

[PRESS RELEASE]



**China Southern Airlines Company Limited**  
**中國南方航空股份有限公司**  
(Stock Code : 1055.HK)

### **Announced 2018 Annual Results**

(Hong Kong, 31 March 2019) **China Southern Airlines Company Limited (the "Company")** announced on 29 March 2019 the audited results of the Company and its subsidiary (collectively the "Group") prepared in accordance with International Financial Reporting Standards ("IFRSs") for the 12 consecutive months ended 31 December 2018 (the "reporting period").

During the reporting period, the Group recorded an operating revenue of RMB143,623 million and a net profit attributable to equity shareholders of the Company of RMB2,895 million. Earnings per share was RMB0.27. The Board of the Company recommended the payment of a final dividend of RMB0.5 (inclusive of applicable tax) per 10 shares.

In 2018, the Group has achieved the record of 2.773 million hours for safe flight and was awarded the "2-Star Flight Safety Diamond Award" by Civil Aviation Administration of China, being the first to be awarded in China. From the operational level, in face of the adverse market environment such as escalating oil price, and fluctuation of Chinese Yuan, the Company strived to seize opportunities to improve revenue and continuously strengthened sales capabilities for frequent passengers and major accounts. During the reporting period, the number of passengers reached 140 million, and a double-digit growth in revenue was being maintained. In terms of branding, the Group completed relocation to the T2 terminal of Guangzhou Baiyun Airport, and enhanced passenger comfort and convenience. In 2018, the Company was named by SKYTRAX as "The World's Most Improved Airlines". In terms of strategic promotion, the Group formulated the "Outline for the Construction of a World-Class Air Transport Enterprise" and clarified the strategic framework of "32453". Meanwhile, the Group started the "Manual Implementation Year" to deepen the collaboration within the system of China Southern Airline, continued to advance the "China Southern e-Travel" platform, and further promoted the "standardization, integration, smart and international" development. In terms of deepening reforms, the Group had put great initiatives in pushing the integrated operation reform, improved the overall capacity of the headquarters, and built the integrated operation system of centralized control, efficient decision-making, smooth communication, and system linkage.

Looking into 2019, **the Chairman of the Group, Mr. Wang Changshun** said, "The macro environment continues to be complicated and more uncertainties will appear. China's economy will maintain a reasonable range with positive long-term growth. With the pragmatic implementation and development of "Belt & Road"

initiatives, Xiong'an New District and Guangdong-Hong Kong-Macau Greater Bay Area, the China's civil aviation industry has been facing an important strategic opportune time. The Group will adhere to the principle of making progress amid stable development, promoting quality development, safeguarding bottom line, accelerating reform in order to ensure the Beijing hub to take off in quality progress. The Group will unveil a brand-new page of international cooperation and strive to achieve to become a world-class aviation and transportation enterprise in order to reward the shareholders and society with better business results.”

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### **About China Southern Airlines Company Limited**

Listed on Hong Kong Stock Exchange, New York Stock Exchange and Shanghai Stock Exchange (respective stock code: 1055.HK, ZNH.N, 600029.SH) with headquarters based in Guangzhou, China Southern Airlines' company logo can be seen around the globe with a brilliant red kapok delicately adorning a blue vertical tail fin. China Southern operates more than 3,000 daily flights to 224 destinations in 40 countries and regions with over 1,000 routes and 300,000 seaters. Through close cooperation with partners, the company's route network has extended to more destinations around the world, forming a network of Europe and Oceania as core, Southeast Asia, South Asia and East Asia with support, and radiating the route network in North America, Middle East and Africa. It has become the first gateway between mainland China and Oceania and Southeast Asia.

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