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CSKI's New Admissions and Claims Raise More Questions.

On August 26th, China Sky One Medical, Inc. (NASDAQ: CSKI) issued a press release addressing discrepancies between financial statements filed with the China State Administration of Industry and Commerce ("SAIC") and statements filed with the U.S. Securities and Exchange Commission ("SEC"). asensio.com first reported on the discrepancies in a report issued on August 6th. Click here to view the report.

CSKI's press release admits that its SAIC filings are not consistent with its SEC filings. The release states, "The Company [CSKI] has determined these financial reports are materially different from the financial reports filed with the SEC." The statement that the "Company has determined" is especially odd, given that the discrepancy was revealed by an outside party, and that CSKI management, based in China, should have been aware of the discrepancy prior to an outside party reporting it.

A major issue from the asensio.com report left unaddressed by CSKI is the small amount of revenue reported by CSKI's suppliers and customers, which CSKI has disclosed. These other companies' SAIC-filed financial statements are also much lower than the level of revenues reported in CSKI's SEC filings.

The previous asensio.com report mentioned that CSKI's main operating subsidiary, Harbin Tian Di Ren Medical Science and Technology Co. ("TDR") showed revenue of only about $1.3 million and net income of only $1,000 in its SAIC-filed income statement for 2007, compared to the $49 million in revenue and $15 million in net income reported in CSKI's SEC-filed Form 10-K for 2007. Credit reports show TDR's 2008 figures to be equally inconsistent.