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For Immediate Release

China-Biotics, Inc. Retains KPMG for the Implementation of Sarbanes-Oxley Act Section 404

Shanghai, China – October 16, 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 announced that it has engaged the Shanghai office of KPMG Advisory (China) Limited (“KPMG Shanghai”) to assist the Company in complying with the financial reporting and controls requirements of Sarbanes-Oxley Act Section 404 (“SOX 404”).

KPMG Shanghai’s engagement is designed to assist China-Biotics as it complies with SOX 404, which requires the Company and its external auditor to report on the adequacy of the Company's internal financial reporting and controls systems after documenting and testing financial reporting and control procedures.

“We are pleased to have engaged KPMG in this important mission, as we seek to ensure that China-Biotics is in full compliance with the requirements of the Sarbanes-Oxley Act,” said Mr. Jinan Song, China-Biotics’ Chairman and Chief Executive Officer. “As we prepare for our debut on the Nasdaq Global Market on October 23, 2008, we believe this necessary undertaking will also enhance shareholder confidence in the Company’s financial reporting standards.”

About China-Biotics, Inc.

China-Biotics, Inc., 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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