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*For Immediate Release*

## **China-Biotics, Inc. Sees No Impact on Its Business From Dairy Products Safety Concerns**

**Shanghai, China – September 25, 2008** – 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 provided an update on the impact on the Company’s business of the dairy products contamination concerns in China.

“We do not foresee any significant impact to our business, as our current sales to the dairy industry are minimal,” said Mr. Jinan Song, China-Biotics’ Chairman and Chief Executive Officer. “We expect that by 2009, when our new plant is operational, the dairy product contamination issue will have been resolved. The construction of our new manufacturing facility remains on schedule, and we are in discussions with a number of suppliers of bakery, dairy and pharmaceutical products in preparation for the plant’s initial operation at the end of this calendar year.”

Milk samples from several Chinese dairy companies, including the three largest producers, have been found to be tainted with melamine, an industrial chemical. In a September 17 executive meeting of China’s State Council, officiated by Premier Wen Jiabao, the Council elected to take steps to conduct comprehensive testing of dairy products and carry out other industry reforms.

"We believe that the strengthening of product quality and testing standards in the dairy industry will be a positive development for domestic suppliers that operate to high international standards. China-Biotics is engaged in discussions and qualification processes with several large global suppliers of infant formula and dairy products to the China market, and we believe we are well positioned to benefit as more stringent requirements are implemented in the industry," Mr. Song concluded.

## **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, 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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