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Lotus Pharmaceuticals, Inc. Implements Environmentally-friendly Cost Saving Strategies

Beijing, China, February 7, 2008 – Lotus Pharmaceuticals, Inc. (OTC BB: LTUS) (“Lotus” or the “Company”), a pharmaceutical company in the People's Republic of China (“PRC”), today announced that Enze Jiashi Pharmaceutical, Ltd. (“Enze”), a wholly owned subsidiary of Lotus, has implemented cost saving strategies, which it expects will reduce its production costs by approximately 50%.

The environmentally-friendly strategies are expected to significantly lower electricity and water usage of the production facility. The Company intends to spend \$0.8 million to apply new technology to the facility’s boiler systems, vapour systems and cooling drainage systems. These changes are expected to significantly reduce the cost of steam, heating and water used in the manufacturing process by 50%, 60% and 50%, respectively.

“As a result of implementing these strategies, Enze is expected to lower annual manufacturing expenses by RMB 8 to 10 million (approximately \$US 1 to 1.4 million). “This will not only improve our margins but has the added benefit of reducing the amount of energy used at the facility, which is good for the environment,” said Dr. Zhongyi Liu, Chairman, CEO and President of Lotus Pharmaceuticals, Inc.

About Lotus Pharmaceuticals, Inc.

Lotus Pharmaceuticals, Inc. (“Lotus”) controls and operates Liangfang Pharmaceutical, Ltd. (“Liangfang”) and Enze Jiashi Pharmaceutical, Ltd. (“Enze”), two Chinese pharmaceutical companies located in Beijing. Liangfang and Enze form a large comprehensive enterprise, which deals in an integration of the production, trade, sales and marketing of pharmaceuticals. Together, they possess some of the most advanced pharmaceutical-production equipment used in China, workshops authenticated by the National GMP, a suite of various medicines produced by Liangfang and/or Enze (together, “Lotus East”), and a number of high-tech personnel. Lotus East has business and office facilities of 2,000 square meters, warehouse of 1,000 square meters and operates ten retail pharmacies in the Beijing area. Lotus East

performs scientific research on new medicines, and the production, wholesale and retail sale of medicines. For more information, visit <http://www.LotusEast.com>.

Safe Harbor Statement

Certain statements set forth in this press release constitute “forward-looking statements”. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance or achievements, and may contain the words “estimate,” “project,” “intend,” “forecast,” “anticipate,” “plan,” “planning,” “expect,” “believe,” “will likely,” “should,” “could,” “would,” “may” or words or expressions of similar meaning. Such statements are not guarantees of future performance and are subject to risks and uncertainties that could cause the Company's actual results and financial position to differ materially from those included within the forward-looking statements. The potential risks and uncertainties include, among others, the Company's limited operating history, the limited financial resources, domestic or global economic conditions -- especially those relating to China, activities of competitors and the presence of new or additional competition, and changes in Federal or State laws, restrictions and regulations on doing business in a foreign country, in particular China, and conditions of equity markets. More information about the potential factors that could affect the Company's business and financial results is included in the Company's filings, available via the United States Securities and Exchange Commission.

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