

September 22, 2009

AOB's Disclosures Concerning Director Cosimo Patti Appear Incomplete.

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<td height="89" align="center" valign="middle"> Notice<p align="justify"><i>On September 25, 2009 AOB posted a statement on its website titled "Additional AOBO Comments on Third Parties Website Postings." AOB's new disclosures were related to this asensio.com report. asensio.com published a report to its registered users titled "AOB Issues Comments on Technology Integration and Cosimo Patti" based on the contents of AOB's September 25th new disclosures. To view AOB's posting click here. To view asensio.com's report click here.</i>

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Public filings show that Cosimo Patti, a director of American Oriental Bioengineering, Inc. (NYSE: AOB), received compensation not disclosed by AOB through consulting fees paid to Technology Integration Group, Inc. ("TIG"), a penny stock company where Mr. Patti was the 91% owner and sole employee. Mr. Patti has been an AOB director since September 27, 2004, and serves on the AOB board's audit, compensation, and nominating and corporate governance committees. Mr. Patti is presented as an "independent" director.

TIG's Form 10-K for the fiscal year ending June 30, 2006 discloses that 90% of its revenue for the year came from AOB, or \$153,441 of TIG's \$170,081 in total reported revenue. TIG also reported a smaller amount of revenue from AOB in fiscal 2005, approximately \$20,000, or 15% of total revenue.

In AOB's SEC filings for fiscal years ending December 31, 2004, 2005, and 2006, there is no disclosure concerning payments to TIG.

AOB discloses payments of director's fees to Mr. Patti personally of \$30,000 in cash and options in 2004, \$30,000 in cash and 22,026 shares in 2005, and \$45,000 in cash and 4,511 shares in 2006.

In October 2006 TIG completed a [reverse merger](http://www.asensio.com/AOB/Patti/I.pdf) with Odyne Corporation, where Odyne became the surviving entity. After that date, Mr. Patti's consulting business and any fees collected from AOB are no longer reflected in this entity's SEC filings. Mr. Patti and TIG's one other shareholder received \$100 for their 87.8 million TIG shares in the reverse merger.

A company called Silver Linkage Holding Ltd. ("Silver") was incorporated in Hong Kong in January 2002, according to filings with the Hong Kong Companies Registry. According to these [filings](http://www.asensio.com/AOB/Patti/J.pdf), in 2006 AOB's CEO, Shujun "Tony" Liu, owned 51% of Silver, AOB director Jun Min owned 8%, and AOB's CFO, Yanchun "Lily" Li, owned 8%. Li was also a director of Silver. A Jason Liu owned 33%, but in [2008](http://www.asensio.com/AOB/Patti/K.pdf) his shares were transferred to Tony Liu, raising Tony's ownership to 84%. None of Silver appears to have been owned by AOB.

A [TIG SEC filing](http://www.asensio.com/AOB/Patti/L.pdf), dated March 16, 2006, contains a letter from Mr. Patti to Silver, describing a contract for consulting services related to building pharmaceutical companies. The letter refers to a conversation with "Tony" and is addressed to "Lily." Patti's letter describes an agreement for Silver to pay him \$1,000 per day for consulting services, "for at least 10 working days per month," "for a period of two years."