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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 REDUCTION IN SHAREHOLDINGS OF COMPANY BY CONTROLLING SHAREHOLDER**

China Southern Airlines Company Limited (the "**Company**") has recently received a notice from China Southern Air Holding Company ("**CSAHC**"), the controlling shareholder of the Company, that CSAHC has reduced its A shares shareholding in the Company (the "**Reduction in Shareholdings**") wherein CSAHC shall reduce its shareholding in the Company pursuant to the relevant provisions regarding the administration of state-owned shareholders' transfer of their shares of listed companies. Details of the Reduction in Shareholdings are as follows:

**I. The Reduction in Shareholdings**

As at 10 June 2015, CSAHC has reduced its shareholdings in the Company by an aggregate of 169,357,613 A shares via the trading system of the Shanghai Stock Exchange, representing approximately 1.73% of the total issued share capital of the Company.

Immediately following the Reduction in Shareholdings, CSAHC held 4,039,228,665 A shares of the Company, representing 41.14% of the total issued share capital of the Company; and the A shares and H shares of the Company directly and indirectly held by CSAHC represents 51.99% of the total issued share capital of the Company.

**II. Follow-up matters involved**

Following the Reduction in Shareholdings, CSAHC is still the controlling shareholder and the de factor controller of the Company, which is in compliance with the relevant state-owned controlling rules and regulation that it shall maintain over 50% controlling position in the Company.

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

Guangzhou, the People's Republic of China

11 June 2015

*As at the date of this announcement, the Directors include Si Xian Min, 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 Wei Jin Cai, Ning Xiang Dong, Liu Chang Le and Tan Jin Song as independent non-executive Directors.*