

**INTERNAL INFORMATION ON FACTS AND CIRCUMSTANCES THAT TOOK PLACE
IN THE SECOND QUARTER OF 2015
TCHAIKAPHARMA HIGH QUALITY MEDICINES INC.**

- 1.1. There are no changes of the persons exercising control over the company.
- 1.2. There is no change in the Board of Directors; there is no change in the representation, appointment or dismissal of a procurator.
- 1.3. Amendment and/or supplements in the Statute of the company in the second quarter of 2015.
In the Statute of the Company the following changes were made by a decision of the General Meeting of 20.04.2015. The capital was increased from BGN 43 500 000 to BGN 49 600 000, by issuing 6 100 000 (six million and one hundred thousand) new ordinary shares with a nominal value of BGN 1 (one). The increase of the capital is made by capitalization of profits pursuant to Article 197 of the Commercial Act. Within five years of entry of the amendment of the Statute, pursuant to Art. 196, para. 1 of the CA, the Board of Directors is authorized to decide on increasing the share capital up to a total nominal amount of BGN 100 000 000 (one hundred million), by issuing new ordinary or preference shares.
- 1.4. Opening of procedure for liquidation and all material stages, connected with the procedure – no such procedure
- 1.5. There are no insolvency proceedings against the company or its subsidiary and substantial stages, connected with such proceedings.
- 1.6. Acquisition, lease or disposition of assets of big value under Art. 114, Para. 1, It. 1 of the Public Offering of Securities Act (POSA) – no such.
- 1.7. There is no decision on the conclusion, termination and rescission of a contract for joint venture.
- 1.8. Changes in the auditors of the Company – no changes.
- 1.9. Announcement of the profit of the company - TCHAIKAPHARMA HIGH QUALITY MDICINES INC. ended the second quarter of 2015 with a net profit of BGN 3 943 thousand /30.06.2014 – BGN 3 625 thousand/
- 1.10. There are no significant losses and the reasons for them.
- 1.11. There are no unpredictable or unforeseen circumstances of extraordinary character, due to which the company or its subsidiary has suffered damages amounting to three or more percent of the company's equity.
- 1.12. The Company has not received and published a modified audit report.
- 1.13. Decision of the General Meeting on the type and amount of the dividend and the terms and conditions for its payment - By decision of the General Meeting of 20.04.2015 the distributed dividend from the profit is in the amount of BGN 34 815.86.
- 1.14. Receivables arising that are material to the company and its maturity.
- 1.15. There are no liquidity problems and measures for financial support.
- 1.16. Increase or reduction of share capital – by a Decision of the General Meeting of 20.04.2015 the capital was increased from BGN 43 500 000 to BGN 49 600 000, by issuing 6 100 000 (six million and one hundred thousand) new ordinary shares with a nominal value of BGN 1 (one). The increase of the capital is made by capitalization of profits pursuant to Article 197

of the Commercial Act. As of 30.06.2015 the registered share capital of TCHAIKAPHARMA HIGH QUALITY MDICINES INC. amounts to BGN 49 600 000, divided into 49 600 000 shares with a face value of BGN one per share.

- 1.17. No negotiations for acquisition of the company were held.
- 1.18. There are no essential contracts concluded or executed, which are not related to the core business of the company.
- 1.19. Opinion of the Governing Body in connection with a commercial offer – no such.
- 1.20. Termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenues of the company for the last three years – no.
- 1.21. Introduction of new products and solutions on the market.
In the first half of 2015 Marketing Authorisations for the following new medicinal products for treatment of diabetes and cardiovascular diseases in Bulgaria were obtained:
 - Pizona 15 mg, 30 mg, 45 mg tablets
 - Amarhyton 50 mg, 100 mg, 150 mg, 200 mg prolonged release capsules
 - Co-Telsart 40 mg/12.5 mg, 80 mg/12.5 mg, 80 mg/25mg tablets
 - Cordacare Plus 10 mg/12.5 mg, 20 mg/12.5 mg tabletsIn the process of authorization in Bulgaria are more than 15 medicinal products that meet modern requirements for drug therapy.
- 1.22. There were no large orders /amounting to over 10 percent of the average revenues of the company for the last three years/.
- 1.23. There were no developments and/or changes in the volume of orders and the use of production capacity.
- 1.24. There was no suspension of sales of a product, forming significant part of the company's revenues.
- 1.25. Suspension of use, withdrawal of authorisation to operate / license / were not received.
- 1.26. There was no initiation or termination of legal or arbitration proceedings related to liabilities or receivables of the Company or its subsidiary, with claims of at least 10 percent of the company's equity.
- 1.27. The projected results were not updated.
- 1.28. There was no award or change of rating made by order of the company.

TCHAIKAPHARMA HIGH QUALITY MDICINES INC. notifies all concerned parties that the Interim Financial Report of the Company as of the 30th of June 2015 is not certified by a registered auditor.

Biser Georgiev
Executive Director