

August 06, 2009

Has AOB Analyst Confirmed CEO Role on Both Sides of Transactions in 2007 and during 2008?

A report released by a sell-side analyst covering AOB, Ding Ding at Susquehanna International Group (SIG), states that she confirmed that "AOB's CEO Mr. Tony Liu is the chairman and director of Golden Dragon." Ding also states, "Golden Dragon or AOB acquired the title of Beijing Century East on 12/30/07." This appears to conflict with AOB's disclosures on the matter in its 2007 and 2008 filings and shareholder communications.

[A report released yesterday by asensio.com](http://www.asensio.com/Reports/ReportView.aspx?ReportId=973&CompanyId=167&CompanyName=Report) shows possible documentary evidence that Tony Liu may have been on both sides of \$105 million in real estate transactions entered into by AOB, though AOB stated it had "no material relationship" with the seller. A response from AOB's auditors was repeatedly requested for the past month. A response was also requested from AOB's counsel and independent directors. None was received. It now appears that this SIG analyst has apparently obtained some form of confirmation privately from AOB or some informed insider source.

Some obvious questions arise from this apparent confirmation, which were not addressed by the analyst:

-Since the AOB apparently began transactions in 2007, why did AOB not make any disclosures to investors about the 2007 transaction until 2009, after it was completed, and then only disclosed \$70 million of the \$105 million, and not disclose how much was expensed in 2007 and during 2008, and how the expenditures were funded?

-What safeguards were put in place to protect AOB shareholder and debt holders?