

Lotus Pharmaceuticals, Inc. Again Awarded GSP Certification

BEIJING, June 29 /PRNewswire-Asia-FirstCall/ -- Lotus Pharmaceuticals, Inc. (OTC Bulletin Board: LTUS) ("Lotus" or the "Company") a growing developer and producer of prescriptions drugs and licensed national seller of pharmaceutical products in the People's Republic of China, today reported it received a Good Supply Practices ("GSP") certificate from the Chinese State Food & Drug Administration ("SFDA") for the second time since 2003.

Liang Fang Pharmaceutical, Ltd., operated by Lotus, passed the SFDA's GSP field inspection and documentation requirement for, among other items, its sales management system, storage and transportation system, qualifications of medical and management personnel, drugs quality control system, drugs labeling and packaging. To maintain drugs safety, post sale services and systematic quality control of drugs out of production into the circulation, the SFDA requires licensed drug distributors to follow the international principles and guidelines of GSP. The SFDA focuses on quality assurance systems, tracking systems, storage and transportation systems and handling procedures and inspects drugs distributors every five years.

"We are delighted to be awarded with GSP certification because it represents the highest honor that a licensed pharmaceutical sales enterprise is eligible to receive in China for its compliance with the government's high quality standards and efficient management system control," commented Dr. Zhongyi Liu, Chairman and CEO of Lotus. "We are committed to providing safe drugs and in addition to our current state-of-art warehouse, we are planning on the construction of a high standard modern storage facility of 10000 sqm in Inner Mongolia in order to meet the increasing demand for our drugs."

About Lotus Pharmaceuticals, Inc. (<http://www.lotuspharma.com>)

Lotus Pharmaceuticals, Inc. is a growing developer and producer of prescription drugs and a licensed national seller of pharmaceutical items in the People's Republic of China. Lotus operates Liang Fang Pharmaceutical, Ltd. and En Ze Jia Shi Pharmaceutical, Ltd. Lotus' current drug development pipeline is focused on the treatment of cerebro-

cardiovascular disease, asthma, and diabetes. More than 8,000 products are sold by Liang Fang directly and indirectly through its national sales channels to hospitals, clinics and drugs stores in 30 provinces.

Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. 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," "intent," "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 could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including, but not limited to, changes from anticipated levels of sales, future national or regional economic and competitive and regulatory conditions, changes in relationships with customers, access to capital, increased costs, difficulties in developing and marketing new products, marketing existing products, customer acceptance of existing and new products, the time to get new drugs approved by the SFDA and other factors. Additional information regarding risks can be found in the Company's Annual Report on Form 10K and its older filings with the SEC. Accordingly, although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company has no obligation to update the forward-looking information contained in this press release.

Lotus Pharmaceuticals, Inc.

Yan Zeng, CFO

Email: zy@lotuspharma.com

Web: <http://www.lotuspharma.com>