

FAVRE LEUBA AG, ZUG

*Financial Statements for the Year Ended 31 March 2014
and Report of the Statutory Auditor on the Limited
Statutory Examination*

Report of the statutory auditor on the limited statutory examination

To the General Meeting of
FAVRE LEUBA AG, ZUG

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Favre Leuba AG for the year ended 31 March 2014.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

Deloitte AG


Achim Schäfer
Licensed Audit Expert
Auditor in Charge


Philipp Oelkuch
Licensed Audit Expert

Zurich, 16 April 2014
ASC/POE/rma

Enclosures

- Financial statements (balance sheet, income statement and notes)

FAVRE LEUBA AG**BALANCE SHEETS AS AT 31 MARCH 2014 AND 2013**

	<u>NOTES</u>	<u>SWISS FRANCS</u> <u>2014</u>	<u>SWISS FRANCS</u> <u>2013</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash		487,322	47,893
Other receivables		23,401	23,749
Total current assets		510,723	71,642
NON-CURRENT ASSETS			
Intangible assets		1,627,866	1,817,931
Other non-current assets		21,262	21,262
Total non-current assets		1,649,128	1,839,193
TOTAL ASSETS		2,159,851	1,910,835
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES			
Accounts payable		-	36,477
Accrued liabilities		11,241	10,000
Total current liabilities		11,241	46,477
SHAREHOLDERS' EQUITY			
Share capital	2	1,312,570	912,570
Legal reserves			
Reserve from capital contributions	2	1,506,536	1,015,727
Accumulated losses		(670,496)	(63,939)
Total shareholders' equity		2,148,610	1,864,358
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,159,851	1,910,835

See notes to the financial statements

FAVRE LEUBA AG**INCOME STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
AND FOR THE PERIOD FROM 13 JANUARY 2012 TO 31 MARCH 2013**

	<u>SWISS FRANCS</u> <u>2013/2014</u> (12 months)	<u>SWISS FRANCS</u> <u>2012/2013</u> (13.01.12 - 31.03.2013)
REVENUE FROM SALES OF GOODS	277,872	319,471
COST OF GOODS SOLD	<u>(253,353)</u>	<u>(291,064)</u>
GROSS PROFIT	<u>24,519</u>	<u>28,407</u>
OPERATING EXPENSES		
General and administrative expenses	(69,023)	(89,379)
Research & development expense	(378,008)	-
Amortisation	<u>(180,874)</u>	<u>-</u>
Total operating expenses	<u>(627,905)</u>	<u>(89,379)</u>
OPERATING LOSS	(603,386)	(60,972)
Financial charges	<u>(3,171)</u>	<u>(2,967)</u>
LOSS BEFORE TAXES	(606,557)	(63,939)
TAXES	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR / PERIOD	(606,557)	(63,939)
ACCUMULATED LOSS BEGINNING OF THE YEAR / PERIOD	<u>(63,939)</u>	<u>-</u>
ACCUMULATED LOSS, END OF THE YEAR / PERIOD	<u><u>(670,496)</u></u>	<u><u>(63,939)</u></u>

See notes to the financial statements

FAVRE LEUBA AG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
AND FOR THE PERIOD FROM 13 JANUARY 2012 TO 31 MARCH 2013

1. GENERAL

The Company was incorporated on 13 January 2012 with its domicile in Zug, Switzerland.

The principal activity of the Company is holding trademarks and brands plus trading watches.

The Company is a wholly owned subsidiary of Titan Industries Limited, India.

2. SHAREHOLDERS' EQUITY

The authorized share capital of the Company is CHF 1,312,570 divided into 131,257 equity shares of CHF 10 each.

The share capital was increased from CHF 912,570 to CHF 1,312,570 by cash contribution.

The contributed surplus reserve of CHF 500,000 was approved by the extraordinary shareholders meeting as per 11 July 2013. However the confirmation from the federal tax authorities is pending.

3. INFORMATION ON THE COMPLETION OF A RISK ASSESSMENT

The Company did not complete a risk assessment for the year ended 31 March 2014 and for the period from 13 January 2012 to 31 March 2013.
