

China-Biotics, Inc. Begins Trial Production at New Facility, Affirms 2010 Revenue Guidance

Shanghai, China – October 28, 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 provided an update on its business.

The Company added eight new bulk additive customers in September and October, bringing its total number of bulk additive customers to 24. The newly signed customers are mainly engaged in manufacture of dairy, nutritional supplement, and animal feed products. The trial production of Phase I has recently begun at its new state-of-the-art production facility in Qing Pu Industrial Park in Shanghai. Phase I has a production capacity of 150 metric tons of probiotics per year.

“We are delighted to begin trial production at our new facility and start the second phase of our capacity expansion, which we expect to complete by the end of the year,” said Mr. Jinan Song, China-Biotics’ Chairman and Chief Executive Officer. “We continue to experience significant demand for our probiotics products and our pipeline of potential new bulk additive customers remains strong. As a result, we expect to achieve revenue growth of at least 50% during the 2010 fiscal year.”

The Company has strengthened its senior management team to support operations at the new facility with the addition of Mr. Bin Li, vice general manager of manufacturing and Dr. Xiaoping Zhang, deputy director of R&D center. Mr. Li brings knowledge and expertise in dairy and yogurt production, having previously served as general manager of Yili Group Beijing Branch. Dr. Zhang has substantial expertise in application of probiotics, having previously served as senior R&D manager in Mengniu Dairy (Beijing) Co., Ltd. Yili Group and Mengniu Dairy are among China’s top three dairy producers.

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, 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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