

***FAVRE LEUBA AG,
ZUG***

*Financial Statements for the year ended
31 March 2015 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

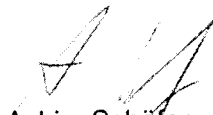
As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Favre Leuba AG for the year ended 31 March 2015.

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, 24 April 2015
ASC/POE/jko

Enclosures

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

FAVRE LEUBA AG**BALANCE SHEET AS AT 31 MARCH 2015 AND 2014**

	<u>NOTES</u>	<u>SWISS FRANCS</u>	
		<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash		1,57,537	4,87,322
Other receivables		18,086	23,401
Total current assets		<u>1,75,623</u>	<u>5,10,723</u>
NON-CURRENT ASSETS			
Non Depreciable assets		21,262	21,262
Intangible assets		14,46,992	16,27,866
Investments	3	<u>1,200</u>	<u>-</u>
Total non-current assets		<u>14,69,454</u>	<u>16,49,128</u>
TOTAL ASSETS		<u>16,45,077</u>	<u>21,59,851</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES			
Accounts payable		29,484	-
Accrued liabilities		<u>27,799</u>	<u>11,241</u>
Total current liabilities		<u>57,283</u>	<u>11,241</u>
SHAREHOLDERS' EQUITY			
Share capital	7	14,72,570	13,12,570
Legal reserves			
Reserve from capital contributions		17,06,536	15,06,536
Accumulated losses		<u>(15,91,312)</u>	<u>(6,70,496)</u>
Total shareholders' equity		<u>15,87,794</u>	<u>21,48,610</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>16,45,077</u>	<u>21,59,851</u>

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See notes to the financial statements

FAVRE LEUBA AG**INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015 AND 2014**

	<u>SWISS FRANCS</u>	
	<u>2014/2015</u>	<u>2013/2014</u>
REVENUE FROM SALES OF GOODS	-	2,77,872
COST OF GOODS SOLD	-	<u>(2,53,353)</u>
GROSS PROFIT	-	<u>24,519</u>
OPERATING EXPENSES		
General and administrative expenses	(1,00,105)	(69,023)
Research & Development expenses	(6,38,749)	(3,78,008)
Amortisation expense	<u>(1,80,874)</u>	<u>(1,80,874)</u>
Total operating expenses	<u>(9,19,728)</u>	<u>(6,27,905)</u>
OPERATING LOSS	(9,19,728)	(6,03,386)
Financial charges	<u>(1,088)</u>	<u>(3,171)</u>
LOSS FOR THE YEAR	(9,20,816)	(6,06,557)
ACCUMULATED LOSS, BEGINNING OF THE YEAR	<u>(6,70,496)</u>	<u>(63,939)</u>
ACCUMULATED LOSS, END OF THE YEAR	<u><u>(15,91,312)</u></u>	<u><u>(6,70,496)</u></u>

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See notes to the financial statements

FAVRE LEUBA AG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 1,472,570 divided into 147,257 equity shares of CHF 10 each.

On 11 November 2014 the share capital was increased from CHF 1,312,570 to CHF 1,472,570 by cash contribution.

The contributed surplus reserve of CHF 360,000 was approved by the extraordinary shareholders meeting as per 11 November 2014. The confirmation from the federal tax authorities is pending.

3. INVESTMENT

The Company has purchased 10,000 (2013: CHF 0) ordinary shares of HK\$ 1 each in Titan Watch Company, Hongkong, a fully owned subsidiary company.

3. INFORMATION ON THE COMPLETION OF A RISK ASSESSMENT

The Company did not complete a risk assessment for the years ended 31 March 2015 and 2014.

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