

China-Biotics Provides Further Updates on Qingpu New Facility

- Increased to 39 customers for Bulk Probiotics Products –
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- Production utilization increased to over 60 Metric Tons on annual basis -

SHANGHAI, July 7, 2010 - **China-Biotics, Inc. ("China-Biotics", the "Company") (Nasdaq: CHBT)**, the leading developer, manufacturer and distributor of probiotics products in China, today provides further updates on the Company's bulk additive operation.

China-Biotics gained more bulk customers during the quarter ended at June 30, 2010 and the total number of bulk customers increased to 39 by the end of June. Among the 39 customers, 4 are animal feed producers and the remaining are dairy enterprises.

During the quarter, the Qingpu facility produced over 15 metric tons of bulk probiotics products and production utilization rate for the Qingpu bulk additive facility has steadily ramped up to over 60 metric tons per year.

Mr. Jinan Song, Chairman and Chief Executive Officer of China-Biotics, commented, "We are pleased with the progress on our bulk business in the first quarter fiscal year 2011. We have not only increased the number of customers but ramped up our production utilization rate as well. We remain focused on building long-term relationships with dairy companies as they are moving towards high value-added products to meet market demand and consumer preferences. In such a favorite environment, we believe that we are well positioned to expand our business and gain market share. We look forward to further expanding our production to meet the bulk market demand in the coming quarters."

About China-Biotics

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 in China. Through its wholly owned subsidiary, Shanghai Shining Biotechnology Co., Ltd., the Company develops and produces its proprietary product portfolio including 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 province. In February 2010, China-Biotics began its commercial production in China's largest probiotics production facility to meet growing demand in China. For more information, please visit <http://www.chn-biotics.com> .

Safe Harbor Statement

The information in this release contains forward-looking statements which involve risks and uncertainties, including statements regarding the Company's capital needs, business strategy and expectations. Any statements contained herein that are not

statements of historical fact may be deemed to be forward-looking statements, which may be identified by terminology such as "may," "should," "will," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," "forecast," "project," or "continue," the negative of such terms or other comparable terminology. Readers should not rely on forward-looking statements as predictions of future events or results. Any or all of the Company's forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions, risks and uncertainties and other factors which could cause actual events or results to be materially different from those expressed or implied in the forward-looking statements. In evaluating these statements, readers should consider various factors, including the risks described in "Item 1A. Risk Factors" beginning on page 17 and elsewhere in the Company's 2010 Annual Report on Form 10-K. These factors may cause the Company's actual results to differ materially from any forward-looking statement. In addition, new factors emerge from time to time and it is not possible for the Company to predict all factors that may cause actual results to differ materially from those contained in any forward- looking statements. The Company disclaims any obligation to publicly update any forward-looking statements to reflect events or circumstances after the date of this document, except as required by applicable law.

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