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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.

As China Southern Airlines Company Limited has published the “Announcement on the Proposed Issuance of Medium-Term Notes by Subsidiary of China Southern Airlines Company Limited” on the Shanghai Stock Exchange, the full text of the announcement is set out below for information purpose.

By order of the Board

**China Southern Airlines Company Limited**

**Xie Bing**

*Company Secretary*

Guangzhou, the People's Republic of China  
21 June 2016

*As at the date of this announcement, the Directors include Wang Chang Shun, Yuan Xin An and Yang Li Hua as non-executive Directors, Tan Wan Geng, Zhang Zi Fang and Li Shao Bin as executive Directors; and Ning Xiang Dong, Liu Chang Le, Tan Jin Song, Guo Wei and Jiao Shu Ge as independent non-executive Directors.*

**ANNOUNCEMENT**  
**ON THE PROPOSED ISSUANCE OF MEDIUM-TERM NOTES**  
**BY SUBSIDIARY OF CHINA SOUTHERN AIRLINES COMPANY LIMITED**

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.

In order to optimize the debt structure, lower financial costs, according to the relevant provisions of the “Administrative Measures of the People's Bank of China for Debt Financing Instruments of Non-Financial Enterprises in the Inter-bank Bond Market” and “Business Guidance of Medium-term Notes of Non-Financial Enterprises in the Inter-bank Bond Market” promulgated by People's Bank of China, combined with the actual development needs of the Company, Xiamen Airlines Company Limited (“Xiamen Airlines”), a subsidiary of China Southern Airlines Company Limited (the “Company”) proposed to apply to the National Association of Financial Market Institutional Investors for issuing medium-term notes through China Development Bank Corporation.

I. The issuing plan of the medium-term notes

1. Registration size: the registration size of this proposed issuance shall be not more than RMB4.7 billion.

2. Terms of issuance: the term of this issuance shall be not more than five years, can be issued in tranches.

3. Use of proceeds: the proceeds raised from the issuance will mainly be used to supplement working capital, replace bank loans, so as to improve the debt structure, and lower financial costs.

4. Interest rate of issuance: interest rate of this tranche of medium-term notes is fixed interest rate; the interest rate of issuance will be determined by the results of the concentrated book-building records.

5. Targets of issuance: institutional investors of National Inter-bank Bond Market (except for subscribers prohibited by national laws and regulations).

6. Issuance method: the medium-term notes will be underwritten by the underwriting group led by the lead underwriter, and publicly issued by ways of concentrated book-building records and concentrated allotment and placement in the National Inter-bank Bond Market.

7. Date of issuance: according to the actual capital needs and the market interest

rates, Xiamen Airlines will issue the bills at the appropriate time during the valid period provided in the “Notice of Acceptance of Registration” issued by the National Association of Financial Market Institutional Investors.

## II. Matters of authorization to issue medium-term notes

The Board authorized the management of Xiamen Airlines to handle matters in relation to the issuance of medium-term notes, including but not limited to: determine or adjust specific plans including the actual amount, term, time of the issuance of medium-term notes according to the capital needs of Xiamen Airlines and market conditions, and matters including the appointment of intermediaries and signing of contracts and legal documents related to the registration and issuance of medium-term notes.

## III. Approval procedure for this issuance of medium-term notes

The 2014 annual general meeting of the Company held on 30 June 2015 considered and approved the general mandate granted to the Board to issue debt financing instruments. According to the resolution of the 2014 annual general meeting and the requirements of the Articles of Association of the Company, on 8 March 2016, the Board considered and approved Xiamen Airlines to make an application to the National Association of Financial Market Institutional Investors for the registration and issuance of medium-term notes with the aggregate maximum principal amount not more than RMB5 billion under the relevant laws and regulations. The relevant bonds, within the valid period of its issuance size, will be issued in one tranche or multiple tranches according to the funding needs and debt adjustment target. The management of Xiamen Airlines was authorized to handle matters related to the issuance of the above types of bonds. The issuance of medium-term notes is subject to the registration with the National Association of Financial Market Institutional Investors.

The Company will disclose the registration and issuance of medium-term notes timely in accordance with the requirements of Shanghai Stock Exchange.

The Board of  
China Southern Airlines Company Limited  
21 June 2016