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For Immediate Release

China-Biotics, Inc. Signs Agreements with Two Dairy Manufacturers

Shanghai, China – December 23, 2008 – 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 two dairy manufacturers – Panda Dairy Product Co., Ltd. (“Panda Dairy”) and Golden Sunshine Dairy Product Co., Ltd. (“Golden Sunshine Dairy”) - to supply probiotics as bulk additives for milk powder and yogurt products. Under the one-year contracts, China-Biotics will provide probiotics and related after sales support.

“We are delighted to further expand our commercial customer base with these two new additions,” said Mr. Jinan Song, China-Biotics’ Chairman and Chief Executive Officer. “Over the past few months, the Chinese government has initiated a number of measures to reform the dairy industry, including more stringent testing, safety and quality control standards and support for horizontal and vertical consolidation. We believe China Biotics will continue to benefit from this improved industry environment as dairy companies adhere to the new government regulations and respond to customer demand for higher quality and higher value products.”

The initial order from Panda Dairy includes 200 kilograms of *Lactobacillus acidophilus* and *Bifidobacterium bifidum* (“LA-BB”) and other probiotics, which will be added to milk powder to enhance product value. The initial order from Golden Sunshine Dairy includes 100 kilograms of *Lactobacillus casei*, which will be used to produce fermented yogurt. Both manufacturers have established highly recognized brands in regional markets.

“We carefully evaluate our business partners to ensure mutually beneficial, long-term working relationships. We believe that our well-established reputation and commitment to the highest standards of quality will help increase our market share in China,” said Mr. Song.

In addition to the current annual manufacturing capacity of nine metric tons of probiotics for use as bulk additives and capsules, the Company expects to start operations at its new facility capable of producing 150 metric tons of probiotics per year in February 2009. Trial production will commence in January 2009.

About Panda Dairy Product Co., Ltd.

Established in 1996 and headquartered in Wenzhou, Zhejiang Province, Panda Dairy Products Co., Ltd. specializes in manufacturing dairy products, including sweetened condensed milk, evaporated milk and milk powder. Panda Dairy operates under the ISO9001, ISO14000 certifications and holds HACCP certification. Panda Dairy has over 25% of total market share in China.

For more information, please visit <http://www.pandadairy.com>

About Golden Sunshine Dairy Product Co., Ltd.

Established in 1998 and headquartered in Nanjing, Jiangsu Province, Golden Sunshine Dairy Product Co., Ltd. specializes in raising dairy cows, manufacturing and distributing dairy products. Golden Sunshine Dairy has a dairy farm with approximately 1,000 dairy cows, with an established distribution network in Jiangsu, Zhejiang, and Anhui Provinces.

For more information, please visit <http://www.nj-jyg.com>

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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