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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)

## FIRST QUARTERLY REPORT OF 2024

### Summary

The quarterly financial report for the first quarter of 2024 (i.e. the three months ended 31 March 2024, the “**reporting period**”) of China Southern Airlines Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) was prepared in accordance with the PRC Accounting Standards and was unaudited.

This announcement is published pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### IMPORTANT NOTICE:

The board of directors (the “**Board**”) and the supervisory committee of China Southern Airlines Company Limited (the “**Company**”) and its directors (the “**Directors**”), supervisors and senior management warrant the truthfulness, accuracy and completeness of the content contained in this quarterly report, and the report does not contain inaccurate or misleading statements or material omission, and jointly and severally accept full legal responsibility.

The responsible person of the Company, Mr. Ma Xu Lun (Chairman), the responsible person of the accounting of the Company, Mr. Han Wen Sheng (Vice chairman and president), and the responsible person of the accounting department, Ms. Mao Juan (General Manager of Finance Department) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

### Whether the First Quarterly Financial Statements have been audited

Yes    No

## I. MAJOR ACCOUNTING DATA

### (I) Principal accounting data and financial indicators

Unit: Million Currency: RMB

Items	The reporting period	Change as compared with the corresponding period last year (%)	
		As at the end of the reporting period	As at the end of last year
Operating revenue	44,601		30.97
Net profit attributable to shareholders of the Company	756		N/A
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	546		N/A
Net cash flows generated from operating activities	9,777		11.00
Basic earnings per share (RMB/share)	0.04		N/A
Diluted earnings per share (RMB/share)	0.04		N/A
Weighted average return on net assets (%)	2.03		Increased by 5.21 percentage points
			<b>Change as compared with that of the end of last year (%)</b>
Total assets	313,729	309,226	1.46
Equity attributable to shareholders of the Company	37,540	36,784	2.06

## (II) Non-recurring gains and losses

Unit: Million    Currency: RMB

Items	Amount for the reporting period
Gains or losses on disposal of non-current assets	79
Government grants recognised in profit or loss, except for those which are closely related to the company's normal operations, which the company is entitled to under established standards in accordance with government policies and which have a continuing impact on the profits and losses of the company	9
For a company which is not a financial institution, gains and losses arising from changes in the fair value of financial assets and financial liabilities held by the company, and those arising from the disposal of financial assets and financial liabilities, other than those held for effective hedging related to normal operations	73
Other non-operating income and expenses other than the above	64
Less: Effect of income tax	4
Effect on non-controlling interests after taxation	11
Total	210

The Company shall explain the reasons for recognizing items not listed in “The No. 1 Explanatory Announcement Regarding Information Disclosure for Companies Issuing Securities Publically – Non-Recurring Gains and Losses” as non-recurring gains and losses items with significant amounts, as well as the reasons for defining any non-recurring gains and losses items as listed in the “The No. 1 Explanatory Announcement Regarding Information Disclosure for Companies Issuing Securities Publically – Non-Recurring Gains and Losses” as recurring gains and losses items.

Applicable     Not applicable

### (III) Changes to major accounting data and financial indicators and reasons

✓ Applicable     Not applicable

Items	Percentage of change (%)	Main reason(s)
Operating revenue	30.97	Operating revenue has increased, mainly due to an increase of passenger revenue, when the industry further recovered during the reporting period as compared with the same period last year.
Net profit attributable to shareholders of the Company	N/A	The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry further recovered during the reporting period as compared with the same period last year.
Net profit attributable to shareholders of the Company after deducting non-recurring gains and losses	N/A	The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry further recovered during the reporting period as compared with the same period last year.
Basic earnings per share	N/A	The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry further recovered during the reporting period as compared with the same period last year.
Diluted earnings per share	N/A	The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry further recovered during the reporting period as compared with the same period last year.
Weighted average return on net assets	Increased by 5.21 percentage points	The Group recorded profit during the reporting period as compared to recorded loss in the same period last year, mainly due to an increase of passenger revenue, when the industry further recovered during the reporting period as compared with the same period last year.

## II. INFORMATION OF SHAREHOLDERS

### (I) Total number of ordinary shareholders and number of preference shareholders with restored voting rights and shareholdings of the top ten shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the reporting period	170,953	Total number of preference shareholders with restored voting rights as at the end of the reporting period (if any)	Not applicable			
Shareholdings of the top ten shareholders						
Name of shareholder	Capacity of shareholder	Total number of shares held	Shareholding percentage (%)	Number of shares subject to trading restrictions	Status of pledged, marked or frozen shares	
					Status of shares	Number of shares
China Southern Air Holding Company Limited	State-owned legal entity	9,404,468,936	51.90	803,571,428	No	0
Nan Lung Holding Limited	State-owned legal entity	2,612,124,036	14.41	0	No	0
HKSCC Nominees Limited	Overseas legal entity	1,750,699,727	9.66	0	Not known	–
Hong Kong Securities Clearing Company Limited	Overseas legal entity	564,610,113	3.12	0	No	0
China Securities Finance Corporation Limited	State-owned legal entity	320,484,148	1.77	0	No	0
American Airlines, Inc	Overseas legal entity	270,606,272	1.49	0	No	0
China National Aviation Fuel Group Limited	State-owned legal entity	261,685,354	1.44	0	No	0
Spring Airlines Co., Ltd.	Domestic non-State – owned legal entity	140,458,461	0.78	0	No	0
China Structural Reform Fund Corporation Limited	State-owned legal entity	72,077,475	0.40	0	No	0
Industrial Bank Co., Ltd. – Guangfa Ruiyi Leading Hybrid Securities Investment Fund	Domestic non-State – owned legal entity	61,751,779	0.34	0	No	0

<b>Particulars of the top ten shareholders not subject to trading restrictions</b>			
<b>Name of shareholder</b>	<b>Number of tradable shares not subject to selling restrictions</b>	<b>Type and number of shares</b>	
		<b>Type of shares</b>	<b>Number of shares</b>
China Southern Air Holding Company Limited	8,600,897,508	RMB ordinary shares	8,600,897,508
Nan Lung Holding Limited	2,612,124,036	Overseas-listed foreign shares	2,612,124,036
HKSCC Nominees Limited	1,750,699,727	Overseas-listed foreign shares	1,750,699,727
Hong Kong Securities Clearing Company Limited	564,610,113	RMB ordinary shares	564,610,113
China Securities Finance Corporation Limited	320,484,148	RMB ordinary shares	320,484,148
American Airlines, Inc.	270,606,272	Overseas-listed foreign shares	270,606,272
China National Aviation Fuel Group Limited	261,685,354	RMB ordinary shares	261,685,354
Spring Airlines Co., Ltd.	140,458,461	RMB ordinary shares	140,458,461
China Structural Reform Fund Corporation Limited	72,077,475	RMB ordinary shares	72,077,475
Industrial Bank Co., Ltd. – Guangfa Ruiyi Leading Hybrid Securities Investment Fund	61,751,779	RMB ordinary shares	61,751,779
Explanation of the related party relationship or concert party relationship of the above shareholders	China Southern Air Holding Company Limited held in aggregate 2,648,836,036 H shares of the Company through its wholly-owned subsidiaries in Hong Kong, namely Nan Lung Holding Limited and Perfect Lines (Hong Kong) Limited. The Company is not aware of any other related party relationship between other shareholders.		
Explanation on the top ten shareholders and the top ten shareholders not subject to trading restrictions who have participated in the business of margin financing and securities lending and margin refinancing (if any)	Spring Airlines Co., Ltd. participated in the refinancing and margin trading with a lending balance of 235,200 shares at the beginning of the period and 73,100 shares at the end of the period.		

### III. IMPORTANT INFORMATION

Other important information related to the Company's business performance during the reporting period should be brought to the attention of the investors

✓ Applicable     Not applicable

Status on the guarantees provided to the SPVs of the Company as of the date of this report:

<b>No.</b>	<b>Established SPVs</b>	<b>Actually Provided (Yes/No)</b>	<b>Guaranteed Amount (US\$100 million)</b>
1	China Southern Airlines No. 1	Yes	1.50
2	China Southern Airlines No. 2	Yes	1.40
3	China Southern Airlines No. 3	Yes	3.28
4	China Southern Airlines No. 5	Yes	0.92
5	China Southern Airlines No. 6	Yes	0.35
6	China Southern Airlines No. 7	Yes	0.35
7	China Southern Airlines No. 8	Yes	0.35
8	China Southern Airlines No. 9	Yes	5.88
9	China Southern Airlines No. 10	Yes	5.17
10	China Southern Airlines No. 11	Yes	2.98
11	China Southern Airlines No. 14	Yes	0.33
12	China Southern Airlines No. 15	Yes	3.11
13	China Southern Airlines No. 16	Yes	5.26
14	China Southern Airlines No. 17	Yes	1.49
15	China Southern Airlines No. 18	Yes	2.50
16	China Southern Airlines No. 19	Yes	0.51
17	China Southern Airlines No. 20	Yes	0.51
18	China Southern Airlines No. 21	Yes	0.48
19	China Southern Airlines No. 22	Yes	0.48

<b>No.</b>	<b>Established SPVs</b>	<b>Actually Provided (Yes/No)</b>	<b>Guaranteed Amount (US\$100 million)</b>
20	China Southern Airlines No. 23	Yes	0.48
21	China Southern Airlines No. 24	Yes	2.78
22	China Southern Airlines No. 25	Yes	2.04
23	China Southern Airlines No. 26	Yes	4.73
24	Chongqing Airlines No.1	Yes	3.52
25	Chongqing Airlines No.2	Yes	0.32
26	Xiamen Airlines No.1	Yes	0.60
27	Xiamen Airlines No.2	Yes	0.10
28	Xiamen Airlines No.3	Yes	0.10
29	Xiamen Airlines No.4	Yes	0.19
30	Xiamen Airlines No.5	Yes	0.19
31	Xiamen Airlines No.6	Yes	0.20
32	Xiamen Airlines No.7	Yes	0.11
33	Xiamen Airlines No.8	Yes	0.19
34	Xiamen Airlines No.9	Yes	0.19
35	Xiamen Airlines No.10	Yes	0.19
36	Xiamen Airlines No.11	Yes	0.19
37	Xiamen Airlines No.12	Yes	0.08
38	Xiamen Airlines No.13	Yes	0.19
39	Xiamen Airlines No.14	Yes	0.18
40	Xiamen Airlines No.15	Yes	0.18
41	Xiamen Airlines No.16	Yes	0.08
42	Xiamen Airlines No.17	Yes	0.09
43	Xiamen Airlines No.18	Yes	0.62
Total	/	/	54.39

Note	<p>Pursuant to the authorization of the 2022 annual general meeting, Xiamen Airlines adjusted the guarantee limits of Xiamen Airlines No. 1, Xiamen Airlines No.16 and Xiamen Airlines No.18 to US\$60 million, US\$8 million and US\$62 million, respectively, within the authorized guarantee limit of RMB3,560 million or equivalent foreign currency.</p> <p>The total guarantee amounts actually provided for the aforementioned 43 SPVs by the Company and its subsidiaries, i.e. Xiamen Airlines and Chongqing Airlines, are US\$5.439 billion (equivalent to approximately RMB38.590 billion, calculated based on the Renminbi central parity rate of US\$1=RMB7.0950 published by the People's Bank of China on 29 March 2024), which are within the scope of the authorized guarantee amount approved by the general meeting of the Company.</p>
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#### IV. QUARTERLY FINANCIAL STATEMENTS

##### (I) Type of audit opinion

Applicable     Not applicable

##### (II) Financial statements

#### Consolidated Balance Sheet

As at 31 March 2024

Prepared by: China Southern Airlines Company Limited

Unit: Million    Currency: RMB    Audit type: Unaudited

Items	31 March 2024	31 December 2023
<b>Current assets:</b>		
Cash at bank and on hand	10,462	9,924
Settlement provisions		
Loans to banks and other financial institutions		
Financial assets held for trading	3,153	3,157
Derivative financial assets	4	4
Bills receivable	7	2
Accounts receivable	4,406	3,322
Receivables financing		
Prepayments	674	695

Items	31 March 2024	31 December 2023
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserves receivable		
Other receivables	1,818	1,640
Including: Interest receivable		
Dividends receivable	4	4
Financial assets purchased with agreement to resale		
Inventories	1,798	1,565
Contract assets		
Assets held for sale	72	–
Non-current assets due within one year	238	180
Other current assets	7,413	7,252
Total current assets	30,045	27,741
<b>Non-current assets:</b>		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables	456	559
Long-term equity investments	6,848	6,718
Other equity instrument investments	547	547
Other non-current financial assets	3,163	3,122
Investment properties	537	524
Fixed assets	93,271	93,076
Construction in progress	35,489	34,199
Productive biological assets		
Oil and gas assets		
Right-of-use assets	122,533	122,131
Intangible assets	7,056	6,629
Development expenses		
Goodwill		

<b>Items</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Long-term deferred expenses	517	517
Deferred tax assets	12,280	12,280
Other non-current assets	987	1,183
Total non-current assets	283,684	281,485
Total assets	313,729	309,226
<b>Current liabilities:</b>		
Short-term borrowings	50,577	51,362
Borrowings from the central bank		
Loans from other banks		
Held-for-trading financial liabilities		
Derivative financial liabilities	901	907
Bills payable	202	236
Accounts payable	22,219	19,722
Advance payments received	5,887	7,179
Contract liabilities	1,682	1,509
Funds from selling out and repurchasing financial assets		
Receipts of deposits and deposits from other banks		
Accounts payable to brokerage customers		
Proceeds from underwriting securities received on behalf of customers		
Employee benefits payable	3,156	4,968
Taxes payable	873	802
Other payables	10,658	8,969
Including: Interest payable		
Dividends payable	1	1
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	37,112	33,782
Other current liabilities	500	–
Total current liabilities	133,767	129,436

Items	31 March 2024	31 December 2023
<b>Non-current liabilities:</b>		
Reserves for insurance contracts		
Long-term borrowings	38,570	38,130
Debentures payable	10,157	12,392
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	69,633	69,232
Long-term payables	5	100
Long-term salaries payable		
Accrued liabilities		
Deferred income	802	752
Deferred tax liabilities	23	23
Other non-current liabilities	7,519	7,164
Total non-current liabilities	126,709	127,793
Total liabilities	260,476	257,229
<b>Owners' equity (or shareholders' equity):</b>		
Share capital (or issued capital)	18,121	18,121
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	52,756	52,756
Less: Treasury shares		
Other comprehensive income	216	216
Specific reserve		
Surplus reserve	2,579	2,579
General risk reserve		
Retained earnings	-36,132	-36,888
Total equity attributable to owners of the parent company (or shareholders of the Company)	37,540	36,784

<b>Items</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Non-controlling interests	15,713	15,213
Total owners' equity (or shareholders' equity)	53,253	51,997
Total liabilities and owners' equity (or shareholders' equity)	313,729	309,226

Responsible person  
of the Company:  
Ma Xu Lun

Responsible person of the  
accounting of the Company:  
Han Wen Sheng

Responsible person of the  
accounting department:  
Mao Juan

**Consolidated Income Statement**  
For the three months ended 31 March 2024

Prepared by: China Southern Airlines Company Limited

Unit: Million    Currency: RMB    Audit type: Unaudited

Items	Three months ended 31 March 2024	Three months ended 31 March 2023
I. Total revenue	44,601	34,055
Including: Operating revenue	44,601	34,055
Interest income		
Premiums earned		
Fees and commissions income		
II. Total operating costs	44,147	36,569
Including: Cost of sales	39,725	33,294
Interest expense		
Fees and commissions expense		
Surrender payment		
Net payment for insurance claim		
Net provisions for insurance liability		
Expenditure for insurance policy dividend		
Reinsurance costs		
Taxes and surcharges	130	143
Selling and administrative expenses	1,618	1,329
General and administrative expenses	1,001	872
Research and development expenses	134	114
Financial expenses	1,539	817
Including: Interest expenses	1,480	1,482
Interest income	62	121

Items	Three months ended 31 March 2024	Three months ended 31 March 2023
Add: Other income	767	777
Investment income (“-” for losses)	146	89
Including: Income from investment in associates and joint ventures	135	89
Derecognition of income from financial assets at amortised cost		
Exchange gain (“-” for losses)		
Gains from net exposure hedge (“-” for losses)		
Gains from changes in fair value (“-” for losses)	73	21
Credit losses (“-” for losses)		
Impairment losses (“-” for losses)		
Gains from asset disposals (“-” for losses)	79	160
III. Operating profit (“-” for losses)	1,519	-1,467
Add: Non-operating income	83	85
Less: Non-operating expenses	19	21
IV. Profit before income tax (“-” for loss)	1,583	-1,403
Less: Income tax expenses	327	321
V. Net profit (“-” for net losses)	1,256	-1,724
(I) By continuity of operations		
1. Net profit from continuing operations (“-” for net losses)	1,256	-1,724
2. Net profit from discontinued operations (“-” for net losses)		
(II) By ownership		
1. Shareholders of the Company (“-” for net losses)	756	-1,898
2. Non-controlling interests (“-” for net losses)	500	174

Items	Three months ended 31 March 2024	Three months ended 31 March 2023
VI. Other comprehensive income, net of tax		
(I) Other comprehensive income (net of tax) attributable to shareholders of the Company		
1. Items that will not be reclassified to profit or loss		
(1) Change in defined benefit plans arising from re-measurement		
(2) Equity-accounted investees – share of other comprehensive income (non-recycling)		
(3) Changes in fair value of other equity instruments		
(4) Change in fair value of the Company's own credit risk		
2. Items that may be reclassified subsequently to profit or loss		
(1) Equity-accounted investees-share of other comprehensive income (recycling)		
(2) Change in fair value of other debt investments		
(3) Financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedge		
(6) Translation differences arising on translation of foreign currency financial statements		
(7) Others		
(II) Other comprehensive income (net of tax) attributable to non-controlling interests		

<b>Items</b>	<b>Three months ended 31 March 2024</b>	<b>Three months ended 31 March 2023</b>
VII. Total comprehensive income	1,256	-1,724
(I) Attributable to shareholders of the Company	756	-1,898
(II) Attributable to non-controlling interests	500	174
VIII.Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.04	-0.10
(II) Diluted earnings per share (RMB/share)	0.04	-0.10

Responsible person  
of the Company:  
Ma Xu Lun

Responsible person of the  
accounting of the Company:  
Han Wen Sheng

Responsible person of the  
accounting department:  
Mao Juan

**Consolidated Cash Flow Statement**  
For the three months ended 31 March 2024

Prepared by: China Southern Airlines Company Limited

Unit: Million    Currency: RMB    Audit type: Unaudited

Items	Three months ended 31 March 2024	Three months ended 31 March 2023
<b>I. Cash flows from operating activities:</b>		
Proceeds from sale of goods and rendering of services	48,341	38,051
Net increase in customer and interbank deposits		
Net increase in borrowings from the central bank		
Net cash increase in placements from other financial institutions		
Cash received from premiums under original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment funds		
Cash received from interest, fees and commissions		
Net increase in capital due to banks and other financial institutions		
Net increase in cash received from repurchase business		
Net cash received by agents for trading in securities		
Refund of taxes	49	39
Proceeds from other operating activities	1,529	856
Sub-total of cash inflows from operating activities	49,919	38,946
Payment for goods and services	29,042	20,631
Net increase in customer loans and advances to customers		
Net increase in deposits in the central bank and interbank deposits		
Cash paid for compensation payments under original insurance contracts		
Net increase in placements with banks and other financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for insurance policy dividend		
Payment to and for employees	9,919	8,605

Items	Three months ended 31 March 2024	Three months ended 31 March 2023
Payment of various taxes	1,088	737
Payment for other operating activities	93	165
Sub-total of cash outflows from operating activities	40,142	30,138
Net cash flows from operating activities	9,777	8,808
<b>II. Cash flows from investing activities:</b>		
Proceeds from return of investments	30	–
Proceeds from investment income	16	4
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	209	852
Net cash received from disposal of subsidiaries and other operating units		
Proceeds from other investing activities	72	131
Sub-total of cash inflows from investing activities	327	987
Payment for acquisition of fixed assets, intangible assets and other long-term assets	3,551	2,536
Payment for acquisition of investments	425	–
Net increase in secured loans		
Net cash paid for acquisition of subsidiaries and other operating units		
Other cash paid relating to investing activities		
Sub-total of cash outflows from investing activities	3,976	2,536
Net cash flows from investing activities	-3,649	-1,549
<b>III. Cash flows from financing activities:</b>		
Proceeds from investors		
Including: Investment received from non-controlling interests		
Proceeds from borrowings	5,870	8,200
Proceeds from other financing activities	1,506	4,200
Sub-total of cash inflows from financing activities	7,376	12,400
Repayments of borrowings	11,873	19,141
Payment for dividends, profit distributions or interest	1,433	1,425

Items	Three months ended 31 March 2024	Three months ended 31 March 2023
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		
Payment for other financing activities	41	10
Sub-total of cash outflows from financing activities	13,347	20,576
Net cash flows from financing activities	-5,971	-8,176
<b>IV. Effect of changes in exchange rate on cash and cash equivalents</b>	4	-24
<b>V. Net increase in cash and cash equivalents</b>	161	-941
Add: Cash and cash equivalents at the beginning of the period	9,531	19,889
<b>VI. Cash and cash equivalents at the end of the period</b>	9,692	18,948

Responsible person of  
the Company:  
Ma Xu Lun

Responsible person of the  
accounting of the Company:  
Han Wen Sheng

Responsible person of the  
accounting department:  
Mao Juan

**(III) Adjustment to relevant items of the financial statements at the beginning of the first adoption year due to the first adoption of new accounting standard or interpretation of accounting standard in 2024**

Applicable     Not applicable

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

Guangzhou, the People's Republic of China  
29 April 2024

*As at the date of this announcement, the Directors include Ma Xu Lun, Han Wen Sheng and Luo Lai Jun as executive Directors; and Pansy Catilina Chiu King Ho, Gu Hui Zhong, Guo Wei and Cai Hong Ping as independent non-executive Directors.*