



CHAI·NA·TA
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FOR IMMEDIATE RELEASE

Chai-Na-Ta Corp. Reports 2001 First Quarter Results

LANGLEY, BRITISH COLUMBIA – May 7, 2001 – Chai-Na-Ta Corp. (TSE: "CC"; OTCBB: "CCCFF") today reported net earnings of \$166,000 (\$0.01 per share) in the first quarter ended March 31, 2001, compared to a loss of \$2,287,000 (\$0.46 per share) in the 2000 first quarter.

Revenue decreased to \$2,516,000 in the 2001 first quarter from \$8,540,000 in the same period last year.

In the 2001 first quarter, interest and financing charges fell to \$66,000 from \$780,000 in the quarter ended February 29, 2000.

Working capital was a surplus of \$10.7 million at the end of the 2001 first quarter, substantially higher than the \$26.2 million deficiency at the end of the prior year period.

"The decrease in our revenues over the prior year was primarily due to our decision in 2001 to change our sales strategy by spreading our sales more evenly over the year. Currently, the ginseng market is showing some stability, with prices averaging around \$16 per pound," said William Zen, Chai-Na-Ta's Chairman and Chief Executive Officer. "Since we only began selling the 2000 harvest in February, inventory levels are high, but we anticipate that they will decline over the coming months.

"Our earnings performance in the first quarter is a further indication of our success in restructuring Chai-Na-Ta and establishing a solid financial foundation for growth, as we move forward. We are continuing to streamline our operations and improve efficiencies in order to enhance our leadership in our core business of ginseng farming," Mr. Zen continued.

"Our gain on debt forgiveness in 2000 will distort our bottom line financial comparisons for the next few years. However, we continue to expect performance around the breakeven level in fiscal 2001 and a profitable year in 2002," he said.

Chai-Na-Ta Corp., based in Langley, British Columbia, is the world's largest supplier of North American ginseng. The Company farms, processes and distributes North

American ginseng as bulk root, and supplies processed extract powder for the manufacture 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, the success of the Company's ongoing research programs, general business conditions, and other risks as outlined in the Company's periodic filings, Annual Report, and Form 20-F.

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FOR FURTHER INFORMATION PLEASE CONTACT:

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CHAI·NA·TA
C O R P.

CHAI-NA-TA CORP.

FIRST QUARTER REPORT *Ending March 31, 2001*

OPERATING RESULTS

The operating results of Chai-Na-Ta Corp for the first quarter 2001 reflect the progress achieved since the restructuring of the Company. The first quarter of 2001 is for the three months ending March 31, 2001, compared with the first quarter of 2000 for the three months ending February 29, 2000.

Revenue declined to \$2,516,000 in the first quarter of 2001 from \$8,540,000 in the previous year period primarily due to the Company's decision to change its sales strategy by spreading its sales more evenly throughout the year. The Company recorded a gross profit margin of 28% in the first quarter of 2001 compared to a gross loss of 4% in the fiscal 2000 first quarter. The net earnings for the first quarter of 2001 were \$166,000 (\$0.01 per share), significantly better than the net loss of \$2,287,000 (\$0.46 per share) in the previous year period.

During the first quarter of 2001, interest and financing charges were \$66,000, substantially lower than interest and financing charges of \$780,000 in the first quarter of 2000. The improvement directly resulted from the successful restructuring in May 2000.

FINANCIAL POSITION

Working capital totaled \$10,702,000 at March 31, 2001, down from \$13,987,000 at December 31, 2000. The reduction reflected ginseng crop maintenance costs and the repayment of \$ 2.8 million of term debt in the first quarter.

OUTLOOK

The Company believes that North American ginseng prices have bottomed out. Recent sales have confirmed the upward trend and we expect prices will trend higher over the next few years. As the largest grower of North American ginseng, Chai-Na-Ta's business strategies and renewed strength should support higher prices, while an industry-wide downturn in production also suggests increasing prices. The Company is well positioned to take advantage of opportunities to further increase value for its shareholders.

ABOUT CHAI-NA-TA

Chai-Na-Ta Corp., based in Langley, British Columbia, is the world's largest supplier of North American ginseng. The Company farms, processes and distributes North American ginseng as bulk root, and supplies processed extract powder for the manufacture of value-added ginseng-based products.

This quarterly report 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, the success of the Company's ongoing research programs, general business conditions, and other risks as outlined in the Company's periodic filings, Annual Report, and Form 20-F.

William Zen
Chairman & CEO

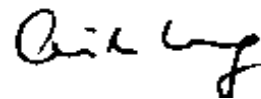
Consolidated Balance Sheets

| Unaudited in thousands of Canadian dollars | Mar 31 2001 | Dec 31 2000 |
|------------------------------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| Cash | 2,155 | 609 |
| Accounts receivable | 646 | 688 |
| Inventory | 10,054 | 11,507 |
| Ginseng crops | 9,615 | 9,290 |
| Prepaid and other current assets | 1,037 | 1,048 |
| | 23,507 | 23,142 |
| Investment | - | - |
| Ginseng crops | 12,853 | 11,625 |
| Capital assets | 9,148 | 9,535 |
| Other assets | 108 | 108 |
| | 45,616 | 44,410 |
| CURRENT LIABILITIES | | |
| Line of credit | 2,970 | 390 |
| Short-term borrowings | 7,001 | 5,910 |
| Accounts payable and accrued liabilities | 2,601 | 2,321 |
| Current portion of term debt | 233 | 534 |
| | 12,805 | 9,155 |
| Term debt | 615 | 3,153 |
| Deferred gain | 434 | 434 |
| Capital due to co-venturer | - | - |
| Future income taxes | 1,462 | 1,462 |
| | 15,316 | 14,204 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 38,200 | 38,200 |
| Equity component of convertible debt and warrants | - | - |
| Cumulative translation adjustment | (292) | (220) |
| Retained earnings | (7,608) | (7,774) |
| | 30,300 | 30,206 |
| | 45,616 | 44,410 |

On behalf of the Board:



William Zen
Director



Anita Wong
Director

Consolidated Statements of Earnings (Loss)

| Unaudited in thousands of Canadian dollars | Three months ended | |
|--------------------------------------------------|--------------------|---------------------|
| | March 31 2001 | February 29 2000 |
| | \$ | \$ |
| Revenue | 2,516 | 8,540 |
| Cost of sales | 1,810 | 8,903 |
| | 706 | (363) |
| Selling, general, and administrative expenses | 487 | 1,106 |
| Interest and financing charges | 66 | 780 |
| | 553 | 1,886 |
| Operating income (loss) | 153 | (2,249) |
| Other income (loss) | 13 | (38) |
| Non-controlling interests | - | - |
| Earnings (loss) before taxes | 166 | (2,287) |
| Income taxes | - | - |
| NET EARNINGS (LOSS) FOR THE PERIOD | 166 | (2,287) |
| Basic earnings (loss) per share | \$ 0.01 | \$ (0.46) |
| Fully diluted earnings (loss) per share | \$ - | \$ (0.46) |
| Weighted average number of shares | 14,264,508 | 5,026,553 |

Consolidated Statements of Retained Earnings (Deficits)

| Unaudited in thousands of Canadian dollars | Three months ended | |
|--------------------------------------------------|--------------------|---------------------|
| | March 31 2001 | February 29 2000 |
| | \$ | \$ |
| Balance, beginning of period | (7,774) | (15,687) |
| Net income (loss) for the period | 166 | (2,287) |
| Balance, end of period | (7,608) | (17,974) |

Consolidated Statements of Cash Flows

| Unaudited in thousand of Canadian dollars | Three months ended | |
|------------------------------------------------------------------|--------------------|---------------------|
| | March 31 2001 | February 29 2000 |
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Net earnings (loss) for the period | 166 | (2,287) |
| Items not affecting cash | | |
| Depreciation and amortization | 27 | 123 |
| Future income taxes | - | - |
| Net earnings after items not affecting cash | 193 | (2,164) |
| Changes in non-cash operating assets and liabilities (Note 2) | 1,557 | 6,072 |
| Changes in non-current cash crop costs | (857) | (1,411) |
| | 893 | 2,497 |
| FINANCING ACTIVITIES | | |
| Line of credit | 2,580 | (2,351) |
| Short-term borrowing | 1,091 | (5) |
| Issuance (repayment) of long term debt | (2,839) | (135) |
| Joint venture capital returned to co-venturer | - | (390) |
| | 832 | (2,881) |
| INVESTING ACTIVITIES | | |
| Investments | - | - |
| Purchase of capital assets, net | (107) | 78 |
| Increase in other assets | - | (98) |
| Deferred translation gain (loss) | (72) | 217 |
| | (179) | 197 |
| NET CASH INFLOW (OUTFLOW) | 1,546 | (187) |
| CASH AND CASH EQUIVALENTS BEGINNING OF THE PERIOD | 609 | 633 |
| CASH AND CASH EQUIVALENTS END OF THE PERIOD | 2,155 | 446 |

Notes to the Interim Consolidated Financial Statements

1. Summary of Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with the Canadian Institute of Chartered Accountants' ("CICA") recommendations for the preparation of interim financial statements. Certain information and note disclosures normally included in the Company's annual consolidated financial statements are not presented. These interim consolidated financial statements and notes should be read in conjunction with the Company's annual consolidated financial statements for the period ended December 31, 2000. These interim consolidated financial statements are not necessarily indicative of the results to be expected for the year ending December 31, 2001.

2. Changes in Non-Cash Operating Items

| Unaudited in thousands of Canadian dollars | Three months ended | |
|--------------------------------------------------|---------------------------|---------------------|
| | March 31 2001 | February 29 2000 |
| | \$ | \$ |
| Accounts receivable | 42 | (822) |
| Inventory | 1,453 | 7,384 |
| Ginseng crops | (229) | - |
| Prepaid and other current assets | 11 | (227) |
| Accounts payable | 280 | (263) |
| | 1,557 | 6,072 |

3. Reconciliation of Earnings to U.S. GAAP

| Unaudited in thousands of Canadian dollars | Three months ended | |
|--------------------------------------------------|---------------------------|---------------------|
| | March 31 2001 | February 29 2000 |
| | \$ | \$ |
| Net income (loss) under Canadian GAAP | 166 | (2,287) |
| Adjustments to reflect GAAP differences: | | |
| Accounting for interest | 74 | (290) |
| Financial instruments | 31 | 40 |
| Net loss per US GAAP | 271 | (2,537) |
| Basic loss per share - US GAAP | \$ 0.02 | \$ (0.50) |
| Fully diluted loss per share - US GAAP | \$ 0.01 | \$ (0.50) |