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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 “**Hong Kong Listing Rules**”).

As China Southern Airlines Company Limited has published an the “Announcement of China Southern Airlines Company Limited in relation to the Provision of Guarantee for Wholly-owned Subsidiary” on the Shanghai Stock Exchange, 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

8 June 2018

As at the date of this announcement, the Directors include Wang Chang Shun, Tan Wan Geng and Zhang Zi Fang 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
IN RELATION TO
THE PROVISION OF GUARANTEE FOR WHOLLY-OWNED SUBSIDIARY**

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:

- The guaranteed parties: Southern Airlines No. 16 (Guangzhou) Leasing Company Limited (南航十六号租赁(广州)有限公司) (the “No. 16 SPV Company”), Southern Airlines No. 22 (Guangzhou) Leasing Company Limited (南航二十二号租赁(广州)有限公司) (the “No. 22 SPV Company”), Southern Airlines No. 23 (Guangzhou) Leasing Company Limited (南航二十三号租赁(广州)有限公司) (the “No. 23 SPV Company”);

- The total guarantee amount provided by China Southern Airlines Company Limited (the “Company”) for the No. 16 SPV Company shall not exceed US\$74.4717 million; for the No. 22 SPV Company shall not exceed US\$48.216 million; for the No. 23 SPV Company shall not exceed US\$48.216 million. The total guarantee amount calculated by adding up the three items above shall not exceed US\$170.9037 million. As at the date of this announcement, the actual guarantee balances provided by the Company for the No. 16 SPV Company, the No. 22 SPV Company and the No. 23 SPV Company was nil;

- No provision of counter-guarantee;

- As at the date of this announcement, the performed amount of loan guarantees provided by the Company and Xiamen Airlines Company Limited (a subsidiary of the Company, “Xiamen Airlines”) to self-sponsored trainee pilots with respect to their training fees are approximately RMB19.0412 million and RMB1.377 million, respectively (unaudited).

I. SUMMARY OF THE AUTHORISED GUARANTEE

(I) Basic information of the guarantee

Pursuant to the approved authorization from the Board, the Company entered into a guarantee agreement with AERCAP IRELAND LIMITED to provide guarantee for the aircraft lease contract between the No. 16 SPV Company and AERCAP IRELAND LIMITED. The guarantee amount shall not exceed US\$74.4717 million. The Company entered into two guarantee agreements with BOC AVIATION LIMITED to provide

guarantee for the aircraft lease contract between the No. 22 SPV Company and BOC AVIATION LIMITED and between the No. 23 SPV Company and BOC AVIATION LIMITED, respectively. The respective guarantee amount shall not exceed US\$48.216 million. The abovementioned total guarantee amount in aggregate shall not exceed US\$170.9037 million, being equivalent to approximately RMB1,093.7837 million based on the exchange rate of US\$1 to RMB6.4 yuan.

(II) Consideration of the Board

The first meeting of the eighth session of the Board considered and passed the following resolution on 20 December 2017: the Board agreed to authorize the Company to provide guarantees to the 10 new wholly-owned SPV subsidiaries proposed to be set up in 2018 and, based on the progress of the relevant guarantees, to strictly comply with the requirements of the relevant laws and regulations to fulfil the obligations of information disclosure in a timely manner. Please refer to the “Announcement on Resolutions Passed at the First Meeting of the Eighth Session of the Board of Directors of China Southern Airlines Company Limited” published on China Securities Journal, Shanghai Securities News, Securities Times and the website of the Shanghai Stock Exchange on 21 December 2017 for details.

II. BASIC INFORMATION OF THE GUARANTEED PARTY

(I) Basic information of the guaranteed party

1. Name of the guaranteed party: Southern Airlines No. 16 (Guangzhou) Leasing Company Limited (南航十六号租赁 (广州) 有限公司)

Address: Room X5168-00064 (group registration) (WB), Management Committee Building of Processing Zone, Jiuyong Area, Yuehai Avenue, Wanqinsha town, Nansha District, Guangzhou

Legal representative: Yang Bin

Registered capital: RMB700,000

Business scope: leasing business (For detailed operating items, please login in Guangzhou Information Platform for the Commercial Subject for enquiry. For the operating items required to be approved according to laws, they shall be approved by relevant authorities before the commencement of operation).

Material contingent event which may affect the solvency of the guaranteed party: nil

Shareholders and shareholdings: 100% owned by the Company.

2. Name of the guaranteed party: Southern Airlines No. 22 (Guangzhou) Leasing Company Limited (南航二十二号租赁 (广州) 有限公司)

Address: Room X5168-00066 (group registration) (WB), Management Committee Building of Processing Zone, Jiuyong Area, Yuehai Avenue, Wanqinsha town, Nansha District, Guangzhou

Legal representative: Yang Bin

Registered capital: RMB100,000

Business scope: leasing business (For detailed operating items, please login in Guangzhou Information Platform for the Commercial Subject for enquiry. For the operating items required to be approved according to laws, they shall be approved by relevant authorities before the commencement of operation).

Material contingent event which may affect the solvency of the guaranteed party: nil

Shareholders and shareholdings: 100% owned by the Company.

3. Name of the guaranteed party: Southern Airlines No. 23 (Guangzhou) Leasing Company Limited (南航二十三号租赁 (广州) 有限公司)

Address: Room X5168-00067 (group registration) (WB), Management Committee Building of Processing Zone, Jiuyong Area, Yuehai Avenue, Wanqinsha town, Nansha District, Guangzhou

Legal representative: Yang Bin

Registered capital: RMB100,000

Business scope: leasing business (For detailed operating items, please login in Guangzhou Information Platform for the Commercial Subject for enquiry. For the operating items required to be approved according to laws, they shall be approved by relevant authorities before the commencement of operation).

Material contingent event which may affect the solvency of the guaranteed party: nil

Shareholders and shareholdings: 100% owned by the Company.

(II) The relationship between the guaranteed parties and the Company

The No. 16 SPV Company, the No. 22 SPV Company and the No. 23 SPV Company are special purpose vehicles established by the Company in February 2018, which are wholly-owned subsidiaries of the Company. The abovementioned companies have not carried out business activities as at the date of this announcement.

III. THE MAIN CONTENTS OF THE GUARANTEE AGREEMENT

(I) Guarantor: China Southern Airlines Company Limited

The guaranteed party: Southern Airlines No. 16 (Guangzhou) Leasing Company Limited (南航十六号租赁 (广州) 有限公司)

The guaranteed party: AERCAP IRELAND LIMITED

Form of guarantee: guarantee

Guarantee amount: US\$74.4717 million

Term of guarantee: no fixed term, the guarantee will be valid continuously until the guaranteed obligations are settled irrevocably and unconditionally.

Main contents of the guarantee agreement: the Company provided guarantee for the No. 16 SPV Company in respect of the debt, such as rental and payables, to the lessor

and its liabilities under the lease contract. The Company shall perform its guarantee duties as agreed and undertake the obligation to settle payables such as rentals to the lessor when the No. 16 SPV Company is unable to fulfil its whole or partial obligations.

(II) Guarantor: China Southern Airlines Company Limited

The guaranteed party: Southern Airlines No. 22 (Guangzhou) Leasing Company Limited (南航二十二号租赁 (广州) 有限公司)

The guaranteed party: BOC AVIATION LIMITED

Form of guarantee: guarantee

Guarantee amount: US\$48.216 million

Term of guarantee: no fixed term, the guarantee will be valid continuously until the guaranteed obligations are settled irrevocably and unconditionally.

Main contents of the guarantee agreement: the Company provided guarantee for the No. 22 SPV Company in respect of the debt, such as rental and payables, to the lessor and its liabilities under the lease contract. The Company shall perform its guarantee duties as agreed and undertake the obligation to settle payables such as rentals to the lessor when the No. 22 SPV Company is unable to fulfil its whole or partial obligations.

(III) Guarantor: China Southern Airlines Company Limited

The guaranteed party: Southern Airlines No. 23 (Guangzhou) Leasing Company Limited (南航二十三号租赁 (广州) 有限公司)

The guaranteed party: BOC AVIATION LIMITED

Form of guarantee: guarantee

Guarantee amount: US\$48.216 million

Term of guarantee: no fixed term, the guarantee will be valid continuously until the guaranteed obligations are settled irrevocably and unconditionally.

Main contents of the guarantee agreement: the Company provided guarantee for the No. 23 SPV Company in respect of the debt, such as rental and payables, to the lessor and its liabilities under the lease contract. The Company shall perform its guarantee duties as agreed and undertake the obligation to settle payables such as rentals to the lessor when the No. 23 SPV Company is unable to fulfil its whole or partial obligations.

IV. OPINIONS OF THE BOARD

The Board is of the opinion that: 1. the above guarantee matters are within the authorization scope of the Board and the decision is made in accordance with the applicable laws and regulations. 2. the Board has given due consideration in respect of the external guarantees to the No. 16 SPV Company, the No. 22 SPV Company and the No. 23 SPV Company by the Company which are beneficial for reducing aircraft lease cost, and are in line with the development of the Company. 3. the No. 16 SPV Company, the No. 22 SPV Company and the No. 23 SPV Company are wholly-owned subsidiaries of the Company, thus their important decision-making and daily operations are under the absolute control of the Company, which could effectively control and prevent significant risks.

V. ACCUMULATED AMOUNT OF EXTERNAL GUARANTEES AND OVERDUE 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 RMB343.9759 million, representing approximately 0.69% of the Company's audited net assets for the latest period. The total external guarantee amount provided by the Company and Xiamen Airlines for the wholly-owned subsidiaries and subsidiaries of the Company was RMB11.177 billion, representing approximately 22.54% of the Company's audited net assets for the latest period. The amount in respect of the joint liability guarantees for loans for training costs of self-sponsored trainee pilots performed by the Company and Xiamen Airlines is approximately RMB20.4182 million (all of the above figures are unaudited).

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions of the First Meeting of the Eighth Session of the Board
2. Photocopy of the business licences of the guaranteed parties
3. Guarantee agreements

**The Board of Directors of
China Southern Airlines Company Limited**

8 June 2018