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For Immediate Release

China-Biotics, Inc. Signs Agreements with Four Additional Food Manufacturers

- ***Provides update on new manufacturing facility***

Shanghai, China – January 14, 2009 – China-Biotics, Inc. (Nasdaq: CHBT) (“China-Biotics,” “the Company”), a leading Chinese firm specializing in the manufacture, research, development, marketing and distribution of probiotics products, today announced it has signed contracts with four food manufacturers – Shanghai Yuejia Food Co., Ltd. (“Yuejia Food”), Shandong Huwa Dairy Industry Co., Ltd. (“Huwa Dairy”), Qinghai Xuefeng Yak Dairy Industry Co., Ltd. (“Xuefeng Dairy”) and Shaanxi Yulin Dairy Product Co., Ltd. (“Yulin Dairy”) – to supply probiotics as bulk additives for yogurt and beverage products.

Under the one-year agreements, China-Biotics will provide probiotics and related technical consulting. The initial orders include *Lactobacillus casei*, *Lactobacillus bulgaricus* and *Streptococcus thermophilus*.

“We have made steady progress in building up commercial orders as we prepare for the completion of our production capacity expansion later this spring,” said Mr. Jinan Song, China-Biotics’ Chairman and Chief Executive Officer. “These latest announcements demonstrate the appeal of our strong product quality and prompt technical support, which should enable us to increase our market share in China as we cultivate long-term relationships with additional commercial partners.”

To date, the Company has established an array of business relationships with commercial customers located in Beijing, Qinghai and Shanghai cities and Jiangsu, Jiangxi, Shaanxi, Shandong and Zhejiang provinces. These growing companies are among the leaders in the baked foods, dairy and pharmaceutical industries. The Company’s existing manufacturing facility, with current annual manufacturing capacity of 12 metric tons of probiotics for use as bulk additives and capsules, will supply the initial orders for these and previously announced agreements. The Company has increased the number of shifts and will optimize the product mix of retail capsules and commercial bulk additives, in preparation for the Chinese New Year peak retail sales season.

The Company also announced that it has experienced an unexpected delay in the construction of its new facility. The new plant needs to be certified by two local government bureaus, which are State Food and Drug Administration and Shanghai Municipal Bureau of Quality and Technical Supervision, each of

which requires a different certification standard for our manufacturing facility. Management has been working closely with these agencies to resolve which standard will be required for the new facility. As a result of this delay, the Company has slowed down the installation process at the new facility. The Company expects that a consensus will be reached shortly. We will resume installation after the Chinese New Year, and plan to commence trial production in April. The trial phase should be completed in approximately three months.

“We are eager to begin production at our new facility and look forward to a fair resolution of this issue,” Mr. Song said. “In the meantime, we continue to pursue new commercial bulk additives agreements, as well as our Shining retail outlet expansion.”

About Shanghai Yuejia Food Co., Ltd.

Established in the late 1980s and headquartered in Shanghai, Yuejia Food specializes in manufacturing and distributing dairy products, beverages, confections and seasonings. Yuejia Food operates three manufacturing plants and a nationwide distribution network in China. For more information, please visit <http://www.yuejia.com>.

About Shandong Huwa Dairy Industry Co. Ltd.

Headquartered in Shandong Province, Huwa Dairy specializes in manufacturing dairy and beverage products. Huwa Dairy operates under the ISO9001 certification.

About Qinghai Xuefeng Yak Dairy Industry Co. Ltd.

Established in 2003 and headquartered in Qinghai Province, Xuefeng Dairy specializes in the development and manufacturing of yak dairy products. It has about 200 employees.

About Shaanxi Yulin Dairy Product Co. Ltd.

Established in 1993 and headquartered in Shaanxi Province, Yulin Dairy specializes in the development and manufacturing of dairy products.

About China-Biotics, Inc.

China-Biotics, Inc. (“China-Biotics,” “the Company”), a leading manufacturer of biotechnology products and supplements, engages in the research, development, marketing and distribution of probiotics dietary supplements. Through its wholly owned subsidiary, Shanghai Shining Biotechnology Co., Ltd., the Company has operations in Shanghai. Its proprietary product portfolio contains live microbial nutritional supplements under the “Shining” brand. Currently, the products are sold OTC through large distributors to pharmacies and supermarkets in Shanghai, Jiangsu, and Zhejiang. China-Biotics plans to launch 300 Shining brand retail outlets in major cities in China. Currently, China-Biotics is strategically expanding its production capacity of probiotics to meet growing demand in the bulk additive market. For more information, please visit <http://www.chn-biotics.com>.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995: Any statements set forth above that are not historical facts are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such factors include, but are not limited to, the Company’s ability to market existing and new products, ability to access to capital for expansion, and changes from anticipated levels of sales, future national or regional economic and competitive conditions, market acceptance of its retail store concept, changes in relationships with customers, dependence on its flagship product profits and other factors detailed from time to time in the Company’s filings with the United States Securities and Exchange Commission and other regulatory authorities. The Company undertakes no obligation to

publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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