

China Sky One Medical, Inc. Responds to Concerns Regarding Filed Financial Reports

HARBIN, China, Aug. 26 /PRNewswire-Asia-FirstCall/ -- China Sky One Medical, Inc. ("China Sky One Medical" or "the Company") (Nasdaq: **CSKI**), a leading fully integrated pharmaceutical company producing over-the-counter drugs in the People's Republic of China ("PRC"), today issued a statement to address concerns that have been raised with respect to financial reports filed with the State Administration for Industry and Commerce ("SAIC") and the United States Securities and Exchange Commission ("SEC").

The Company is registered with the SAIC, the PRC governmental agency responsible for issuing and renewing its business license. As part of the SAIC's annual inspection, the Company is required to file annual financial reports. In its review of these financial reports, the SAIC's focus is on payment and authenticity of the Company's registered capital, to confirm the minimum required amount has been paid-in by the Company's shareholders and to verify the source of these funds. The Company has determined these financial reports are materially different from the financial reports filed with the SEC. The financial statements the Company has filed with the SAIC to date show lower revenues and earnings than the financial statements filed with the SEC. The Company's registered capital, however, is consistent in both the SAIC and SEC filings. The Company believes that should the SAIC impose a penalty in connection with these financial reports, it does not believe such penalty will be material to the Company.

As a result of its review the Company's Audit Committee has enhanced the procedure the Company will follow with regard to future filings with the SAIC so that all such filings will be reviewed by the Company's Chief Financial Officer prior to filing. As a result of the Audit Committee's actions, 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.

Stanley Hao, Chief Financial Officer of the Company, noted that "our financial statements, as filed with the SEC, on Form 10-K and 10-Q, are accurate and in compliance with generally accepted accounting principles."

About China Sky One Medical, Inc.

China Sky One Medical, Inc., a Nevada corporation, is a holding company. The Company engages in the manufacturing, marketing and distribution of pharmaceutical, medicinal and diagnostic products. Through its wholly-owned subsidiaries, Harbin Tian Di Ren Medical Science and Technology Company ("TDR"), Harbin First Bio-Engineering Company Limited ("First"), Heilongjiang Tianlong Pharmaceutical, Inc. ("Tianlong") and Peng Lai Jin Chuang Pharmaceutical Company ("Jin Chuang") the Company manufactures and distributes over-the-counter pharmaceutical products, which make up its major revenue source. For more information, visit <http://www.cski.com.cn> .

Safe Harbor Statement

Certain of the statements made in the press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "project," "plan," "seek," "intend," or "anticipate" or the negative thereof or comparable terminology. Such statements typically involve risks and uncertainties and may include financial projections or information regarding the launch of new website. Actual results could differ materially from the expectations reflected in such forward-looking statements as a result of a variety of factors, including the risks associated with the effect of changing economic conditions in The People's Republic of China, variations in cash flow, reliance on collaborative retail partners and on new product development, variations in new product development, risks associated with rapid technological change, and the potential of introduced or undetected flaws and defects in products, and other risk factors detailed in reports filed with the Securities and Exchange Commission from time to time.

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