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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
THE IMPACT OF THE EXEMPTION OF BUSINESS TAX
ON AIR TRAFFIC REVENUE GENERATED FROM
INTERNATIONAL AND REGIONAL ROUTES

This announcement is published pursuant to Rules 13.09(1) and 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 the “Announcement of China Southern Airlines Company Limited regarding the Impact of the Exemption of Business Tax on Air Traffic Revenue Generated from International and Regional Routes” on the Shanghai Stock Exchange, the full text 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
7 May 2010

As at the date of this announcement, the directors of the Company 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.

**ANNOUNCEMENT OF CHINA SOUTHERN AIRLINES COMPANY LIMITED
REGARDING THE IMPACT OF THE EXEMPTION OF BUSINESS TAX
ON AIR TRAFFIC REVENUE GENERATED FROM INTERNATIONAL
AND REGIONAL ROUTES**

All members of the board of the Company jointly and severally warrant the truthfulness, accuracy and completeness of the contents of this announcement, and accept responsibility for any misrepresentations, misleading statements or material omissions contained herein.

China Southern Airlines Company Limited (the “**Company**”) learned that the Notice Concerning Exemption of Business Tax on the Provision of International Transport Services (Cai Shui [2010] No. 8) was jointly issued by the Ministry of Finance and the State Administration of Taxation (the “**Notice**”). Pursuant to the Notice, it is provided that “since 1 January 2010, entities or individuals within the People’s Republic of China providing international transport services shall be exempt from business tax”. Following the underlying principle of the Notice, based on the actual air traffic revenue generated from the departure flights originated from domestic of international and regional routes of the Company for 2009 (net of revenue from fuel surcharge) and a consolidated tax rate of approximately 3.03% (including the business tax, urban maintenance and construction tax and education surcharge), the Company would benefit from a reduction of business tax and additional expenses of approximately RMB 113 million for 2009 if such policy took effect in 2009.

**The Board of
China Southern Airlines Company Limited
7 May 2010**