



LEE'S PHARMACEUTICAL AND NOVELO'S THERAPEUTICS SIGN EXCLUSIVE COLLABORATION AGREEMENT IN CHINA FOR NOVELO'S CANCER AND HEPATITIS COMPOUNDS

(Hong Kong, 19 December 2007) - Lee's Pharmaceutical Holdings Limited "the Company" (GEM Stock: 8221; Website: www.leespharm.com) today announced that the Company signed an exclusive license agreement with Novelos Therapeutics, Inc., a biopharmaceutical company focused on the development of therapeutics to treat cancer and hepatitis, to develop and commercialize in China, including Hong Kong and Macau, as well as in Taiwan, two of Novelos' compounds: NOV-002 for cancer and NOV-205 for hepatitis. NOV-002 is Novelos' lead compound in pivotal Phase 3 trial for non-small cell lung cancer under a Special Protocol Assessment (SPA) and Fast Track.

Lee's Pharmaceutical ("Lee's Pharm") will be responsible for the cost of all clinical development, regulatory submissions and commercialization of NOV-002 and NOV-205 in China. In addition to upfront and milestone payments, Novelos will receive 20-25% royalties from Lee's Pharm on net sales of NOV-002 and 12-15% royalties on net sales of NOV-205.

"I am very pleased to be collaborating with Lee's Pharm, a vibrant public company that has a proven track record of developmental and commercialization expertise in China," said Harry Palmin, President and CEO of Novelos. "The significant royalties allow Novelos greater participation in China's rapidly growing marketplace, particularly in critical disease areas of cancer and hepatitis. This deal also marks the commencement of Novelos' ex-US partnering initiative."

"We are excited about the opportunity to work with Novelos on its two exciting compounds NOV-002 and NOV-205," said Dr. Benjamin Li, CEO of Lee's Pharm. "With over 1.7 million people being diagnosed with cancer each year and over 120 million people being infected with hepatitis B virus, both cancer and hepatitis B are major health problems facing China today. Better treatment options are badly needed in those areas and the market potential for innovative and effective treatment will be enormous."

About Lee's Pharmaceutical Holdings Ltd

Lee's Pharmaceutical Holdings Limited is a Hong Kong listed (Stock code: 8221) biopharmaceutical company with over 13 years operation in China's pharmaceutical industry. It is fully integrated with solid infrastructures in drug development, clinical development, regulatory, manufacturing, marketing and sales in China with global perspective and it currently markets five products in China. The Group focuses on several different areas such as cardiovascular and infectious diseases, dermatology, oncology and gynecology with more than 10 products under different development stages stemming from both internal R&D as well as from the recent acquisition of licensing and distribution rights from various US and European companies. For additional information about Lee's Pharm, please visit www.leespharm.com

About Sigma Tau

Sigma-Tau Group is a leading research-based Italian pharmaceutical group founded in 1957. Sigma-Tau Group had annual revenues equivalent to approximately US\$1 billion in 2006 with 2,500 employees worldwide. Therapeutic areas in which Sigma-Tau Group's research and development are focused include cardiovascular disease, metabolism, oncology, immunology, central and peripheral nervous system with 47 projects, 30 clinical indications studied with 17 proprietary molecules, most of

which are new and original. Sigma-Tau Group has operating subsidiaries throughout Europe and the United States and maintains a presence in all of the world's major pharmaceutical markets, including in the rapidly growing Chinese market through its significant shareholding in Lee's Pharm. For additional information about Sigma Tau, please visit www.sigma-tau.com – www.sigma-tau.it

About Novelos Therapeutics, Inc.

Novelos Therapeutics, Inc. is a biopharmaceutical company commercializing oxidized glutathione-based compounds for the treatment of cancer and hepatitis. NOV-002, the lead compound currently in Phase 3 development for lung cancer under a SPA and Fast Track, acts together with chemotherapy as a chemoprotectant and an immunomodulator. NOV-002 is also in Phase 2 development for chemotherapy-resistant ovarian cancer and early-stage breast cancer, and is in addition being developed for acute radiation injury. NOV-205 acts as a hepatoprotective agent with immunomodulating and anti-inflammatory properties. NOV-205 is in Phase 1b development for chronic hepatitis C non-responders. Both compounds have completed clinical trials in humans and have been approved for use in the Russian Federation where they were originally developed. For additional information about Novelos please visit www.novelos.com

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.

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