



# CHAI·NA·TA

FINANCIAL INFORMATION



**Friday, July 28, 2000**

Chai-Na-Ta Corp.

OTCBB Symbol: **CCCFF**, TSE Symbol: **CC**

## **Chai-Na-Ta Announces 2000 Second Quarter Earnings**

**Langley, British Columbia** -- Chai-Na-Ta Corp. ("the Company"), (TSE: "CC"; OTCBB: "CCCFF"), Chairman and CEO William Zen, announced results for the second quarter ended May 31, 2000.

Revenues for the period totaled \$2.75 million, compared to \$5.79 million for the second quarter of 1999. The Company reported a net income of \$12.5 million for the quarter including \$11.4 million income from debt forgiveness net of restructuring costs, with fully diluted earnings of \$0.93 per share. This compares with a net loss of \$681,000 or a fully diluted loss of \$0.17 per share for the same period a year ago. Additional financial details and U.S. dollar equivalent figures are shown at the end of this release.

Operating results for the second quarter of fiscal 2000 reflect the combined financial impact of the restructuring plan, an inventory write down at the 1999 fiscal year end and the Company's effort to reduce costs. Other income is comprised mainly of debt forgiveness of \$12.6 million from the Company's debt holders and suppliers less professional and other fees incurred of \$1.2 million during the financial restructuring process.

At the end of the quarter, working capital totaled \$11.2 million, down from \$14.7 million in the previous year, reflecting the write down of current crop costs at the 1999 fiscal year end.

"With the recent financial restructuring, Chai-Na-Ta is financially solid; we believe bulk raw root prices have stabilized and we anticipate a modest recovery in the coming year while the industry finishes consolidating," commented Chairman and CEO, William Zen. "Additionally, the Company is currently examining opportunities to diversify into higher-margin value-added products. "

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 press 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.

## **CHAI-NA-TA CORP.**

### **Consolidated Financial Highlights**

*For the periods ended May 31, 2000 and 1999*

	Canadian \$000		* US \$000 Equivalents	
	Three Months Ended		Three Months Ended	
<u>First Quarter Summary</u>	May 31	May 31	May 31	May 31
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
Revenues	<b>\$2,747</b>	\$5,793	<b>\$1,879</b>	\$3,838
Income (loss) before taxes	<b>12,506</b>	(1,515)	<b>8,553</b>	(1,004)
Net income (loss) for the period	<b>12,506</b>	(681)	<b>8,553</b>	(451)
Net earning (loss) per share				
- basic	<b>\$1.64</b>	\$(0.17)	<b>\$1.12</b>	\$(0.11)
- fully diluted	<b>\$0.93</b>	\$(0.17)	<b>\$0.64</b>	\$(0.11)
Weighted average shares outstanding				
- basic	<b>7,637,279</b>	4,021,553	<b>7,637,279</b>	4,021,553
- fully diluted	<b>13,402,256</b>	4,021,553	<b>13,402,256</b>	4,021,553

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	Canadian \$000		* US \$000 Equivalents	
	Six Months Ended		Six Months Ended	
	May 31	May 31	May 31	May 31
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
Revenues	<b>\$11,287</b>	\$10,867	<b>\$7,719</b>	\$7,200
Net income (loss) before taxes	<b>10,219</b>	(3,351)	<b>6,989</b>	(2,220)

Net income (loss) for the period	<b>10,219</b>	(2,245)	<b>6,989</b>	(1,487)
Net earnings (loss) per share				
- basic	<b>\$1.61</b>	\$(0.56)	<b>\$1.10</b>	\$(0.37)
- fully diluted	<b>\$1.11</b>	\$(0.56)	<b>\$0.76</b>	\$(0.37)
Weighted average shares outstanding				
- basic	<b>6,339,049</b>	4,021,553	<b>6,339,049</b>	4,021,553
- fully diluted	<b>9,237,289</b>	4,021,553	<b>9,237,289</b>	4,021,553
US GAAP primary earnings per share	<b>\$1.62</b>	\$(0.19)	<b>\$1.11</b>	\$(0.13)
US GAAP fully diluted earnings per share	<b>\$1.11</b>	\$(0.19)	<b>\$0.76</b>	\$(0.13)
US GAAP weighted average shares outstanding				
- primary	<b>6,339,049</b>	4,021,553	<b>6,339,049</b>	4,021,553
- fully diluted	<b>9,237,289</b>	4,021,553	<b>9,237,289</b>	4,021,553

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\* US \$ Equivalents - For period ended May 31, 1999, conversion rate used is 1.5094 (0.6625);  
For period ended May 31, 2000, conversion rate used is 1.4622 (0.6839).

*Comparative figures have been restated to reflect retroactive application of a change in accounting policy concerning financial instruments.*

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