廣州白雲山醫藥集團股份有限公司

GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.

(a joint stock company with limited liability established in the People's Republic of China)

(H Share Stock Code: 0874)

INSIDE INFORMATION AND RESUMPTION OF TRADING IN SHARES

IMPORTANT NOTICE

1. This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Inside Information Provisions (as defined under the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) by Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the "Company").

2. Information disclosed in this announcement is only a preliminary result of the therapeutic dual-plasmid HBV DNA vaccine (the "Research") statistics, which was provided to the Company by a professional research institution working on the statistics of the clinical research as at the date of this announcement. The professional research institution is responsible for the truthfulness of the statistical indicators as disclosed in this announcement.

3. This announcement discloses only the preliminary result of the Research. The professional research institutions will complete a report of the Research in about 3 months.

   The Company and relevant parties will, base on the report of the Research, report to China Food and Drug Administration and will, base on the response of the relevant governmental department(s), consider whether to enter into III clinical research, or continue the II clinical research or terminate the research of the project.

4. Research on new medicine involves high-risk, high-investment and long time. The Research is an exploratory clinical experiment, investors are reminded of the risk of investment and to exercise caution in dealing in the securities of the Company.

5. At the request of the Company, trading in the H shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 9 December 2013 pending the release of this announcement. The Company has made an application to the Stock Exchange for the resumption of trading in the H shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 16 December 2013.

6. This announcement is prepared in both English and Chinese. In the event of discrepancy, the Chinese version shall prevail.

I. PROGRESS AND PRELIMINARY STATISTICAL RESULTS OF THE RESEARCH

The therapeutic dual-plasmid HBV DNA vaccine program, of which the Company invested and owned 60% of its interests was researched and developed by the 458th Hospital of the PLA which started the Research in March 2011. The Research is carried out by Peking University First Hospital, the leading unit, and 17 clinical research institutions including Peking University First Hospital* (北京大學第一醫院), 302 Military Hospital of China* (解放軍第三零二醫院), Beijing Ditan Hospital* (北京地壇醫院), Shanghai Public Health Clinical Center* (上海市公共衛生臨床中心), The Affiliated Hospital of Luzhou Medical College* (瀘州醫學院附屬醫院), Southwest Hospital of Third Military Medical University* (第三軍醫大學西南醫院), Jiangsu Province Hospital* (江蘇省人民醫院), The Second Hospital of Nanjing* (南京市第二醫院), 81 Hospital of the People's Liberation Army* (解放軍第八一醫院), Tianjin Third Central Hospital* (天津市第三中心醫院), Hospital for Infectious Diseases of Jinan* (濟南市傳染病醫院), Hospital for Infectious Diseases of Fuzhou* (福州市傳染病醫院), Xiangya Hospital of Central South University* (中南大學湘雅醫院), Henan Provincial People's Hospital* (河南省人民醫院), Hospital for Infectious Diseases of Shenyang* (瀋陽市傳染病醫院), The First Teaching Hospital of Xinjiang Medical University* (新疆醫科大學附屬第一醫院), Hospital for Infectious Diseases of Tianjin* (天津市傳染病醫院) etc. The monitoring unit of the Research is Beijing Guoxin Ze Ding Technology Co., Ltd.* (北京國信澤鼎國際醫藥科技有限公司), Peking University Clinical Research Institute* (北京大學臨床研究所) is responsible for the statistics and analysis of the Research.

The basic treatment of the Research is designed to use lamivudine and contrasted with placebo, evaluate the effectiveness and safety of the treatment of HBeAg positive chronic hepatitis B by therapeutic dual-plasmid HBV DNA vaccine pursuant to the principle of random, double-blind and multicenter. The Research is the IIb exploratory clinical experiment, evaluation of effectiveness indicator including incidence of virological breakthrough and genotypic mutations of drug resistance, HBeAg disappearing and seroconversion, HBsAg disappearing and seroconversion, tolerance and safety.

After having been approved by the ethical committees of the research institutions, the first participant entered into the group on 25 April 2011, the return visit of the last participant was completed on 1 March 2013 and a total of 229 participants participated in the Research. In August 2013, the collection of centralized detection and case report form (CRF) was completed. On the basis of completion of the data entry, Q&A and data management, a meeting to assess data of blind state was held on 16 October 2013, locked the data base after discussion, finalized the statistical analysis proposal and disclosed for the first time, confirmed the A and B grouping and began the statistical analysis.

At 4:30 p.m. on 9 December 2013, the principal researchers, clinical experts, statistical expert, bidders, experts of the Guangdong Food and Drug Administration and clinic audit department held a meeting to report on the statistical analysis of the Research at Beijing Jin Tai Restaurant, and disclosed for the second time, confirmed group A be vaccine+ lamivudine (the "Experimental Group") and group B be placebo+ lamivudine (the "Placebo Group").

The preliminary results indicated that:

In week 72, comparison between breakthrough rate and incidence of drug resistance mutation accumulation of 80*173*180*204 locus of lamivudine of two groups:

Result of full analysis set (FAS):

Virological breakthrough rate: the Experimental Group (60 cases/107 cases=56.07%), the Placebo Group (65 cases/115 cases=56.52%), the differences between the groups is not statistically significant (P =0.947);

Incidence of drug resistance mutation accumulation: the Experimental Group (65 cases/107 cases=60.75%), the Placebo Group (67 cases/114 cases=58.77%), the differences between the groups is not statistically significant (P =0.765).

Result of per protocol set (PPS):

Virological breakthrough rate: the Experimental Group (22 cases/61 cases=36.07%), the Placebo Group (38 cases/79 cases=48.10%), the differences between the groups is not statistically significant (P =0.154);

Incidence of drug resistance mutation accumulation: the Experimental Group (19 cases/61 cases=31.15%), the Placebo Group (32 cases/79 cases=40.51%), the differences between the groups is not statistically significant (P =0.254).

In week 72, proportion of participants of two groups whose HBeAg declined 1 logarithmic in week 12:

Result of full analysis set (FAS): the Experimental Group (37 cases/107 cases=34.58%), the Placebo Group (27 cases/115 cases=23.48%), the differences between the groups is not statistically significant (P =0.068);

Result of per protocol set (PPS): the Experimental Group (29 cases/61 cases=47.54%), the Placebo Group (25 cases/78 cases=32.05%), the differences between the groups is not statistically significant (P =0.063).

In week 72, proportion of participants of two groups whose HBeAg declined to 20COI:

Result of full analysis set (FAS): the Experimental Group (61 cases/107 cases=57.01%), the Placebo Group (59 cases/115 cases=51.30%), the differences between the groups is not statistically significant (P =0.394);

Result of per protocol set (PPS): the Experimental Group (42 cases/61 cases=68.85%), the Placebo Group (51 cases/79 cases=64.56%), the differences between the groups is not statistically significant (P =0.594).

In week 72, proportion of participants of two groups whose HBsAg declined 1 logarithmic in week 12:

Result of full analysis set (FAS): the Experimental Group (7 cases/107 cases=6.54%), the Placebo Group (8 cases/115 cases=6.96%), the differences between the groups is not statistically significant (P =0.902);

Result of per protocol set (PPS): the Experimental Group (4 cases/61 cases=6.56%), the Placebo Group (6 cases/78 cases=7.69%), the differences between the groups is not statistically significant (P =1.000).

In week 72, proportion of participants of two groups whose HBsAg declined to 20IU:

Result of full analysis set (FAS): the Experimental Group (1 case/107 cases=0.93%), the Placebo Group (1 case/115 cases=0.87%), the differences between the groups is not statistically significant (P =1.000);

Result of per protocol set (PPS): the Experimental Group (1 case/61 cases=1.64%), the Placebo Group (1 case/79 cases=1.27%), the differences between the groups is not statistically significant (P =1.000).

The percentage comparison for the 2 logarithmic decrease of HBV DNA between the two groups in week 48, in contrast to the basline level in week 12:

(1) Result of full analysis set (FAS): the Experimental Group (11 cases/107 cases=10.28%) is better than the Placebo Group (4 cases/115 cases=3.48%), and the differences is statistically significant (P=0.044);

(2) Result of per protocol set (PPS): the Experimental Group (11 cases/96 cases=11.46%) is better than the Placebo Group (4 cases/106 cases=3.77%) and the differences is statistically significant (P=0.037).

The percentage comparison for the 2 logarithmic decrease of HBV DNA between the two groups in week 64, in contrast to the basline level in week 12:

(1) Result of full analysis set (FAS): the Experimental Group (13 cases/107 cases=12.15%) is better than the Placebo Group (7 cases/115 cases=6.09%), but the differences is not statistically significant (*P*=0.115);

(2) Result of per protocol set (PPS): the Experimental Group (13 cases/70 cases=18.57%) is better than the Placebo Group (6 cases/84 cases=7.14%), and the differences is statistically significant (*P*=0.032).

In week 64, HBV DNA negativity comparison of the two groups:

(1) Result of full analysis set (FAS): the Experimental Group (30 cases/107 cases=28.04%) is better than the Placebo Group (20 cases/115 cases=17.39%), but the differences is not statistically significant (*P*=0.058);

(2) Result of per protocol set (PPS): the Experimental Group (29 cases/70 cases=41.43%) is better than the Placebo Group (20 cases/84 cases=23.81%), and the differences is statistically significant (*P*=0.019).

The occurrences of the adverse events in both groups (the Experimental Group being 12.61% and the Placebo Group being 12.71%) during the experiment period are similar, and no serious adverse event in relation to nomifensine has occurred.

Please refer to the discussion of results of the Research as published on the website of the Shanghai Stock Exchange (http://www.sse.com.cn).

II. INFLUENCE OF THE RESEARCH ON THE COMPANY

This announcement discloses only the preliminary result of the Research. The professional research institutions will complete a report of the Research in about 3 months.

The Company and relevant parties will, base on the report of the Research, report to China Food and Drug Administration and will, base on the response of the relevant governmental department(s), consider whether to enter into III clinical research, or continue the II clinical research or terminate the research of the project. The Company will continue to pay attention to the progress of the Research and fulfill the obligation of disclosure in a timely manner.

Special risk warning: As the Research is an IIb exploratory clinical experiment, factors such as the responses of relevant governmental in respect of the Research and changes of industry policy may influence the future of the clinical research, investors of the Company are reminded to pay attention to the risk of investment.

The Company hereby draws the attention of investors that the Company's designated media for publication of its information includes Shanghai Securities News, Securities Times, China Securities Journal, the website of the Shanghai Stock Exchange (http://www.sse.com.cn) and the website of the Stock Exchange (http://www.hkex.com.hk).

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 13 December 2013

As at the date of this announcement, the Board comprises Mr. Li Chuyuan, Ms. Cheng Ning and Mr. Wu Changhai as executive directors, and Mr. Liu Jinxiang, Mr. Li Shanmin, Mr. Zhang Yonghua, Mr. Wong Lung Tak Patrick and Mr. Qiu Hongzhong as independent non-executive directors.