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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)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of China Southern Airlines Company Limited (the “Company”) will be held at No. 1 Conference Room, 4th Floor, Pearl Hotel CSN, No. 5 Road, Southern Work District, Baiyun International Airport, Guangzhou, Guangdong Province, the PRC on Wednesday, 30 June 2010 at 9:30 a.m. for the purpose of considering, if thought fit, to approve the following resolutions. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 14 May 2010 (the “Circular”):

**ORDINARY RESOLUTIONS**

To consider and, if thought fit, approve the following resolutions as ordinary resolutions:

1. to consider and approve the Report of the Directors of the Company for the year 2009;
2. to consider and approve the Report of the Supervisory Committee of the Company for the year 2009;
3. to consider and approve the audited consolidated financial statements of the Company for the year 2009;
4. to consider and approve the profit distribution proposal for the year 2009;

As audited by KPMG Huazhen, under the PRC accounting standards, as at 31 December 2009, the accumulated loss of the Company amounted to RMB5.734 billion. According to the provisions of the Company Law, there is no withdrawal of reserve fund and no payment of dividend by the Company for the year 2009.

5. to consider and approve the appointment of KPMG Huazhen as the PRC auditors of the Company for the year 2010 and KPMG as the international auditors of the Company for the year 2010 and authorize the Board to determine their remuneration;

6. to consider and approve the 2010 annual cap of the continuing connected transactions (has the meaning ascribed thereto under the SSE Listing Rules) entered into between the Company and CSAHC and its controlled entities as set out below:

No.	Connected parties	Connected relations	Type of connected transactions	Connected transactions	Pricing basis	Cap of 2010 (RMB ten thousands)	Amount of connected transactions in 2009 (RMB ten thousands)	Remarks
1.	CSAHC	Parent company	Other outflow	Rental of lands and buildings	Agreed by reference to market price	3,900.61	3,714.87	Original office building , parcels of land in Nanyang, Hengyang, Shashi, Zhanjiang, etc.
2.	CSAHC	Parent company	Other outflow	Rental of lands and buildings	Agreed by reference to market price	7,029.18	7,029.18	Original lands and real estates in Xinjiang, Beihang etc.
3.	Southern Airlines (Group) Import and Export Trading Company	a wholly-owned subsidiary of the parent company	Acquiring labour service	Handling fee for purchases	Based on a fixed percentage of purchasing amount, and the percentage was agreed by reference to market price	9,000	6,793.60	
4.	China Southern Airlines Group Passenger and Cargo Agent Company Limited	a wholly-owned subsidiary of the parent company	Acquiring agency service	Air ticket sales and cargo agency, etc.	Determined according to existing regulations of CAAC or agreed by both parties by reference to market price	25,000	18,201.9 (agency sales revenue)	Note: the actual amount of agency fee paid in 2009 was RMB5.72 million
5.	Guangzhou China Southern Airlines Property Management Company Limited	a wholly-owned subsidiary of the parent company	Acquiring labour service	Property management and maintenance fee	Determined based on price lower than that offered by independent third parties	4,701	1,947.10	
6.	Southern Airlines Culture and Media Co., Ltd.	a controlled subsidiary of the parent company	Acquiring labour service	Media services agency fee	Agreed by reference to market price	4,000	2,086.8	
<b>Total</b>						<b>53,630.79</b>	<b>39,773.45</b>	

7. to consider and approve the extension of the airline service agreement entered into between the Company and TravelSky Technology Limited for one year.

The Board has passed a resolution on 29 December 2009 to approve the extension of the airline service agreement (“Service Agreement”) entered into between the Company and TravelSky Technology Limited (“TravelSky”) on 8 May 2009 for one year for the period from 1 January 2010 to 31 December 2010. Pursuant to the Service Agreement, TravelSky agreed to provide to the Company with flight control system services; electronic travel distribution system services; airport passenger processing system services; and civil aviation and commercial data network services. The service fee is determined with reference to the with reference to the rates provided by Civil Aviation Administration of China. The 2010 service fees payable by the Company to TravelSky is expected to be not more than RMB400 million.

By Order of the Board of  
**China Southern Airlines Company Limited**  
**Xie Bing and Liu Wei**  
*Joint Company Secretaries*

Guangzhou, the People’s Republic of China

14 May 2010

*As at the date of this notice, the executive Directors include Si Xian Min, Li Wen Xin, Wang Quan Hua, Liu Bao Heng, Tan Wan Geng, Zhang Zi Fang, Xu Jie Bo and Chen Zhen You; and independent non-executive Directors include Wang Zhi, Sui Guang Jun, Gong Hua Zhang and Lam Kwong Yu.*

*Notes:*

**1. Persons who are entitled to attend the AGM**

- a. Holders of the H Shares and A Shares whose names appear on the register of holders of H Shares and register of holders of A Shares of the Company respectively, at the close of trading in the afternoon of 28 May 2010 (“Eligible Shareholders”) or their representatives are entitled to attend the AGM after completion of the required registration procedures in accordance with Note 2 “Registration procedures for attending the AGM”. Holders of A Shares shall receive a notice separately.
- b. The directors, supervisors and senior management of the Company.
- c. Representatives of the professional advisers hired by the Company and special guests invited by the Board.

**2. Registration procedures for attending the AGM**

- a. Eligible Shareholders who intend to attend the AGM either in person or by proxy must deliver to the Company on or before 10 June 2010, in person or by post at the registration address of the Company, or by fax at (+86) 20-8665 9040, the reply slip, which is attached to the notice of the AGM as Attachment A.
- b. When attending the AGM, individual Eligible Shareholder or his/her proxy shall bring along his/her identity card. The legal representative of a corporate Eligible Shareholder attending the AGM shall bring along his/her identity card, together with a notarised copy of the resolution or power of attorney issued by the board of directors or other governing body of the corporate Eligible Shareholder to appoint such legal representative to attend the meeting.
- c. Holders of H Shares who intend to attend the AGM must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited., the registrar of H Shares of the Company, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, at or before 4:30 p.m. on 28 May 2010.

- d. The register of H Shares will be closed from 31 May 2010 to 30 June 2010 (both days inclusive), during which period no transfer of H Shares will be registered.

### **3. Proxies**

- a. An Eligible Shareholder has the right to appoint one or more proxies to attend the AGM and vote on his/her behalf. A proxy does not need to be a shareholder of the Company. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- b. A proxy must be appointed by an Eligible Shareholder or his/her attorney by way of a form of proxy for the AGM, which is attached to the notice of AGM as Attachment B. If the proxy is appointed by the attorney of an Eligible Shareholder, the power of attorney or other authorisation document(s) authorizing such attorney to appoint the proxy must be notarised.
- c. To be valid, for holders of A Shares, the notarially certified power of attorney, or other document of authorisation, and the form of proxy must be delivered to the registered address of the Company no later than 24 hours before the time appointed for the holding of the AGM. To be valid, for holders of H Shares, the notarised power of attorney or other authorisation document(s), together with the completed form of proxy for the AGM, must be lodged with Hong Kong Registrars Limited within the same period of time.

### **4. Miscellaneous**

- a. The AGM is expected to last for half day. Eligible Shareholders (or their proxies) who attend shall bear their own travelling and accommodation expenses.
- b. The address of the headquarters of the Company is:  
1st Floor, No. 278 Ji Chang Road  
Guangzhou 510405, Guangdong Province  
People's Republic of China  
Telephone No.: (+86) 20-8612 4462  
Facsimile No.: (+86) 20-8665 9040  
Website: www.csair.com  
Contact person: Mao Lixing
- c. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the AGM shall be voted by poll.