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FOR IMMEDIATE RELEASE

Chai-Na-Ta Corp. Reports 2004 Second Quarter Results

RICHMOND, BRITISH COLUMBIA – August 13, 2004 – Chai-Na-Ta Corp. (TSX: "CC"; OTCBB: "CCCFF"), the world's largest producer of North American ginseng, today announced a second quarter 2004 net loss of \$18,000, or \$0.00 per basic share, compared to net earnings of \$0.4 million, or \$0.03 per basic share, in the quarter ended June 30, 2003, when the Company took a \$1 million write-down of crop costs due to an unusually late frost.

Revenue decreased to \$1.4 million in the second quarter of 2004 from \$4.9 million in the same period last year. This primarily accounted for the unfavorable period over period earnings comparison.

"Increases in the average price for ginseng root and the value of the Canadian dollar versus the Hong Kong dollar affected our industry in the first half of 2004 by prompting buyers in China and Hong Kong to defer purchasing decisions," said William Zen, Chairman and Chief Executive Officer. "We expect a reduction in the average selling price of our root will stimulate higher sales in the final six months of 2004. As a result, we believe that Chai-Na-Ta's operating income and net earnings in 2004 will be somewhat lower than in 2003. However, we continue to anticipate that our balance sheet will strengthen year over year.

"Only 36% of our 2003 harvest root was sold by June 30, 2004. Last year at the same time, we had sold more than 99% of the 2002 harvest root," Mr. Zen commented. "Chai-Na-Ta's average selling price for its harvest root rose sharply to \$26 per pound during the first half of 2004 from \$17 per pound in the six months ended June 30, 2003."

Gross profit margin was 34% in the 2004 second quarter compared to 35% in the same period last year.

Selling, general and administrative expenses in the quarter ended June 30, 2004 were \$0.5 million, or 32% of revenue, compared to \$0.4 million, or 9% of revenue, in the same period last year.

In the six months ended June 30, 2004, revenue declined to \$3.7 million from \$11.3 million in the first half of 2003. Gross profit margin rose to 44% in the six months ended June 30, 2004 from 32% in the first half of 2003. Net earnings in the first half of 2004 was \$0.5 million, or \$0.02 per basic share, compared to \$1.4 million, or \$0.10 per basic share in the first half of 2003.

The cash surplus from operations was \$0.7 million for the six months ended June 30, 2004 compared to \$5.3 million in the same period of 2003.

“The year over year decline was due primarily to lower revenue in the first half of this year compared to the same period a year ago. However, we believe that our ability to generate sufficient amounts of cash, both for the short term and the long term, remains essentially the same as it was on December 31, 2003 – and we are confident that the outlook for the Company continues to be positive,” said Mr. Zen.

Net capital expenditures rose in the first half of 2004 to \$1.5 million from \$0.6 million in the six months ended June 30, 2003. This is based on the progress of the Company’s growth plan and is consistent with the budget. The increase was due mainly to two items: the purchase of agricultural land for \$0.8 million and expenditures of \$0.3 million on construction and related items for the new Ontario processing facilities.

Chai-Na-Ta Corp., based in Richmond, British Columbia, is the world’s largest producer of North American ginseng. The Company farms, processes and distributes North American ginseng as bulk root, and markets processed material 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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