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For Immediate Release

China-Biotics, Inc. Signs Intention Agreement to Supply Probiotics to Bright Dairy & Food Co., Ltd.

Shanghai, China – August 22, 2007 – China-Biotics, Inc. (OTC BB: 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 an agreement with Bright Dairy & Food Co., Ltd. (“Bright Dairy”) (SSE: 600597) to supply probiotics for Bright Dairy’s ice cream products for the next three years.

China-Biotics works as an optimal solution provider for probiotics additives in ice cream products with Bright Dairy. The ice cream packaging will include China-Biotics’ registered “Shining Probiotics” trademark. Ice cream sold with probiotics additives will be one of Bright Dairy’s hallmark products, and have higher margins than other ice creams. This is the first time probiotics are being used as additives in ice cream products in China, allowing consumers to improve their gastrointestinal health through the intake of probiotics as they enjoy the ice cream.

“We are very pleased to establish this partnership with Bright Dairy, one of the top three producers in China’s dairy industry,” said Mr. Jinan Song, Chief Executive Officer and Chairman of China-Biotics. “This is a significant milestone for us, marking the first time we sell probiotics as food additives; and this contract further validates the demand for probiotics food additives in China. With the increasing affluence and health awareness of Chinese consumers, we believe that the demand for probiotics additives is growing rapidly.”

Currently, China-Biotics will supply the additives from its existing facility. In order to meet the demand for probiotics additives, the Company plans to build a new, 150-metric-ton production facility, which will significantly increase its capacity to meet the expected

demand for bulk additives. The Company expects to commence production in the new plant during the latter part of the 2008 calendar year.

About Bright Dairy & Food Co., Ltd.

Based in Shanghai, Bright Dairy & Food Co., Ltd (“Bright Dairy”) (SSE: 600597) is a leading dairy products manufacturer in China. The company employs a world-class dairy product R&D Center, dairy product processing equipment and advanced dairy product processing techniques. The products portfolio includes sterilized milk, pasteurized milk, acidophilus milk, UHT pasteurized milk, milk powder, butter cheese and fruit juice beverage. Bright Dairy distributes its products throughout China. As of Dec. 31, 2006, Bright Dairy had 2,262 full-time employees. The revenue was \$ 950 million and the net income was \$20 million for fiscal year 2006. For more information, please visit: <http://www.brightdairy.com/>

About China-Biotics, Inc.

Headquartered in Shanghai, China-Biotics, Inc. (“China-Biotics”, “the Company”) was founded in 1999 and is one of China’s largest suppliers of probiotics. Probiotics are beneficial live bacteria used as dietary supplements and food additives to improve intestinal health and digestion. The Company’s product portfolio contains live microbes made with proprietary technology. Currently, these products are sold over-the-counter under the “Shining” brand through large distributors to more than 1,000 pharmacies and 100 supermarkets in Shanghai, Jiangsu and Zhejiang. Shining is one of the most recognized brands in Shanghai. China-Biotics plans to expand its retail sales to other major cities in China and will launch 300 Shining brand logistic centers in these cities during the next two years. The Company’s flagship product, “Shining Essence”, has been a profit driver since its launch in April 2001. There is a significant demand for probiotics for use in the bulk additive market, which is currently met by imports. China-Biotics is building a new plant which will increase its production capacity manifolds to capture this market.

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 capital for expansion, changes from anticipated levels of sales, future national or regional economic and competitive conditions, completion of the above mentioned contract with Bright Dairy, 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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