



CHAI·NA·TA

NEWS RELEASES



Tuesday, October 30, 2000

Chai-Na-Ta Corp.

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

Chai-Na-Ta Corp. Announces Fiscal 2000 Third Quarter Results

Langley, British Columbia -- October, 30, 2000 - Chai-Na-Ta Corp. (TSE: "CC"; OTCBB: "CCCFF") today reported financial results for its fiscal third quarter ended August 31, 2000.

Revenue declined to \$573,000 in the fiscal 2000 third quarter from \$3,449,000 in the same quarter of fiscal 1999, due to the completion of bulk root sales in different quarters during the two fiscal years. The Company recorded a gross profit margin of 30% in the third quarter of fiscal 2000 compared to a gross loss of 13% in the fiscal 1999 third quarter. The net loss for the quarter ended August 31, 2000 was \$13,000 (\$0.00 per share), significantly better than the net loss of \$1,399,000 (\$0.31 per share) in the previous year period.

During the fiscal 2000 third quarter, interest and financing charges were \$27,000, substantially lower than interest and financing charges of \$697,000 in the third quarter of fiscal 1999. The improvement resulted from the repayment in 2000 of a line of credit and the success of a restructuring plan initiated in May 2000, when a change of control gave Herb King International Limited, a subsidiary of Hong Kong-based Road King Infrastructure Limited, majority ownership of Chai-Na-Ta.

Other income of \$861,000 in the fiscal 2000 third quarter related mainly to the winding up of a joint venture with the Skeetchestn Indian Band, and compared with a loss of \$26,000 in the previous year period.

In the first nine months of fiscal 2000, revenue was \$11,860,000 compared to \$14,316,000 in the nine months ended August 31, 1999. The Company recorded net earnings for the nine months ended August 31, 2000 of \$10,206,000 (\$1.14 per share), compared to a net loss of \$3,644,000 (\$0.87 per share) in same nine months of the prior year.

Interest and financing charges of \$86,000 were recorded in the first nine months of fiscal 2000, compared to interest and financing charges of \$2,379,000 in the nine months ended August 31, 1999. Other income of \$12,572,000 in the fiscal 2000 first nine months was related mainly to debt forgiveness associated with the Company's restructuring and compares to other income of \$177,000 in the prior year period.

Working capital totaled \$10,096,000 at the end of fiscal 2000 third quarter, down from \$12,272,000 for the same period in the previous year. The reduction reflected a writedown of ginseng crops that contributed to fiscal 1999's operating loss of \$17,768,000.

"The outlook has improved considerably for the industry and especially for Chai-Na-Ta," said Chairman and Chief Executive Officer William Zen. "Ginseng root prices which reached historical lows in 1999 now exceed Chai-Na-Ta's breakeven level and continue to trend higher. Many smaller growers have been forced from the business and we anticipate that reduced supply will help propel the rebound in prices.

"The harvest is proceeding well at our farms in British Columbia and Ontario. As a result of our relationship with Road King, Chai-Na-Ta is essentially debt free. We are leveraging Road King's financial and human resources, as well as its business network in China, to aggressively pursue our two major thrusts for growth farming and value added product development," Mr. Zen said.

Chai-Na-Ta continues to sponsor research on North American ginseng extract. In September 2000, the results of a study at the University of Toronto/St. Michael's Hospital on the use of North American ginseng in treating diabetes were published in the journal Diabetes Care. This research showed that North American ginseng plays a positive role in controlling postprandial glucose levels in type II diabetic patients. "We expect that additional research will further improve public awareness of ginseng's benefits and thereby enhance the growth of our business," Mr. Zen 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.

[Download Consolidated Interim Financial Statements](#) (PDF - 273K)

[Download Interim Report to Shareholders](#) (PDF - 629K)

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