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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is published pursuant to rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

As China Southern Airlines Company Limited (the "Company") has published an "Announcement of the Board of Directors of China Southern Airlines Company Limited" on Shanghai Stock Exchange, the full texts of the announcement is set out below for information purpose.

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

26 August 2009

As at the date of this announcement, the 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 as executive Directors; and Wang Zhi, Sui Guang Jun, Gong Hua Zhang and Lam Kwong Yu as independent non-executive Directors.

Announcement of the Board of Directors of China Southern Airlines Company Limited

The Board of Directors of Company and all the directors confirm the contents of this announcement does not contain misrepresentations, misleading statements or material omission, and jointly and severally accept full responsibilities for the truthfulness, accuracy and completeness of the information contained herein.

Important Notice :

- The Board has approved the provision of guarantee to pilots recruited under the self-sponsored training arrangement in 2009 to cover their training and miscellaneous expenses.
- The amount of guarantee provided by the Company shall not exceeding RMB 184,750,000.
- As at the date of this announcement, the cumulative amount of external guarantee provided by the Company is RMB 27,503,729. Such guarantee was entirely provided for the loans of the self-sponsored pilots who applied for personal loans to cover their training costs and miscellaneous expenses.
- As at the date of this announcement, no guarantee provided by the Company has expired.

Pursuant to Article 176 of the Articles of Association of China Southern Airlines Company Limited (the "Company"), the Board has reviewed and passed the following resolutions respectively by means of written resolution:

Under the authorization of the 2007 Annual General Meeting, and for the purpose of resolving the issue in relation to the loans to self-sponsored pilots:

- (1) approving the Company to work with Guangdong Branch of Bank of China in financing our pilot training project;
- (2) approving the Company to work with the Guangzhou Baiyun Sub-branch of Agricultural Bank of China in financing our pilot training project;
- (3) approving the Company to work with the Guangzhou Liuhua Sub-branch of Industrial and Commercial Bank of China in financing our pilot training project;
- (4) approving the Company to work with the Guangdong Branch of Shanghai Pudong Development Bank of China in financing our pilot training project;
- (5) approving the Company to provide a guarantee with joint liability for the loans of the self-sponsored pilot training program of 2008, with an aggregate amount of not more than RMB184,750,000.

All of the 12 directors attended the session. The above resolutions have been reviewed and approved by the Directors unanimously in compliance with the form and procedures set out in the provisions of the Company Law and the Articles of Association of the Company.

1. Overview of the guarantee

Since 2007, the Company has begun to recruit pilots under the self-sponsored training arrangement, and some of such pilots applied for personal loans to cover their training fees. At the 2006 and 2007 Annual General Meetings of the Company, the Board was authorized to approve external guarantee for the cumulative amount of not more than RMB 100 million and RMB400 million in each fiscal year. Pursuant to such authorization of the general meeting, the Board had approved the Company to provide a guarantee with joint liability for the loans of such self-sponsored pilots, with an aggregate amount of RMB90,858,000 and RMB 213,600,000 respectively in December 2007 and August 2008. The details were set out in the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 6 December 2007 and 28 August 2008.

According to the current development plan as well as the introduction of aircraft plan of the Company, the Company intends to continue to recruit pilots under the self-sponsored training arrangement in 2009. Some of such pilots will apply for personal loans to cover their training cost, and the Company will provide guarantees for such loans to ensure smooth implantation of the pilot training arrangement of the Company.

The Board has approved the provision of a guarantee with joint liability for the loans of the 2009 self-sponsored pilot training program, for an aggregate amount of not more than 184,750,000 on 26 August 2009. The Company will enter into the relevant agreement with the bank and the pilots in relation to the guarantee arrangement.

2. Particulars of the Pilots

Pilots recruited by the Company under a self-sponsored training arrangement in 2009 and who have applied for personal loans therefor. These pilots shall have also fulfilled the basic recruitment requirements for pilots of the Company.

2. Particulars of the guarantee

The Company has prepared the relevant guarantee agreements with the relevant parties and shall enter into the same with the self-sponsored pilots after the completion of the relevant procedures. The particulars of the agreement are as follows:

Guarantor: China Southern Airlines Company Limited

Guarantee: pilots recruited by the Company under a self-sponsored training arrangement in 2009 and who have applied for personal loans therefor

Amount of Guarantee: not more than RMB184,750,000

Term of Guarantee: beginning on the date when the first loan is extended to the Guarantee and ending on the date two years after the date of maturity of the loan

Type of Guarantee: warranty

Loan period: 15 years

4. Opinion from Board of Directors

The Board considers that the self-sponsored training arrangement will not only cut down the Company's training expenses significantly, but also ensures the long-term dedicated service

of the pilots. The provision of guarantee for the personal loans obtained by the trainee pilots to cover their training costs and miscellaneous expenses in the school can help facilitate the smooth implementation of the pilot training scheme of the Company, and thus ensuring the sufficient supply of human resources for the Company's future development as well as the smooth implementation of the future development strategy of the Company. These pilots recruited under the self-sponsored training arrangement have already fulfilled the fulfilled the basic recruitment requirements for pilots of the Company. After the completion of the training, these pilots can directly provide pilot service to the Company. The risk for the provision of the guarantee under the self-sponsored training arrangement is lower for the Company and such provision of guarantee will not have any material adverse financial effect on the Company.

5. Cumulative amounts of the external guarantee and the expired loans covered by the guarantee of the Company

As at the date of this announcement, the cumulative amount of external guarantee provided by the Company is RMB 27,503,729. Such guarantee was entirely provided for the loans of the self-sponsored pilots who applied for personal loans to cover their training costs and miscellaneous expenses. As at the date of this announcement, there is no loans covered by the guarantee provided by the Company which has expired and remains unpaid.

6. Documents available for inspection

1. Board Resolution of China Southern Airlines Company Limited

Board of Directors of China Southern Airlines Company

26 August 2009