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## ***Discrepancies Bigger than Ever in China Sky's Financial Statements Filed with Chinese Government***

On <http://www.asensio.com/Reports/ReportView.aspx?ReportId=976&CompanyId=165&CompanyName=China+Sky+6th>, asensio.com first reported on discrepancies between the financial statements of China Sky One Medical, Inc. (NASDAQ: CSKI) filed with U.S. and Chinese regulatory agencies. CSKI files consolidated financial statements with the U.S. Securities and Exchange Commission (SEC), and CSKI's operating subsidiaries, all located in China, file financial statements with the China State Administration for Industry and Commerce (SAIC).

Apparently in response to the SAIC controversy, CSKI issued a [press release](http://www.asensio.com/CSKI/SAICrelease.pdf) on August 26, stating that "it is contemplated that in future filings there will be no material differences in the information contained in the financial statements filed with the SAIC and the SEC."

At the time of the August 6th report, the 2008 SAIC filings for Harbin Tian Di Ren Medical Science and Technology Co. (TDR), CSKI's main operating subsidiary, were not available. Since then, the 2008 SAIC filings for TDR have been made available, and the discrepancies with CSKI's SEC filings appear larger than in the 2007 filings.

According to the SAIC filings, TDR had revenue of only 6.9 million RMB, or about US\$1 million, in 2008, and TDR's revenue decreased 24.7% from 2007 to 2008. By contrast, CSKI's SEC filings show 2008 revenue of US\$91.8 million, an increase of 86.2% over the prior year.

TDR shows a 2008 net loss of 779,161 RMB, or about US\$114,000, while CSKI reported 2008 net income of US\$28.9 million.

Click [here](http://www.asensio.com/CSKI/TDR2008.pdf) for TDR's SAIC-filed financial statements in English, and [here](http://www.asensio.com/CSKI/TDR2008chinese.pdf) for the original Chinese documents.

The website [waldomushman.com](http://www.waldomushman.com/cash.html) has posted a [comprehensive analysis](http://www.waldomushman.com/cash.html) of the CSKI subsidiaries' SAIC filings, and shows that CSKI subsidiaries' SAIC filings, taken altogether, do not reconcile with CSKI's SEC filings in revenues, net income, or cash balance.