



New Indication Approved for Cervicitis for Yallaferon[®]

(Hong Kong, 18 October 2006) - Lee's Pharmaceutical Holdings Limited (GEM Stock: 8221: Website: www.leespharm.com) today announced that Yallaferon[®] ("Recombinant Human Interferon α -2b gel") has been approved for an additional indication for use in the treatment of cervicitis by the SFDA of China.

The SFDA previously approved Yallaferon[®] for use in genital warts, genital herpes, labial herpes and Herpes Zoster. This new approved indication offers an alternative therapeutic option for treatment of patients with cervicitis and cervical erosion. Cervicitis is very common, affecting more than half of all women at some point during their adult lives. The most common cause is HPV infection which may lead to cervical cancer. Patients with advanced stage disease present with a foul smelling vaginal discharge, abnormal vaginal bleeding, pelvic pain or back pain. At present, the treatment options are limited to surgery, electrocauterization and laser therapy which do not address the virus infection issue and may affect the women's reproductive capability.

Yallaferon[®] is a broad spectrum antiviral drug in topical form, which offers a wide range of therapeutic applications. During the clinical study which enrolled 320 patients, Yallaferon[®] was found to be well tolerated and effective in treating cervicitis, and also show that its use improves patient care with a convenient way of its administration in topical gel form. Dr. Benjamin Li, the Chief Executive Officer of the Group comments on this new approval by saying that "We are very pleased with the SFDA's decision to grant the additional indication for Yallaferon[®]. The successful clinical study not only proves Yallaferon[®] to be both safe and effective in the treatment of cervicitis, but also represents an exciting approach for treating the recurrence of virus infectious diseases such as cervicitis and cervical erosion." It is yet another successful effort of the Group to provide an important contribution to public health.

In mainland China, over 50% of the married women have suffered from chronic cervicitis. Cervical cancer has become the second leading killing disease among various types of carcinoma in China. Thus, the new indication will undoubtedly fuel the growth momentum of Yallaferon[®] in the market place. It is expected that there will be an acceleration of sales of Yallaferon[®] in the near future.

About Lee's

Lee's Pharmaceutical Group, as a research-driven and market-oriented biopharmaceutical group, is actively pursuing for developing proprietary products and licensing technology/product from overseas prestigious biopharmaceutical institutions and companies.

Safe Harbor Statement

The statements in this news release, other than the historical financial information, may contain forward-looking statements that involve risks and uncertainties that could cause actual results to differ from anticipated results. Further information on risk factor that could affect, among other things, Lee's financial condition and results of operations is detailed in Lee's IPO prospectus, as filed with the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

For further information, please contact:

Vivian Fung

Tel: (852)2314-1282

Fax: (852)2314-1708

Email: info@leespharm.com