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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)

**ANNOUNCEMENT ON ESTIMATED DECREASE IN ANNUAL  
RESULTS FOR THE YEAR OF 2018**

This announcement is made by China Southern Airlines Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**I. ESTIMATED RESULTS FOR THIS PERIOD**

**(I) Period covered by the estimated results**

1 January 2018 to 31 December 2018.

**(II) Estimated Results**

1. Based on preliminary calculations by the finance department of the Company, it is expected that the net profit attributable to shareholders of the Company for the year of 2018 will decrease by RMB2,774 million to RMB3,297 million, representing a decrease of 47% to 56% compared with the corresponding period of the previous year (based on the financial statements which were prepared in accordance with the People’s Republic of China Accounting Standards for Business Enterprises (“**PRC GAAP**”)).
2. It is expected that the net profit after deducting the non-recurring profit or loss attributable to shareholders of the Company for the year of 2018 will decrease by RMB2,763 million to RMB3,171 million, representing a decrease of 53% to 61% compared with the corresponding period of the previous year (based on the financial statements which were prepared in accordance with the PRC GAAP).

**II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR**

- (I) The net profit attributable to shareholders of the Company was RMB5,914 million. The net profit after deducting the non-recurring profit or loss attributable to shareholders of the Company was RMB5,212 million.
- (II) Earnings per share was RMB0.60.

### **III. MAJOR REASONS FOR THE ESTIMATED DECREASE IN RESULTS FOR THIS PERIOD**

During the reporting period, the Company's operating income achieved steady growth year-on-year and maintained a relatively positive business trend. However, due to the exchange loss caused by the depreciation of the Renminbi against the US dollar, the net profit attributable to shareholders of the Company suffered a year-on-year decrease by approximately RMB2,550 million. In addition, the year-on-year increase in jet fuel prices during the reporting period also had a negative impact on the Company's results.

### **IV. RISK WARNINGS**

There is no substantial uncertainty in respect of the Company which will affect the accuracy of the content in this estimated results.

### **V. OTHER EXPLANATORY MATTERS**

The data set out in this announcement is only preliminary accounting data. The specific and accurate financial data should be those to be disclosed in the audited 2018 annual report of the Company. Investors are advised to pay attention to such investment risks involved.

By order of the Board  
**China Southern Airlines Company Limited**  
**Xie Bing**  
*Company Secretary*

Guangzhou, the People's Republic of China

30 January 2019

*As at the date of this announcement, the Directors include Wang Chang Shun 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.*