



**CHAI·NA·TA**  
C O R P.

5965 - 205A Street  
Langley, British Columbia  
Canada V3A 8C4

Toll Free in Canada & USA:  
1-800-406-ROOT (7668)

Telephone: (604) 533-8883  
Facsimile: (604) 533-8891

TSE: "CC" • OTCBB: "CCCFF"  
Web: [www.chainata.com](http://www.chainata.com)

## **FOR IMMEDIATE RELEASE**

### **Chai-Na-Ta Corp. Reports 2001 Year-end Results**

LANGLEY, BRITISH COLUMBIA – March 14, 2002 – Chai-Na-Ta Corp. (TSE: "CC"; OTCBB: "CCCFF") today reported its financial results for the year-ended December 31, 2001.

Revenue rose to \$13.9 million in 2001 from \$12.2 million in the prior fiscal year. Operating loss before the inventory writedown was \$0.8 million in 2001 compared to a loss of \$3.6 million in 2000. An inventory write-down of \$1.6 million in the 2001 fourth quarter resulted in a net loss of \$2.2 million for the year (\$0.15 per basic share) compared to net earnings of \$6.9 million (\$0.65 per basic share) in fiscal 2000.

During 2000, the Company's fiscal year-end was changed to December 31 from November 30. Consequently, 2000 results represent a 13-month period from December 1, 1999 to December 31, 2000 and are compared with results for the 12 months of 2001. In addition, a net gain on debt forgiveness of more than \$13.9 million recorded in fiscal 2000 distorts Chai-Na-Ta's bottom line financial comparisons.

"The fourth quarter 2001 inventory write-down was mainly due to an industry-wide rust problem in British Columbia and accounts for most of the variation between actual results and our forecast of approximately breakeven performance for the year," said William Zen, Chai-Na-Ta's Chairman and Chief Executive Officer. "Unfortunately, there was no way of foreseeing that our industry would be hard hit in 2001 by rust. Rust is one of the primary diseases affecting the ginseng growing industry and, although mainly an aesthetic problem, results in lower root prices. We sold most of our rusty root in early 2002.

"We are encouraged by our progress on a number of fronts. For instance, we met or exceeded our 2001 objectives for reducing costs, increasing efficiency and maximizing production. Moreover, we believe that we remain the lowest cost producer in our industry," said Mr. Zen. "At the same time, we improved our financial position."

Sales, general and administrative expenses were \$2.9 million in 2001, 31% lower than \$4.2 million in the prior year. Average farm costs were approximately 20% below the fiscal 2000 level; double the target reduction.

Through term debt repayment, the surplus of working capital fell to \$10.0 million in 2001 from \$14.0 million in fiscal 2000. Current and non-current crop expenditures before depreciation and interest were \$8.4 million in 2001 compared to \$8.7 million in fiscal 2000.

“While weak ginseng root prices remain a challenge, we saw a moderate recovery in 2001 as the Company realized average selling prices of about \$14 per pound, an increase of 21% over the prior year’s average price. We expect prices to move higher as industry production volumes and Chinese import tariffs decrease, while demand for graded root remains strong,” Mr. Zen said. “Looking forward, Chai-Na-Ta anticipates achieving operating results close to the breakeven level in 2002, with a return to profitability in 2003.”

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.

- 30 -

**FOR FURTHER INFORMATION PLEASE CONTACT:**

**Chai-Na-Ta Corp.  
Wilman Wong  
Chief Financial Officer/Corporate Secretary  
(604) 533-8883 or (Toll Free) 1-800-406-7668  
(604) 533-8891 (FAX)  
E-mail: [info@chainata.com](mailto:info@chainata.com)  
Website: [www.chainata.com](http://www.chainata.com)**

**CHAI-NA-TA CORP.**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
**AND THE THIRTEEN-MONTH PERIOD ENDED DECEMBER 31, 2000**

	Three months ended December 31, 2001	Four months ended December 31, 2000	Three months ended December 31, 2001	Four months ended December 31, 2000
<b><u>Fourth Quarter Summary</u></b>	Canadian \$000		*US \$000 Equivalents	
Revenue	\$ 1,661	\$ 361	\$ 1,072	\$ 241
Loss before taxes	(1,845)	(1,893)	(1,191)	(1,262)
Loss for the period	(1,845)	(3,355)	(1,191)	(2,237)
Loss per share				
- basic	(0.13)	(0.24)	(0.08)	(0.16)
Weighted average shares outstanding				
- basic	14,264,508	14,264,508	14,264,508	14,264,508
	Year ended December 31, 2001	Thirteen-month period ended December 31, 2000	Year ended December 31, 2001	Thirteen-month period ended December 31, 2000
<b><u>Annual Summary</u></b>	Canadian \$000		*US \$000 Equivalents	
Revenue	\$ 13,886	\$ 12,221	\$ 8,965	\$ 8,150
Earnings (Loss) before taxes	(2,157)	8,312	(1,393)	5,543
Net Earnings (Loss) for the year	(2,157)	6,850	(1,393)	4,568
Earnings (Loss) per share				
- basic	(0.15)	0.65	(0.10)	0.43
- fully diluted	(0.15)	0.30	(0.10)	0.20
Weighted average shares outstanding				
- basic	14,264,508	10,611,211	14,264,508	10,611,211
- fully diluted	14,264,508	22,943,190	14,264,508	22,943,190

\*US \$ Equivalents - for the period ended December 31, 2001 conversion rate used is 1.5489 (0.6456)  
- for the period ended December 31, 2000 conversion rate used is 1.4995 (0.6669)