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## ***CSKI Management Asked about Large Discrepancies in Financial Reports.***

asensio.com previously reported on China Sky One Medical, Inc. (NASDAQ: CSKI) filing financial statements with the Chinese government's State Administration for Industry and Commerce ("SAIC") that show only a fraction of the revenues reported to U.S. investors in CSKI's SEC filings. [here](http://www.asensio.com/Reports/ReportView.aspx?ReportId=976&CompanyId=165&CompanyName=China+Sky+) to read the prior report.

On CSKI's second quarter earnings conference call on August 14th, CSKI management was asked about the SAIC filings by two separate individuals. Responses to the questions were given by Stanley Hao, CSKI's CFO. Mr. Hao did not deny the authenticity of the SAIC filings presented on the waldomushman.com website. On the question of why CSKI would report much smaller revenues and earnings to the Chinese government, Mr. Hao's responses seemed at times rather incoherent. His response seemed to indicate that filing accurate financial statements with the SAIC was not necessary because SAIC filings were only used for things like renewing a business license.

According to a transcript of the conference call, Mr. Hao stated, "...SAIC filing of the financial statements is not the original purpose of the filings. The purpose for the SAIC as I just mentioned basically for some routine business activity such as every company has to renew annually the business license of capital restructuring or change in address of operations."

Clearly, this does not seem a sufficient or acceptable justification for a company with stock publicly traded in the U.S. to report inaccurate numbers to a government agency, if such is the case.