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FOR IMMEDIATE RELEASE

Chai-Na-Ta Corp. Reports 2010 Third Quarter Results

RICHMOND, BRITISH COLUMBIA – November 26, 2010 – Chai-Na-Ta Corp. (OTCBB: “CCCFF”), one of the world’s largest suppliers of North American ginseng, today announced third quarter 2010 net earnings of \$255,000, or \$0.01 per basic share, compared to a net loss of \$136,000, or less than \$0.01 per basic share, in the same period last year.

Revenue increased to \$2.9 million in the third quarter of 2010 from \$1.3 million in the prior year period. The Company has a gross profit of 12% of sales revenue in the 2010 third quarter compared to a gross loss of 7% in the same period last year.

“We sold 67% of our 2009 harvest root by September 30, 2010 with the entire remaining root committed to customers,” said Derek Zen, Chairman of the Company, “Chai-Na-Ta’s average selling price decreased to \$8.60 per pound in the first nine months of 2010 from \$8.80 per pound in 2009.

“We are now actively harvesting our 2010 crops and we have already sold a portion of this root at a price higher than the previous year’s harvest,” said Mr. Zen.

“While 2010 will remain challenging, we are on track with our efforts to reduce operating and overhead costs,” added Mr. Zen, “Selling, general and administrative expenses fell to \$602,000 in the first nine months of 2010, a decrease of 14% from the same period last year.”

In the nine months ended September 30, 2010, revenue decreased to \$5.7 million from \$6.0 million in the first nine months of 2009. Net loss in the first nine months of 2010 was \$45,000 or less than \$0.01 per basic share, compared to net earnings of \$654,000 or \$0.02 per basic share in the same period last year.

The working capital position as at September 30, 2010 was a surplus of \$6.1 million compared to a surplus of \$8.9 million at December 31, 2009.

Chai-Na-Ta Corp., based in Richmond, British Columbia, is one of the world's largest suppliers of North American ginseng. The Company farms, processes and distributes North American ginseng as bulk root and supplies processed material for the manufacturing of value-added ginseng-based products.

This news release contains forward-looking statements that reflect the Company's expectations regarding future events. These forward-looking statements involve risks and uncertainties, and actual events could differ materially from those projected. Such risks and uncertainties include, but are not limited to, general business conditions, and other risks as outlined in the Company's periodic filings, Annual Financial Statements, and Form 20-F.

- 30 -

FOR FURTHER INFORMATION PLEASE CONTACT:

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and nine months ended September 30, 2010

The following discussion and analysis reviews the operating results, financial position and liquidity, risks and industry trends affecting the financial results of Chai-Na-Ta Corp. Additional comments relate to changes made to operations since the year-end and their expected financial impact.

This commentary has been prepared as of November 24, 2010 and should be read in conjunction with the unaudited interim consolidated financial statements as at September 30, 2010 and for the three and nine month periods ended September 30, 2010 and 2009 and their accompanying notes prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The discussion and analysis should also be read in conjunction with the 2009 annual audited financial statements and MD&A which can be found on the Company's website. Amounts are expressed in Canadian dollars, unless otherwise specified.

Some of the statements made in this MD&A are forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives, or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

OVERVIEW

Chai-Na-Ta Corp. is one of the world's largest suppliers of North American ginseng and is headquartered in Richmond, British Columbia, Canada, with farming operations in Ontario. The Company completed the termination of its farming operations in British Columbia in 2009 after the last ginseng crops were harvested in 2008. The Company continues to maintain and harvest its ginseng crops in Ontario but has not planted ginseng crops since 2008 and currently has no plans to plant additional crops. The Company's wholly owned subsidiary in Hong Kong is responsible for the marketing and distribution of its products in China, Hong Kong and Southeast Asia. The Company also sells graded root and ginseng-based value-added products in Canada.

The Company recorded a gross margin of \$246,000 on sales of \$5.7 million for the nine months ended September 30, 2010 compared to a gross margin of \$391,000 on sales of \$6.0 million in the prior year. The gross margin during the nine month periods ended September 30, 2010 was due to the sale of ginseng harvested in Ontario in 2009 and due to the sale of ginseng seeds. Revenue is lower in the current year because about one third of the 2009 harvest ginseng were sold and delivered to customers in the fourth quarter of the current fiscal year.

The Company recorded a net loss of \$45,000 for the nine months ended September 30, 2010 compared to net earnings of \$654,000 for the same period in the prior year. The net earnings in the prior year were primarily the result of government supplements of \$954,000.

OUTSTANDING SHARE DATA AS AT NOVEMBER 24, 2010

<u>Authorized</u>	<u>Number of Shares</u>
Common Shares	Unlimited
Preferred Shares	21,000,000
<u>Issued and Outstanding</u>	
Common Shares	34,698,157
Preferred Shares	-
<u>Options Outstanding</u>	-

RESULTS OF OPERATIONS

Revenue increased to \$2.9 million in the third quarter of 2010 from \$1.3 million in the third quarter of the previous year and decreased to \$5.7 million for the nine months ended September 30, 2010 compared to \$6.0 million for the nine months ended September 30, 2009. The Company completed the sale of its entire inventory from the 2008 harvest in British Columbia in the second quarter of 2010 and has completed the sale of two thirds of its 2009 Ontario harvest as at September 30, 2010. The average selling price per pound decreased to \$8.60 per pound in 2010 compared to \$8.80 in the first nine months of 2009. The Company has sold 644,000 pounds of bulk root in the nine months ended September 30, 2010 compared to 666,000 pounds in the first nine months of 2009. The Company has contracts in place to sell the remainder of its 2009 harvest inventory and will complete the sale of all remaining inventory in the fourth quarter of 2010.

Cost of goods sold was 88% of sales revenue in the third quarter of 2010, compared to 107% in the previous year period and was 96% of sales revenue for the nine months ended September 30, 2010 compared to 93% for the nine months ended September 30, 2009. Gross margin was 12% of sales in the third quarter of 2010 compared to a gross loss of 7% for the same period in 2009. Gross margin was 4% of sales for the nine months ended September 30, 2010 compared to a gross margin of 7% for the same period in 2009. The gross margin for the three and nine months ended September 30, 2010 was the result of the sale of ginseng harvested in Ontario in 2009 and due to the sale of ginseng seeds harvested in 2009. The gross margin achieved during the nine month period ended September 30, 2009 was a result of the fulfillment of a contract made with a Canadian customer for the supply of ginseng prongs and fibres.

For the three months ended September 30, 2010, selling, general and administrative expenses decreased to \$185,000 compared to \$237,000 for the three months ended September 30, 2009. For the nine months ended September 30, 2010, selling, general and administrative expenses decreased to \$602,000 compared to \$704,000 for the nine months ended September 30, 2009. Management continues to reduce selling, general and administrative expenses below previous year levels despite increasing cost pressures. For the three and nine month periods ended September 30, 2009, the Company also incurred \$18,000 and \$467,000, respectively, in expenses related to the termination of farming operations in British Columbia.

Interest on short-term debt which arose in 2009 from the Company's bank indebtedness has been eliminated in 2010 due to the Company being in a positive cash position throughout 2010.

Interest on long-term debt increased to \$120,000 in the third quarter of 2010 from \$63,000 in the third quarter of 2009 and increased to \$314,000 in the first nine months of 2010 from \$240,000 in the first nine months of 2009. The increase in interest on long-term debt is primarily due to the change in interest rate on the Company's long-term borrowings. Prior to March 1, 2010, the borrowing rate on the Company's long-term debt was based on the variable Hong Kong Interbank Offered Rate ("HIBOR") and London Interbank Offered Rate ("LIBOR") which were at low levels throughout 2009. In August 2009, the Company agreed to an extension of its long-term debt facility which included a change to a fixed interest rate of 6.25% on March 1, 2010.

For the three months ended September 30, 2010, the Company incurred operating income of \$41,000 compared to an operating loss of \$402,000 for the three months ended September 30, 2009. For the nine months ended September 30, 2010, the Company incurred an operating loss of \$670,000 compared to \$1,056,000 for the nine months ended September 30, 2009. For the three month period ended September 30, 2010, the operating income was a result of the sales of 2009 harvest inventory from Ontario which was sufficient to cover operating expenses and interest for the period. For the nine month period ended September 30, 2010, the operating losses decreased due to the expenses related to the termination of operations in British Columbia in 2009.

The Company had other income of \$214,000 for the three months ended September 30, 2010 compared to \$266,000 for the three months ended September 30, 2009. The decrease in other income is primarily due to \$108,000 in foreign exchange gains in 2010 compared to \$216,000 in 2009. The Company had other income of \$625,000 for the nine months ended September 30, 2010 compared to \$1.7 million for the nine months ended September 30, 2009. The decrease in other income is primarily due to \$954,000 in government supplements received in 2009. Government supplements include funds received from Agriculture Canada as compensation for cost of production increases and reduced margins of the Company's farming operations in prior years net of program participation fees and related costs. The Company also had \$29,000 in foreign exchange gains in the nine month period ended September 30, 2010 compared to \$383,000 in foreign exchange gains in the nine month period ended September 30, 2009.

For the three months ended September 30, 2010, the Company incurred net earnings of \$255,000, or \$0.01 per basic share, compared to a net loss of \$136,000, or less than \$0.01 per basic share, for the three months ended September 30, 2009. For the nine months ended September 30, 2010, the Company incurred a net loss of \$45,000, or less than \$0.01 per basic share, compared to net earnings of \$654,000, or \$0.02 per basic share, for the corresponding period last year. The net loss incurred in 2010 compared to the net earnings in 2009 is primarily a result of the government supplements received in 2009.

The Company did not declare any dividends on any class of shares during the nine months ended September 30, 2010 or for any period in the previous three fiscal years ended December 31, 2009.

QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited quarterly information for each of the eight quarters ended December 31, 2008 through September 30, 2010. This information has been derived from unaudited interim consolidated financial statements that, in the opinion of the Company's management, have been prepared on a basis consistent with the audited annual consolidated financial statements.

(Stated in Thousands of Canadian Dollars except per share amounts)	2010			2009				2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total revenue	\$ 2,892	1,980	825	980	1,265	1,766	2,930	1,672
Write-downs	-	(170)	-	(14)	-	-	-	(1,498)
Operating income (loss)	41	(471)	(240)	(354)	(402)	(84)	(570)	(1,664)
Net earnings (loss)	255	(158)	(142)	15	(136)	1,478	(688)	(2,084)
Net earnings (loss) per share:								
Basic and diluted	\$ 0.01	(0.00)	(0.00)	0.00	(0.00)	0.04	(0.02)	(0.06)

Ginseng crops are harvested in the fall of every year, revenue and earnings tend to be higher in first two quarters of the following year as the harvested roots are usually sold. However, this has not been the case in 2010 as the majority of the Company's 2009 harvest inventory has been shipped to customers in the third and fourth quarters of 2010. Significant fluctuations in revenue and earnings in any period are impacted by the quantity and quality of root sold, the selling price of such root, and the relative strength of the Canadian dollar to the currencies used by customers.

LIQUIDITY AND CAPITAL RESOURCES

Cash used by operations was \$175,000 for the three months ended September 30, 2010, compared with \$239,000 for the same period in 2009. The cash used by operations was \$145,000 for the nine months ended September 30, 2010, compared with cash provided by operations of \$2.5 million for the same period in 2009. For the nine month period ended September 30, 2010, the decrease in cash provided by operation was primarily due to the government supplement funds received in 2009 and due to the cash provided in 2009 by the sale of the final harvest of ginseng crops in British Columbia in 2008.

Crop cost expenditures before depreciation and interest totalled \$781,000 for the three months ended September 30, 2010 compared to \$1.0 million for the same period in the prior year, while expenditures totalled \$1.7 million in the first nine months of 2010 compared to \$2.2 million in the first nine months of 2009. The decrease in expenditures on crop costs in the current year is due to a reduction in the number of acres under cultivation in Ontario as no additional acres were planted in 2009 or 2010.

The Company's cash as at September 30, 2010 was \$1.6 million compared to a balance of \$2.5 million at December 31, 2009, a decrease of \$913,000. The cash balance has decreased due to the repayment of long-term debt of \$1.3 million for the nine months ended September 30, 2010. The working capital position of the Company at September 30, 2010 was a surplus of \$6.0 million compared to a surplus of \$8.9 million at December 31, 2009. The working capital has decreased as the proceeds from sales are primarily used to reduce long-term debt and to fund both current and long-term crop cost expenditures.

As at September 30, 2010, the Company had received \$673,000 in deposits from customers. These deposits are on orders that management expects will be fulfilled in the final quarter of 2010.

On September 1, 2009 the Company agreed to an extension of an existing HK\$51.5 million loan facility. The Company has repaid HK\$10.0 million (\$1.3 million) during the current year and is required to repay an additional HK\$10.0 million (\$1.3 million) by August 31, 2011. The remaining amount (\$4.2 million) is to be repaid by August 31, 2012 in apportionments of HK\$1.3 million and US\$3.9 million. The loan is unsecured and bears interest at 6.25%. During the three and nine month periods ended September 30, 2010, the Company incurred interest of \$120,000 and \$314,000 (2009 - \$53,000 and \$240,000), respectively, which has been included in interest on long-term debt on the statement of operations and deficit.

The Company believes that its existing cash resources, together with the cash generated from future sales of inventory and the current borrowings, will be sufficient to meet its working capital and operating requirements for the next twelve months. If the Company cannot generate sufficient cash from its existing resources, it will become necessary to secure additional financing; however there is no assurance that additional financing will

be available or available on terms favourable to the Company. If the Company cannot generate sufficient cash and if it cannot secure additional financing, the Company's ability to repay the loan to More Growth and continue as a going concern will be dependant on the continuing support of its principal shareholder and its creditors.

As at September 30, 2010, the Company had contractual obligations and commercial commitments outlined in the table below:

Contractual Obligations (Stated in Canadian Dollars)	Payments Due by Period				
	Total	Less Than			More Than 5 Years
		1 Year	1 - 3 Years	3 - 5 Years	
Long-term debt (1)	\$ 6,261,000	\$ 1,785,000	\$ 4,476,000	\$ -	\$ -
Operating leases (2)	132,000	92,000	40,000	-	-
Agricultural land leases (3)	90,000	45,000	45,000	-	-
Total Contractual Obligations	\$ 6,483,000	\$ 1,922,000	\$ 4,561,000	\$ -	\$ -

- (1) Long-term debt includes the loan from More Growth at an interest rate of 6.25% and includes accrued interest and estimated future interest payments.
- (2) Operating leases comprise of the Company's long-term leases of equipment, office facilities and vehicles.
- (3) Agricultural land leases include land rentals in Ontario for the cultivation of ginseng.

The Company is committed to maintaining its ginseng crops from the time of initial planting to the time of harvesting, which usually takes three to four years. The cost of maintaining these crops is financed through the sale of inventory and available borrowings. This commitment is not included in the Contractual Obligations table.

RELATED PARTY TRANSACTIONS

The Company pays management fees to Wai Kee Holdings Limited ("Wai Kee") for performing sales, accounting and administrative services for CNT Trading (Hong Kong) Limited, a subsidiary of the Company. Wai Kee is a Hong Kong based publicly traded company which owns 38% of the shares of the Company and has a director in common with the Company. For the three and nine month periods ended September 30, 2010, the Company paid management fees of \$15,000 and \$51,000 (September 30 2009 - \$27,000 and \$87,000), respectively, of which \$10,000 remains outstanding and is included in accounts payable and accrued liabilities on the consolidated balance sheet.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect

the reported amounts of assets, liabilities, revenue, expenses and other disclosures as at the end of or during the reporting periods. Actual results may differ from these estimates and from judgments made under different assumptions or conditions.

The following items require the most significant estimates and judgments in the preparation of the Company's financial statements:

Inventory

The Company periodically reviews the carrying value of inventory to determine if write-downs are required to state the inventory at the lower of cost and net realizable value. The determination of net realizable value reflects management's best estimate of the expected selling price of the roots as well as consideration of qualitative factors such as size, shape, colour and taste. The carrying value of inventory also reflects management's expectation that the inventory will eventually be sold. Although management does not believe that additional provisions are required to align the carrying value of certain inventory with its net realizable values, future events may indicate that the inventory is not saleable or that such inventory is not saleable at prices above carrying value.

Ginseng Crops

The Company uses the full absorption costing method to value its ginseng crops and periodically reviews their carrying value for evidence of impairment. Included in the cost of crops are seed, labour, applicable overhead, interest and supplies required to bring them to harvest. The determination of impairment requires complex calculations and significant management estimation with respect to future costs to bring crops to harvest; demand for and the market price of harvested ginseng roots; and expectations as to the yield and quality of ginseng roots harvested. The estimation process is further complicated by the relatively long growing cycle of three to four years and the fact that roots remain underground. Although the Company's assumptions reflect management's best estimates, future events may result in materially different outcomes with respect to the recoverability of ginseng crop costs and the time required bringing the crops to harvest.

Income Taxes

The Company estimates its income taxes in each of the jurisdictions that it operates. The process involves estimating the current income tax exposure, together with assessing temporary differences from different treatment of items for tax and accounting purposes. These differences result in future tax assets and liabilities that are included in the consolidated balance sheet to the extent that a net future income tax asset or liability exists. The valuation of any future income tax assets or liabilities is reviewed quarterly and adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount. The process of determining if a valuation allowance is necessary includes estimates of the recoverability of inventory and ginseng crops as detailed above and an estimate of future interest expense. Future events may result in a materially

different outcome than is estimated with respect to the recoverability of both inventory and ginseng crops.

CONVERSION TO NEW ACCOUNTING STANDARDS

In April 2008, the Canadian Accounting Standards Board confirmed that on January 1, 2011 Canadian General Accepting Accounting Principles (“Canadian GAAP”) will be replaced by International Financial Reporting Standards (“IFRS”) for publicly accountable enterprises. Management initiated its IFRS changeover plan in 2009 but has now suspended its changeover to IFRS and intends to convert to United States Generally Accepted Accounting Principles (“US GAAP”) instead of IFRS on January 1, 2011. Management believes that the conversion to US GAAP will be much less onerous and costly as the Company already reconciles to US GAAP annually as part of its filings with the United States Securities Exchange Commission.

The Company has identified the following differences between Canadian GAAP and US GAAP which have a material impact on the financial statements of the Company.

Under Canadian GAAP, interest relating to expenditures on ginseng crop costs has been capitalized. The interest is included in inventory when the ginseng crops are harvested and cost of goods sold when the inventory is sold. Under US GAAP, the portion of interest relating to expenditures on ginseng crop costs would not be eligible for capitalization to ginseng crop costs. The amount would be expensed as period costs and accordingly, the carrying value of crop costs and inventory under US GAAP would be different. Similarly, interest that had been capitalized under Canadian GAAP and included in cost of sales would not have been reported as cost of sales for the period under US GAAP since such costs would have previously have been expensed as period costs.

Under Canadian GAAP, inventory and ginseng crops are recorded at the lower of cost or estimated net realizable value. Any write-down to estimated net realizable value can be reversed in subsequent periods if there is a change in circumstances which result in an increase in the estimated net realizable value. Under US GAAP, inventory and ginseng crops are also recorded at the lower of cost or estimated net realizable value but there is no allowance to reverse a write-down to estimated net realizable value as there is under Canadian GAAP.

Under Canadian GAAP, interest and finance charges are presented as operating expenses and are included in the calculation of operating income. Under US GAAP, interest and finance charges would be presented as non-operating expenses and would therefore be excluded from the calculation of operating income.

As a result of these differences, the balance sheet of the Company as at September 30, 2010 would change under US GAAP as follows:

(Stated in Canadian Dollars)	<u>Canadian GAAP</u>	<u>US GAAP</u>	<u>Increase (Decrease) in Shareholders' Equity</u>
Assets			
Inventory	\$ 1,458,000	\$ 1,293,000	\$ (165,000)
Short-term ginseng crops	4,883,000	4,879,000	(4,000)
	<u>\$ 6,341,000</u>	<u>\$ 6,172,000</u>	<u>\$ (169,000)</u>
Shareholders' Equity	<u>\$ 7,148,000</u>	<u>\$ 6,979,000</u>	<u>\$ (169,000)</u>

The statement of operations for the three month period ended September 30, 2010 would change under US GAAP as follows:

(Stated in Canadian Dollars)	<u>Canadian GAAP</u>	<u>US GAAP</u>	<u>Increase (Decrease) in Earnings</u>
Cost of goods sold	<u>\$ 2,546,000</u>	<u>\$ 2,303,000</u>	<u>\$ 243,000</u>
Operating income	<u>\$ 41,000</u>	<u>\$ 439,000</u>	<u>\$ 398,000</u>
Net earnings	<u>\$ 255,000</u>	<u>\$ 498,000</u>	<u>\$ 243,000</u>

The statement of operations for the nine month period ended September 30, 2010 would change under US GAAP as follows:

(Stated in Canadian Dollars)	<u>Canadian GAAP</u>	<u>US GAAP</u>	<u>Increase (Decrease) in Earnings</u>
Cost of goods sold	<u>\$ 5,451,000</u>	<u>\$ 5,118,000</u>	<u>\$ 333,000</u>
Operating loss	<u>\$ (670,000)</u>	<u>\$ (23,000)</u>	<u>\$ 647,000</u>
Net earnings (loss)	<u>\$ (45,000)</u>	<u>\$ 288,000</u>	<u>\$ 333,000</u>

There was no change in interest expense during the three and nine month periods ended September 30, 2010 as the Company did not capitalize any interest under Canadian GAAP.

RISKS AND UNCERTAINTIES

The Company's revenue and earnings are affected by the world price of ginseng root, which is determined by reference to factors including the supply and demand for North American ginseng root, negotiations between buyers and sellers, the quality and aesthetic characteristics of the root and the relative strength of the Canadian dollar to the currencies used by the Company's customers. A percentage change in the market price of ginseng root tends to have a corresponding impact on the revenue reported by the Company.

The Company identifies Canada as the primary economic environment in which it operates, and uses the Canadian dollar as its functional currency except for its active foreign subsidiary that operates in Hong Kong and which uses the Hong Kong dollar as its functional currency. A major portion of the Company's long-term debt is denominated in Hong Kong dollars. A minor portion of the Company's revenue and receivables is denominated in Hong Kong dollars. The Company monitors its exposure to foreign exchange risk and balances its foreign currency holdings to reduce exposure to any one currency by engaging in foreign exchange contracts and by repatriating any excess funds.

The Company's revenue is derived principally from the sale of ginseng roots to a limited number of customers that are concentrated in Asian markets. In order to manage its credit risk, the Company carefully monitors credit terms, investigates credit history and grants credit to customers with established relationships or acceptable credit ratings. Payments or deposits are usually received before shipments of inventory. Inventory may be held as security until payment is received, when such relationships have not been established. As the Company's significant customers do not necessarily use the ginseng themselves but instead distribute the ginseng to smaller wholesalers, distributors and retailers, the Company does not believe that it is economically dependent on any one customer or that the loss of any one wholesaler would impact the Company's ability to market roots through other channels. There can be no assurance, however, that adverse changes in the above noted factors will not materially affect the Company's business, financial condition, operating results and cash flows.

The Company is exposed to currency exchange risk as a result of its international markets and operations. The majority of the Company's revenue comes from buyers who are located outside of Canada and as a result, the selling price that the Company can achieve in those markets is exposed to changes in exchange rates. The Company has debt denominated in foreign currency and therefore the interest and repayment of debt is exposed to fluctuations in foreign exchange rates. The Company engages in foreign exchange contracts to help mitigate this risk.

FINANCIAL INSTRUMENTS

Financial instruments of the Company are represented by cash, accounts receivable and other assets, bank indebtedness, accounts payable and accrued liabilities and long-term debt. The carrying value of these instruments approximates their fair value due to the short-term maturity of such items or their bearing market related rates of interest. The

Company also has financial instruments disclosed in Note 9 to the consolidated financial statements which comprise of foreign exchange forward contracts.

OUTLOOK

In the short-term, the Company will focus its attention on its farming operations to maximize the yield and quality of roots while it continues to maintain and harvest ginseng crops in Ontario. The Company decided not to plant new crops in Ontario in 2009 and 2010 and currently has no plans to plant ginseng in the future.

ADDITIONAL INFORMATION

Additional information with respect to the Company is available on the SEDAR website at www.sedar.com

CHAI-NA-TA CORP.

Interim Consolidated Financial Statements Three and nine months ended September 30, 2010

(Unaudited - Prepared by Management)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company disclosed that its auditors have not reviewed the unaudited financial statements for the three and nine months ended September 30, 2010.

CHAI-NA-TA CORP.
Consolidated Balance Sheets
(Unaudited)

In thousands of Canadian dollars	Note	September 30 2010	December 31 2009
ASSETS			
Current assets			
Cash		\$ 1,575	\$ 2,488
Accounts receivable and other receivables		444	13
Inventory		1,457	6,668
Ginseng crops		4,883	3,898
Prepaid expenses		57	87
		8,416	13,154
Ginseng crops	5	2,938	2,154
Prepaid expenses		20	28
Property, plant and equipment		2,284	2,513
		\$ 13,658	\$ 17,849
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 353	\$ 459
Customer deposits		673	3,301
Current portion of long-term debt	3	1,327	446
		2,353	4,206
Long-term debt	3	4,157	6,499
Total liabilities		6,510	10,705
SHAREHOLDERS' EQUITY			
Share capital	4	38,246	38,246
Contributed surplus		338	338
Accumulated other comprehensive income		855	806
Deficit		(32,291)	(32,246)
		(31,436)	(31,440)
		7,148	7,144
		13,658	17,849

Going concern (Note 1)

Commitments, contingencies and guarantees (Note 8)

Approved by the Board:

"Derek Zen"

Derek Zen
Director

"Wilman Wong"

Wilman Wong
Director

CHAI-NA-TA CORP.

Interim Consolidated Statements of Operations and Deficit (Unaudited)

in thousands of Canadian dollars (except per share amounts)	Note	Three months ended		Nine months ended	
		September 30 2010	September 30 2009	September 30 2010	September 30 2009
Revenue		\$ 2,892	\$ 1,265	\$ 5,697	\$ 5,961
Cost of goods sold					
Cost of inventory sold		2,544	1,342	5,240	5,479
Shipping and handling fees		2	17	41	91
Write-down of ginseng crops	5	-	-	170	-
		2,546	1,359	5,451	5,570
Gross margin (loss)		346	(94)	246	391
Selling, general and administrative expenses		185	237	602	704
Wind-up expenses of terminated operations	6	-	18	-	467
Interest on short-term debt		-	-	-	36
Interest on long-term debt	3	120	53	314	240
		305	308	916	1,447
Operating income (loss)		41	(402)	(670)	(1,056)
Other income	7	214	266	625	1,710
NET EARNINGS (LOSS) FOR THE PERIOD		\$ 255	\$ (136)	\$ (45)	\$ 654
Deficit, beginning of period		(32,546)	(32,125)	(32,246)	(32,915)
DEFICIT, END OF PERIOD		\$ (32,291)	\$ (32,261)	\$ (32,291)	\$ (32,261)
Basic and diluted earnings (loss) per share		\$ 0.01	\$ (0.00)	\$ (0.00)	\$ 0.02
Weighted average number of shares used to calculate basic and diluted earnings (loss) per share (in thousands)		34,698	34,698	34,698	34,698

CHAI-NA-TA CORP.

Interim Consolidated Statements of Comprehensive Income (Unaudited)

in thousands of Canadian dollars	Three months ended		Nine months ended	
	September 30 2010	September 30 2009	September 30 2010	September 30 2009
Earnings (loss) for the period	\$ 255	\$ (136)	\$ (45)	\$ 654
Other comprehensive income				
Change in cumulative translation adjustments as a result of unrealized foreign exchange differences	67	194	49	320
Comprehensive income	\$ 322	\$ 58	\$ 4	\$ 974

CHAI-NA-TA CORP.

Interim Consolidated Statements of Accumulated Other Comprehensive Income (Unaudited)

in thousands of Canadian dollars	Three months ended		Nine months ended	
	September 30 2010	September 30 2009	September 30 2010	September 30 2009
Balance, beginning of period	\$ 788	\$ 568	\$ 806	\$ 442
Other comprehensive income for the period	67	194	49	320
Balance, end of period	\$ 855	\$ 762	\$ 855	\$ 762

CHAI-NA-TA CORP.

Interim Consolidated Statements of Cash Flows (Unaudited)

in thousands of Canadian dollars	Three months ended		Nine months ended	
	September 30 2010	September 30 2009	September 30 2010	September 30 2009
Operating Activities				
Net earnings (loss)	\$ 255	\$ (136)	\$ (45)	\$ 654
Items included in net earnings (loss) not affecting cash:				
Depreciation and amortization	1	2	6	7
Gain on disposition of property, plant and equipment and assets held for sale	(98)	(7)	(585)	(329)
Cost of ginseng crops sold	2,485	1,340	5,180	4,941
Non-cash foreign exchange gains	(109)	(596)	(81)	(323)
Write-down of ginseng crops	-	-	170	-
Changes in non-cash operating assets and liabilities:				
Accounts receivable and other receivables	66	(24)	(431)	38
Inventory	30	(37)	31	(21)
Prepaid expenses	15	(15)	38	(4)
Accounts payable and accrued liabilities	(65)	29	(90)	(158)
Customer deposits	(1,974)	222	(2,628)	(93)
Ginseng crop expenditures	(781)	(1,017)	(1,710)	(2,175)
	(175)	(239)	(145)	2,537
Financing Activities				
Bank indebtedness	-	330	-	(2,730)
Repayment of long-term debt	(898)	(455)	(1,346)	(527)
	(898)	(125)	(1,346)	(3,257)
Investing Activities				
Purchase of property, plant and equipment	(19)	(76)	(61)	(91)
Proceeds from disposition of property, plant and equipment	99	6	640	6
Proceeds from disposition of assets held for sale	-	-	-	956
	80	(70)	579	871
Effect of exchange rates changes on cash and cash equivalents	(1)	(2)	(1)	(4)
NET (DECREASE) INCREASE IN CASH	\$ (994)	\$ (436)	\$ (913)	\$ 147
CASH, BEGINNING OF THE PERIOD	2,569	775	2,488	192
CASH, END OF THE PERIOD	\$ 1,575	\$ 339	\$ 1,575	\$ 339
SUPPLEMENTAL INFORMATION:				
Other cash flows:				
Interest paid	\$ 178	\$ 31	\$ 447	\$ 159

CHAI-NA-TA CORP.

Notes to the Interim Consolidated Financial Statements (Unaudited)

1. Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has experienced an operating loss of \$670,000 for the nine months ended September 30, 2010 and has an accumulated deficit of \$32,291,000 as at September 30, 2010. The Company is closely monitoring cash resources and has received significant financing from a company formerly under common control.

The Company's ability to continue as a going concern is dependant on achieving ongoing profitable operations and the continued financial support of its creditors. These consolidated financial statements do not include any adjustments to the amounts and reclassification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of significant accounting policies

a) Interim financial statements

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP) except that certain information and note disclosures normally included in the Company's annual consolidated financial statements have not been presented. These interim consolidated financial statements and notes should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2009. These interim consolidated financial statements are subject to seasonality due to the timing of crop harvesting which typically occurs in the fall and the timing of subsequent sales, and therefore may not be indicative of results to be expected for the year ending December 31, 2010.

The interim consolidated financial statements follow the same accounting policies and methods of computation as the most recent annual consolidated financial statements except as noted below.

b) Future changes in accounting policies

In April 2008, the Canadian Accounting Standards Board confirmed that on January 1, 2011 Canadian GAAP will be replaced by International Financial Reporting Standards ("IFRS") for publicly accountable enterprises. Management initiated its IFRS changeover plan in 2009 but has now suspended its changeover to IFRS and intends to convert to United States Generally Accepted Accounting Principles ("US GAAP") instead of IFRS. Management believes that the conversion to US GAAP will be much less onerous and costly as the Company already reconciles to US GAAP annually as part of its filings with the United States Securities Exchange Commission. The accounting standards that will materially affect the Company's reported financial position and results of operations are disclosed in Note 12.

CHAI-NA-TA CORP.

Notes to the Interim Consolidated Financial Statements (Unaudited)

c) Use of estimates

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and other disclosures as at the end of or during the reporting periods. Significant estimates are used for, but not limited to, the accounting for doubtful accounts, net realizable value of inventory, crop costs, depreciation of property, plant and equipment, fair value of assets held for sale, future income taxes and contingencies. Actual results may differ from those estimates.

3. Long-term debt

in thousands of Canadian dollars	September 30 2010	December 31 2009
Term loan	\$ 5,484	\$ 6,945
Less: current portion	1,327	446
	\$ 4,157	\$ 6,499

On September 1, 2009 the Company agreed to a three year extension of an existing loan facility of HK\$51,500,000 from a company formerly under common control. The loan is unsecured and bears interest at 6.25%. The Company has repaid HK\$10,000,000 (\$1,346,000) during the nine months ended September 30, 2010. For the three and nine month periods ended September 30, 2010, the Company incurred \$120,000 and \$314,000 (2009 - \$53,000 and \$240,000) of interest, respectively, which has been included in interest on long-term debt on the statements of operations and deficit.

The term loan is scheduled to be repaid over the next three fiscal years as follows (all amounts in thousands of dollars of the respective currencies):

Fiscal Year	Scheduled repayments		Canadian dollar equivalents
	HK\$	US\$	
2010	\$ -	\$ -	\$ -
2011	10,000	-	1,327
2012	1,250	3,878	4,157
	\$ 11,250	\$ 3,878	\$ 5,484

The Canadian dollar equivalents are calculated using foreign exchange rates as of September 30, 2010.

Subsequent to the end of the reporting period, the Company made an additional loan payment of HK\$5,000,000 (\$673,500) thus reducing the current amount due to HK\$5,000,000 (\$673,500).

CHAI-NA-TA CORP.

Notes to the Interim Consolidated Financial Statements (Unaudited)

4. Share capital

In thousands	Number of Shares	Amount
<u>Common Shares</u>		
Balance as at December 31, 2009 and September 30, 2010	34,698	\$ 38,246

5. Write-down of ginseng crops

During the three month period ended June 30, 2010, the Company recorded a \$170,000 write-down on the long-term ginseng crops that are expected to be part of the 2011 harvest. This write-down was recorded due to frost damage at one of the Company's farm locations which damaged the ginseng crops and reduced the expected yield from that specific location which in turn reduced the net realizable value of those ginseng crops.

6. Wind-up expenses of terminated operations

Wind-up expenses of terminated operations includes all expenditures associated with closing the ginseng farm operations in British Columbia after the final harvest was completed in 2008.

7. Other income

in thousands of Canadian dollars	Three months ended	
	September 30 2010	September 30 2009
Foreign exchange gains	\$ 108	\$ 216
Gains on disposal of property, plant and equipment and assets held for sale	98	7
Government supplements	-	41
Other non-operating income	8	2
	\$ 214	\$ 266

in thousands of Canadian dollars	Nine months ended	
	September 30 2010	September 30 2009
Foreign exchange gains	\$ 29	\$ 383
Gains on disposal of property, plant and equipment and assets held for sale	585	329
Government supplements	-	995
Other non-operating income	11	3
	\$ 625	\$ 1,710

Foreign exchange gains for the three months ended September 30, 2010 include a \$15,000 loss (2009 - \$231,000 loss) and for the nine months ended September 30, 2010 include a \$34,000 loss (2009 - \$357,000 loss) on foreign exchange forward contracts.

CHAI-NA-TA CORP.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Government supplements include funds received from Agriculture Canada as compensation for cost of production increases and reduced margins of the Company's farming operations in prior years net of program participation fees and related costs. There are no contingencies attached to the funds received.

8. Commitments, contingencies and guarantees

- a) The Company has entered into a forward contract with a Canadian chartered bank to purchase US\$1,400,000 on March 28, 2011 to partially hedge against the term loan detailed in Note 3. If the spot Canadian/US dollar exchange rate is less than or equal to \$1.0150 on the contract date, the exchange rate of the purchase will be \$1.0150. If the exchange rate is greater than or equal to \$1.0650 on the contract date, the exchange rate of the purchase will be \$1.0650. If the exchange rate is between \$1.0150 and \$1.0650 on the contract date, the contract will expire and a purchase obligation will not take place. At September 30, 2010, the closing exchange rate of \$1.0290 resulted in a fair market value of this contract being \$NIL.
- b) The Company had become involved in a legal proceeding as a result of an automobile accident. During the three month period ended September 30, 2010, a legal judgment was rendered that the party intending to sue the Company as a result of the automobile accident had no legal right to do so thus absolving the Company of any legal liability.

9. Foreign exchange contracts

The Company has a term loan denominated in Hong Kong dollars as detailed in Note 3 and as a result is exposed to foreign exchange risks. The Company uses foreign exchange contracts to partially hedge against the loan. For the three and nine month periods ended September 30, 2010, the Company received proceeds of \$NIL and \$59,000, respectively, as a result of foreign exchange contracts of which \$16,000 was included in other income (loss) on the statement of operations and deficit for the year ended December 31, 2009. For the three and nine month period ended September 30, 2009, the Company received (paid) proceeds of (\$392,000) and \$32,000, respectively, as a result of foreign exchange contracts of which \$395,000 was included in other income on the statement of operations and deficit for the year ended December 31, 2008. At period-end exchange rates, the Company would neither receive nor pay any amounts to settle its existing foreign exchange contract as described in Note 8(a).

The Company also uses foreign exchange contracts to partially hedge against interest payments on the loan denominated in Hong Kong dollars. For the nine month period ended September 30, 2010, the Company recorded a gain of \$9,000 as a result of these foreign exchange contracts which is included in other income on the statement of operations and deficit. There were no such contracts in the corresponding prior year periods and there are none outstanding as of September 30, 2010.

10. Segmented information

The Company operates in one industry segment and two geographic regions. The geographic region that the external revenue is derived from is determined by the residency of the customer. Intersegment revenue is determined by the residency of the subsidiary selling the product. Major customers include all customers with whom the Company has derived revenue greater than 10% of its total revenue within the reporting period.

CHAI-NA-TA CORP.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Major customers:

For the three months ended September 30, 2010, revenue consisted of sales primarily to three customers, which accounted for \$1,843,000, \$507,000 and \$328,000, respectively, from the Hong Kong and People's Republic of China geographic region (September 30, 2009 - two customers which accounted for \$642,000 and \$561,000 from the Hong Kong and People's Republic of China geographic region).

For the nine months ended September 30, 2010, revenue consisted of sales primarily to four customers, which accounted for \$2,103,000, \$1,843,000, \$760,000 and \$676,000, respectively, from the Hong Kong and People's Republic of China geographic region (September 30, 2009 - three customers which accounted for \$2,013,000 and 1,460,000, respectively, from the Hong Kong and People's Republic of China geographic region and \$1,040,000 from the Canadian geographic region).

11. Related party transaction

In the normal course of business, the Company pays management fees to Wai Kee Holdings Limited ("Wai Kee") for performing sales, accounting and administrative services for CNT Trading (Hong Kong) Limited. Wai Kee is a Hong Kong based publicly traded company which owns 38% of the shares of the Company and has a director in common with the Company. For the three and nine month periods ended September 30, 2010, the Company paid management fees of \$15,000 and \$51,000 (September 30, 2009 - \$27,000 and \$87,000), respectively, of which \$10,000 remains outstanding and is included in accounts payable and accrued liabilities on the consolidated balance sheet.

12. Differences between Canadian GAAP and US GAAP

The Company has identified the following differences between Canadian GAAP and US GAAP which have a material impact on the financial statements of the Company.

Under Canadian GAAP, interest relating to expenditures on ginseng crop costs has been capitalized. The interest is included in inventory when the ginseng crops are harvested and cost of goods sold when the inventory is sold. Under US GAAP, the portion of interest relating to expenditures on ginseng crop costs would not be eligible for capitalization to ginseng crop costs. The amount would be expensed as period costs and accordingly, the carrying value of crop costs and inventory under US GAAP would be different. Similarly, interest that had been capitalized under Canadian GAAP and included in cost of sales would not have been reported as cost of sales for the period under US GAAP since such costs would have previously have been expensed as period costs.

Under Canadian GAAP, inventory and ginseng crops are recorded at the lower of cost or estimated net realizable value. Any write-down to estimated net realizable value can be reversed in subsequent periods if there is a change in circumstances which result in an increase in the estimated net realizable. Under US GAAP, inventory and ginseng crops are also recorded at the lower of cost or estimated net realizable value but there is no allowance to reverse a write-down to estimated net realizable value as there is under Canadian GAAP.

CHAI-NA-TA CORP.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Under Canadian GAAP, interest and finance charges are presented as operating expenses and are included in the calculation of operating income. Under US GAAP, interest and finance charges would be presented as non-operating expenses and would therefore be excluded from the calculation of operating income.

As a result of these differences, the balance sheet of the Company as at September 30, 2010 would change under US GAAP as follows:

in thousands of Canadian dollars	Canadian GAAP	US GAAP	Increase (Decrease) in Shareholders' Equity
Assets			
Inventory	\$ 1,458	\$ 1,293	\$ (165)
Short-term ginseng crops	4,883	4,879	(4)
	\$ 6,341	\$ 6,172	\$ (169)
Shareholders' Equity	\$ 7,148	\$ 6,979	\$ (169)

The statement of operations for the three month period ended September 30, 2010 would change under US GAAP as follows:

in thousands of Canadian dollars	Canadian GAAP	US GAAP	Increase (Decrease) in Earnings
Cost of goods sold	\$ 2,546	\$ 2,303	\$ 243
Operating income	\$ 41	\$ 439	\$ 398
Net earnings	\$ 255	\$ 498	\$ 243

CHAI-NA-TA CORP.

Notes to the Interim Consolidated Financial Statements (Unaudited)

The statement of operations for the nine month period ended September 30, 2010 would change under US GAAP as follows:

in thousands of Canadian dollars	Canadian GAAP	US GAAP	Increase (Decrease) in Earnings
Cost of goods sold	\$ 5,451	\$ 5,118	\$ 333
Operating loss	\$ (670)	\$ (23)	\$ 647
Net earnings (loss)	\$ (45)	\$ 288	\$ 333

There was no change in interest expense during the three and nine month periods ended September 30, 2010 as the Company did not capitalize any interest under Canadian GAAP.