,077,475 |
| Industrial Bank Co., Ltd. – Guangfa Ruiyi Leading Hybrid Securities Investment Fund | 70,644,579 | RMB ordinary shares | 70,644,579 |
| Explanation of the related party relationship or concert party relationship of the above shareholders | China Southern Air Holding Company Limited held in aggregate 2,648,836,036 H shares of the Company through its wholly-owned subsidiaries in Hong Kong, namely Nan Lung Holding Limited and Perfect Lines (Hong Kong) Limited. The Company is not aware of any other related party relationship between other shareholders. | | |
| Explanation on the top ten shareholders and the top ten shareholders not subject to trading restrictions who have participated in the business of margin financing and securities lending and margin refinancing (if any) | Not applicable | | |

III. IMPORTANT INFORMATION

Other important information related to the Company's business performance during the reporting period should be brought to the attention of the investors

✓ Applicable Not applicable

Status on the guarantees provided for the SPVs of the Company as of the date of this report:

| No. | Established SPVs | Actually Provided (Yes/no) | Guaranteed Amount (US\$100 million) |
|-----|--------------------------------|-------------------------------|--|
| 1 | China Southern Airlines No. 1 | Yes | 1.50 |
| 2 | China Southern Airlines No. 2 | Yes | 1.40 |
| 3 | China Southern Airlines No. 3 | Yes | 3.28 |
| 4 | China Southern Airlines No. 5 | Yes | 0.92 |
| 5 | China Southern Airlines No. 6 | Yes | 0.35 |
| 6 | China Southern Airlines No. 7 | Yes | 0.35 |
| 7 | China Southern Airlines No. 8 | Yes | 0.35 |
| 8 | China Southern Airlines No. 9 | Yes | 5.88 |
| 9 | China Southern Airlines No. 10 | Yes | 5.17 |
| 10 | China Southern Airlines No. 11 | Yes | 2.98 |
| 11 | China Southern Airlines No. 12 | Yes | 0.25 |
| 12 | China Southern Airlines No. 13 | Yes | 0.25 |
| 13 | China Southern Airlines No. 14 | Yes | 0.33 |
| 14 | China Southern Airlines No. 15 | Yes | 3.11 |
| 15 | China Southern Airlines No. 16 | Yes | 5.26 |
| 16 | China Southern Airlines No. 17 | Yes | 1.49 |
| 17 | China Southern Airlines No. 18 | Yes | 2.50 |
| 18 | China Southern Airlines No. 19 | Yes | 0.51 |
| 19 | China Southern Airlines No. 20 | Yes | 0.51 |
| 20 | China Southern Airlines No. 21 | Yes | 0.48 |
| 21 | China Southern Airlines No. 22 | Yes | 0.48 |

| No. | Established SPVs | Actually Provided (Yes/no) | Guaranteed Amount (US\$100 million) |
|-------|--------------------------------|-------------------------------|--|
| 22 | China Southern Airlines No. 23 | Yes | 0.48 |
| 23 | China Southern Airlines No. 24 | Yes | 2.78 |
| 24 | China Southern Airlines No. 25 | Yes | 2.04 |
| 25 | China Southern Airlines No. 26 | Yes | 4.73 |
| 26 | Chongqing Airlines No.1 | Yes | 3.52 |
| 27 | Chongqing Airlines No.2 | Yes | 0.32 |
| 28 | Xiamen Airlines No.1 | Yes | 0.66 |
| 29 | Xiamen Airlines No.2 | Yes | 0.10 |
| 30 | Xiamen Airlines No.3 | Yes | 0.10 |
| 31 | Xiamen Airlines No.4 | Yes | 0.19 |
| 32 | Xiamen Airlines No.5 | Yes | 0.19 |
| 33 | Xiamen Airlines No.6 | Yes | 0.20 |
| 34 | Xiamen Airlines No.7 | Yes | 0.11 |
| 35 | Xiamen Airlines No.8 | Yes | 0.19 |
| 36 | Xiamen Airlines No.9 | Yes | 0.19 |
| 37 | Xiamen Airlines No.10 | Yes | 0.19 |
| 38 | Xiamen Airlines No.11 | Yes | 0.19 |
| 39 | Xiamen Airlines No.12 | Yes | 0.08 |
| 40 | Xiamen Airlines No.13 | Yes | 0.19 |
| 41 | Xiamen Airlines No.14 | Yes | 0.18 |
| 42 | Xiamen Airlines No.15 | Yes | 0.18 |
| 43 | Xiamen Airlines No.16 | Yes | 0.09 |
| 44 | Xiamen Airlines No.17 | Yes | 0.08 |
| 45 | Xiamen Airlines No.18 | Yes | 0.67 |
| Total | / | / | 55.00 |

| | |
|-------------|---|
| <i>Note</i> | <p><i>Pursuant to the authorization of the 2022 annual general meeting of the Company, Xiamen Airlines adjusted the guarantee limits of Xiamen Airlines No.1 and Xiamen Airlines No. 18 to US\$66 million and US\$67 million, respectively, within the authorized guarantee limit of RMB3,560 million or equivalent foreign currency.</i></p> <p><i>The total guarantee amounts actually provided for the aforementioned 45 SPVs by the Company and its subsidiaries, i.e. Xiamen Airlines and Chongqing Airlines, are US\$5.500 billion (equivalent to approximately RMB39.489 billion, calculated based on the Renminbi central parity rate of US\$1=RMB7.1798 published by the People's Bank of China on 28 September 2023), which are within the scope of the authorized guarantee amount approved by the general meeting of the Company.</i></p> |
|-------------|---|

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

Applicable Not applicable

(II) Financial statements

Consolidated Balance Sheet

As at 30 September 2023

Prepared by: China Southern Airlines Company Limited

Unit: Million Currency: RMB Audit type: Unaudited

| Items | 30 September 2023 | 31 December 2022 |
|---|-------------------|------------------|
| Current assets: | | |
| Cash at bank and on hand | 14,435 | 20,240 |
| Settlement provisions | | |
| Loans to banks and other financial institutions | | |
| Held-for-trading financial assets | | |
| Derivative financial assets | - | 2 |
| Bills receivable | | |
| Accounts receivable | 4,270 | 2,656 |

| Items | 30 September 2023 | 31 December 2022 |
|---|--------------------------|-------------------------|
| Receivables financing | | |
| Prepayments | 744 | 619 |
| Premiums receivable | | |
| Reinsurance accounts receivable | | |
| Reinsurance contract reserves receivable | | |
| Other receivables | 2,208 | 1,943 |
| Including: Interest receivable | – | – |
| Dividends receivable | 10 | 4 |
| Financial assets purchased with agreement to resale | | |
| Inventories | 1,791 | 1,387 |
| Contract assets | | |
| Assets held for sale | – | 26 |
| Non-current assets due within one year | 153 | 152 |
| Other current assets | 6,381 | 5,746 |
| Total current assets | 29,982 | 32,771 |
| Non-current assets: | | |
| Loans and advances | | |
| Debt investments | | |
| Other debt investments | | |
| Long-term receivables | 605 | 744 |
| Long-term equity investments | 6,573 | 6,205 |
| Other equity instrument investments | 548 | 659 |
| Other non-current financial assets | 50 | 49 |
| Investment properties | 524 | 341 |
| Fixed assets | 93,260 | 90,810 |
| Construction in progress | 33,863 | 33,322 |

| Items | 30 September 2023 | 31 December 2022 |
|--|--------------------------|-------------------------|
| Productive biological assets | | |
| Oil and gas assets | | |
| Right-of-use assets | 120,849 | 126,491 |
| Intangible assets | 6,368 | 6,547 |
| Development expenses | | |
| Goodwill | | |
| Long-term deferred expenses | 485 | 624 |
| Deferred tax assets | 12,176 | 12,473 |
| Other non-current assets | 918 | 965 |
| Total non-current assets | 276,219 | 279,230 |
| Total assets | 306,201 | 312,001 |
| Current liabilities: | | |
| Short-term borrowings | 44,080 | 53,674 |
| Borrowings from the central bank | | |
| Loans from other banks | | |
| Held-for-trading financial liabilities | | |
| Derivative financial liabilities | 1,120 | 1,708 |
| Bills payable | | |
| Accounts payable | 21,468 | 14,351 |
| Advance payments received | 8,117 | 3,383 |
| Contract liabilities | 1,725 | 1,496 |
| Funds from selling out and repurchasing financial assets | | |
| Receipts of deposits and deposits from other banks | | |
| Accounts payable to brokerage customers | | |

| Items | 30 September 2023 | 31 December 2022 |
|---|--------------------------|-------------------------|
| Proceeds from underwriting securities received on behalf of customers | | |
| Employee benefits payable | 5,321 | 4,564 |
| Taxes payable | 730 | 640 |
| Other payables | 8,093 | 7,939 |
| Including: Interest payable | | |
| Dividends payable | | |
| Fees and commissions payable | | |
| Reinsurance accounts payable | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | 36,924 | 41,167 |
| Other current liabilities | 6,546 | 12,536 |
| Total current liabilities | 134,124 | 141,458 |
| Non-current liabilities: | | |
| Reserves for insurance contracts | | |
| Long-term borrowings | 22,465 | 15,316 |
| Bonds payable | 15,329 | 19,128 |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Lease liabilities | 68,435 | 72,963 |
| Long-term payables | 170 | 289 |
| Long-term salaries payable | | |
| Accrued liabilities | | |
| Deferred income | 745 | 760 |
| Deferred tax liabilities | 23 | 24 |
| Other non-current liabilities | 7,048 | 6,949 |

| Items | 30 September 2023 | 31 December 2022 |
|--|-------------------|------------------|
| Total non-current liabilities | 114,215 | 115,429 |
| Total liabilities | 248,339 | 256,887 |
| Owners' equity (or shareholders' equity): | | |
| Share capital (or issued capital) | 18,121 | 18,121 |
| Other equity instruments | | |
| Including: Preferred shares | | |
| Perpetual bonds | | |
| Capital reserve | 52,757 | 52,775 |
| Less: Inventory shares | | |
| Other comprehensive income | 216 | 261 |
| Specific reserve | | |
| Surplus reserve | 2,579 | 2,579 |
| General risk reserve | | |
| Retained earnings | -31,359 | -32,679 |
| Total equity attributable to shareholders of the Company | 42,314 | 41,057 |
| Non-controlling interests | 15,548 | 14,057 |
| Total owners' equity (or shareholders' equity) | 57,862 | 55,114 |
| Total liabilities and owners' equity (or shareholders' equity) | 306,201 | 312,001 |

Responsible person
of the Company:
Ma Xu Lun

Responsible person of the
accounting of the Company:
Yao Yong

Responsible person of the
accounting department:
Mao Juan

Consolidated Income Statement
For the nine months ended 30 September 2023

Prepared by: China Southern Airlines Company Limited

Unit: Million Currency: RMB Audit type: Unaudited

| Items | Nine months ended 30 September 2023 | Nine months ended 30 September 2022 |
|---|--|--|
| I. Total revenue | 119,491 | 70,161 |
| Including: Operating revenue | 119,491 | 70,161 |
| Interest income | | |
| Premiums earned | | |
| Fees and commissions income | | |
| II. Total operating costs | 119,954 | 94,601 |
| Including: Cost of sales | 106,356 | 80,216 |
| Interest expense | | |
| Fees and commissions expense | | |
| Surrender payment | | |
| Net payment for insurance claim | | |
| Net provisions for insurance liability | | |
| Expenditure for insurance policy dividend | | |
| Reinsurance costs | | |
| Taxes and surcharges | 370 | 196 |
| Promotion and selling expenses | 4,791 | 2,996 |
| General and administrative expenses | 2,744 | 2,455 |
| Research and development expenses | 377 | 268 |
| Financial expenses | 5,316 | 8,470 |
| Including: Interest expenses | 4,397 | 4,474 |
| Interest income | 319 | 347 |

| Items | Nine months ended 30 September 2023 | Nine months ended 30 September 2022 |
|---|--|--|
| Add: Other income | 2,828 | 2,478 |
| Investment income (“-” for losses) | 463 | 479 |
| Including: Share of profit of associates and joint ventures | 449 | 215 |
| Derecognition of income from financial assets at amortised cost | | |
| Exchange gain (“-” for losses) | | |
| Gain arising from net exposure hedge (“-” for losses) | | |
| Gains arising from changes in fair value (“-” for losses) | 574 | 164 |
| Credit losses (“-” for losses) | -7 | 30 |
| Impairment losses on property, plant and equipment and right- of-use rights (“-” for losses) | | |
| Gains on disposal of assets (“-” for losses) | 249 | 149 |
| III. Operating profit (“-” for losses) | 3,644 | -21,140 |
| Add: Non-operating income | 385 | 553 |
| Less: Non-operating expenses | 63 | 22 |
| IV. Total profits (“-” for total losses) | 3,966 | -20,609 |
| Less: Income tax expenses | 1,196 | -2,474 |
| V. Net profit (“-” for net losses) | 2,770 | -18,135 |
| (I) Net profit classified by continuity of operations | | |
| 1. Net profit from continuing operations (“-” for net losses) | 2,770 | -18,135 |
| 2. Net profit from discontinued operations (“-” for net losses) | | |
| (II) Net profit classified by ownership | | |
| 1. Net profit attributable to shareholders of the Company (“-” for net losses) | 1,320 | -17,587 |
| 2. Non-controlling interests (“-” for net losses) | 1,450 | -548 |

| Items | Nine months ended 30 September 2023 | Nine months ended 30 September 2022 |
|---|--|--|
| VI. Other comprehensive income, net of tax | -82 | 3 |
| (I) Other comprehensive income (net of tax) attributable to shareholders of the Company | -45 | 2 |
| 1. Items that will not be reclassified to profit or loss | -46 | - |
| (1) Change in defined benefit plans arising from re-measurement | | |
| (2) Equity-accounted investees – share of other comprehensive income (non-recycling) | | |
| (3) Changes in fair value of other equity instruments | -46 | - |
| (4) Change in fair value of the Company's own credit risk | | |
| 2. Items that may be reclassified subsequently to profit or loss | 1 | 2 |
| (1) Equity-accounted investees-share of other comprehensive income (recycling) | | |
| (2) Change in fair value of other debt investments | | |
| (3) Financial assets reclassified into other comprehensive income | | |
| (4) Provision for credit impairment of other debt investments | | |
| (5) Cash flow hedge: fair value movement of derivative financial assets/liabilities | | |
| (6) Translation differences arising on translation of foreign currency financial statements | 1 | 2 |
| (7) Others | | |
| (II) Other comprehensive income (net of tax) attributable to non-controlling interests | -37 | 1 |

| Items | Nine months ended 30 September 2023 | Nine months ended 30 September 2022 |
|---|--|--|
| VII. Total comprehensive income | 2,688 | -18,132 |
| (I) Attributable to shareholders of the Company | 1,275 | -17,585 |
| (II) Attributable to non-controlling interests | 1,413 | -547 |
| VIII. Earnings per share: | | |
| (I) Basic earnings per share (RMB/share) | 0.07 | -1.03 |
| (II) Diluted earnings per share (RMB/share) | 0.05 | -1.03 |

Responsible person
of the Company:
Ma Xu Lun

Responsible person of the
accounting of the Company:
Yao Yong

Responsible person of the
accounting department:
Mao Juan

Consolidated Cash Flow Statement

For the nine months ended 30 September 2023

Prepared by: China Southern Airlines Company Limited

Unit: Million Currency: RMB Audit type: Unaudited

| Items | Nine months ended 30 September 2023 | Nine months ended 30 September 2022 |
|---|--|--|
| I. Cash flows from operating activities: | | |
| Proceeds from sale of goods and rendering of services | 136,323 | 75,035 |
| Net increase in customer and interbank deposits | | |
| Net increase in borrowings from the central bank | | |
| Net cash increase in placements from other financial institutions | | |
| Cash received from premiums under original insurance contracts | | |
| Net cash received from reinsurance business | | |
| Net increase in deposits of policy holders and investment funds | | |
| Cash received from interest, fees and commissions | | |
| Net increase in capital due to banks and other financial institutions | | |
| Net increase in cash received from repurchase business | | |
| Net cash received by agents for trading in securities | | |

| Items | Nine months ended 30 September 2023 | Nine months ended 30 September 2022 |
|--|--|--|
| Refund of taxes and surcharges | 274 | 5,600 |
| Proceeds from other operating activities | 2,248 | 3,266 |
| Sub-total of operating cash inflows from operating activities | 138,845 | 83,901 |
| Payment for goods and services | 76,415 | 54,057 |
| Net increase in customer loans and advances to customers | | |
| Net increase in deposits in the central bank and interbank deposits | | |
| Cash paid for compensation payments under original insurance contracts | | |
| Net increase in placements with banks and other financial institutions | | |
| Cash paid for interest, fees and commissions | | |
| Cash paid for insurance policy dividend | | |
| Payment to and for employees | 21,649 | 18,820 |
| Payment of taxes and surcharges | 3,233 | 3,147 |
| Payment for other operating activities | 569 | 577 |
| Sub-total of cash outflows from operating activities | 101,866 | 76,601 |
| Net cash flows from operating activities | 36,979 | 7,300 |
| II. Cash flows from investment activities: | | |
| Cash received from return of investments | 93 | 597 |
| Cash received on investment income | 262 | 129 |
| Net proceeds from disposal of fixed assets, intangible assets and other long-term assets | 1,241 | 3,831 |
| Net cash received from disposal of subsidiaries and other operating units | – | 190 |
| Proceeds from other investing activities | 340 | 321 |
| Sub-total of cash inflows from investing activities | 1,936 | 5,068 |
| Payment for acquisition of fixed assets, intangible assets and other long-term assets | 8,502 | 7,209 |
| Cash paid for investment | 67 | 530 |
| Net increase in secured loans | | |

| Items | Nine months ended 30 September 2023 | Nine months ended 30 September 2022 |
|---|--|--|
| Net cash paid for acquisition of subsidiaries and other operating units | | |
| Other cash paid relating to investing activities | | |
| Sub-total of cash outflows from investment activities | 8,569 | 7,739 |
| Net cash flows from investing activities | -6,633 | -2,671 |
| III. Cash flows from financing activities: | | |
| Proceeds from investors | 1,017 | 1,665 |
| Including: Proceeds from non-controlling shareholders of subsidiaries | 1,017 | 116 |
| Proceeds from borrowings | 33,486 | 57,726 |
| Proceeds from other financing activities | 10,714 | 19,900 |
| Sub-total of cash inflows from financing activities | 45,217 | 79,291 |
| Repayments of borrowings | 75,736 | 85,116 |
| Payment for dividends, profit distributions or interest | 5,468 | 5,440 |
| Including: Dividends and profits paid to non-controlling shareholders of subsidiaries | 932 | 902 |
| Payment for other financing activities | 82 | 14 |
| Sub-total of cash outflows from financing activities | 81,286 | 90,570 |
| Net cash flows from financing activities | -36,069 | -11,279 |
| IV. Effect of changes in exchange rate on cash and cash equivalents | 25 | 80 |
| V. Net increase in cash and cash equivalents | -5,698 | -6,570 |
| Add: Cash and cash equivalents at the beginning of the period | 19,889 | 21,456 |
| VI. Cash and cash equivalents at the end of the period | 14,191 | 14,886 |

Responsible person
of the Company:
Ma Xu Lun

Responsible person of the
accounting of the Company:
Yao Yong

Responsible person of the
accounting department:
Mao Juan

(III) Adjustment to relevant items of the financial statements at the beginning of the first adoption year due to the first adoption of new accounting standard or interpretation of accounting standards in 2023

Applicable Not applicable

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
27 October 2023

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.