



Report

on the preparation of the financial statements for 2016

GKB Ophthalmics GmbH

28876 Oyten / Germany



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A. MANDATE AND PROCEDURES

The management of GKB Ophthalmics GmbH, Oyten, instructed us to draw up the financial statements included in this document on the basis of our accounting without reviews.

Our enclosed General Terms of Engagement are valid for this mandate, even with respect to third parties.

We carried out the work specified in the mandate during the month February 2017.

According to the instructions given to us, we have derived the financial statements under the relevant lawful instructions. We took part in drawing up the inventory in accordance with our order. An evaluation of the correctness of these documents was not part of the order.

The work specified in the mandate was carried out in accordance with the IDW¹ standard "principles for the preparation of financial statements" (IDW S7; as of November 27, 2009) carried out. In our working papers, we have documented the details of the procedures according to type, scope, and result of our work.

¹ IDW = Institute of Public Auditors in Germany



B. LEGAL RELATIONS

1. Corporate Data

Firm

The company has been registered under the firm specified in the mandate in the trade register of Bremen under HRB No. 17950. The registration took place on March 20, 1998. A trade register excerpt was submitted to us.

Articles of Association

The October 20, 1997 version of the Articles of Association are valid.

The object of the enterprise is the production and merchandising of optical lenses, other optical products, and instruments and accessories of the optical industry.

Business Year

The business year is the calendar year.

Capital Stock

The capital stock is € 25.564,59 and has been deposited in full.

The sole shareholder is the GKB Ophthalmics Ltd, Mapusa / Goa, India.

Management and Representation

The sole General Manager is Mr. Gaurav Gupta, Mapusa / Goa, India.

The General Manager is authorized for sole representation and is exempt from the restrictions of § 181 of the German Civil Code.

Procurations have not been issued.

The headquarters of the management is in Oyten / Germany. The seat of the company is in Bremen / Germany.

2. Fiscal Data

The company is registered at the Verden / Aller tax office under the tax reference number 48/206/02879.

To complete the commercial balance sheet, any corrections necessary for tax purposes are registered statistically outside of the balance sheet.

Tax assessments up to the year 2015 have been made.

C. GENERAL COMMENTS

1. Financial Statements from Previous Year

The financial statements from the previous year have been accepted by the board on February 29, 2016. The acts of the managing director have been approved.

The board decided to forward the year's net loss to the next financial year.

The financial statements from the previous year have been disclosed to the electronic trade register on September 21, 2016.

2. Accounting

We are responsible for the accounting on the basis of the documents submitted to us.

We have not been instructed to take part in the inventory or to obtain confirmations of balances.

3. Annual Financial Statements

The company fulfills the size of a very small corporation within the meanings of § 267 a of the German Commercial Code.

The annual financial statements were drawn up according to the regulations of §§ 242 to 256 of the German Commercial Code. The structure of the annual financial statements is based on §§ 266 and 275 of the German Commercial Code.

Based on the previous years balance sheet drawn up by us, the annual balance sheet included in this document was developed on the basis of accounting figures and inventory.

4. Closing Remarks and Certification

The management has provided all clarifications and certifications requested. The completeness of accounting and the annual financial statements have been confirmed by the management in a written statement.

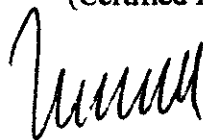
We therefore issue the following certification:

We have been engaged in the present financial statements - comprising the balance sheet and income statement - of GKB Ophthalmics GmbH, Oyten, for the fiscal year from 1 January 2016 to 31 December 2016 prepared in compliance with German commercial law. Basis for the preparation were the books kept by us and the presented evidence and proofs of existence, we have not reviewed the information provided to us. The accounting and the preparation of inventory and financial statements in accordance with German commercial law are the responsibility of the Company's management.

We have done our job in compliance with the IDW Standard: Principles for the preparation of financial statements (IDW S7). This includes the development of the balance sheet and the income statement on the basis of accounting, inventory and instructions to the applicable accounting policies.

Oyten
February 17, 2017

EPG Treuhand Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft
(Certified Public Accounting Firm)



Ralf Hegewald
Wirtschaftsprüfer
(Certified Public Accountant)



ppa. Malte Ehrichs
Wirtschaftsprüfer
(Certified Public Accountant)



GKB Ophthalmics GmbH, Oyten / Germany
Balance Sheet as of 12/31/2016

Annex 1

ASSETS

	€		12/31/2015
	€	€	€
CURRENT ASSETS			
I. Receivables and other assets			
1. Trade receivables	12.417,00		12.417,00
2. Receivables due from shareholder	14.741,62		14.741,62
3. Other assets	<u>4.199,04</u>	31.357,66	<u>3.960,40</u>
II. Bank balances		320,43	338,82
		<u>31.678,09</u>	<u>31.457,84</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

	€		12/31/2015
	€	€	€
A. SHAREHOLDERS' EQUITY			
I. Subscribed capital			
	25.564,59		25.564,59
II. Net retained profits			
	<u>4.199,13</u>	29.763,72	<u>5.048,25</u>
B. ACCRUALS			
Other accruals		853,60	845,00
C. LIABILITIES			
Liabilities to shareholders		1.060,77	0,00
		<u>31.678,09</u>	<u>31.457,84</u>



COMMERCIAL BALANCE SHEET ACCOUNTS as at 31.12.2016

GKB Ophthalmics GmbH, Oyten

ASSETS

	Financial year Euro	Prior year Euro
Trade receivables		
1400 Trade receivables	12.417,00	12.417,00
Other assets		
1501 Other Assets -1y	4.029,67	3.801,58
1507 Receivables from shareholders -1y	14.741,62	14.741,62
1576 Deductible input tax 19 %	169,37	158,82
	18.948,66	18.702,02
of which from shareholders		
1507 Receivables from shareholders -1y	14.741,62	14.741,62
Cash-in-hand, central bank balances, bank balances and cheques		
1201 Bank account DB 24 Freiburg 0196956	320,43	338,82
Total assets	31.678,09	31.457,84



GKB Ophthalmics GmbH, Oytten

Annex 2

Income Statement for the period 1/1/2016 to 12/31/2016

	€	2015 €
1. Other operating expenses	1.077,21	972,43
2. Other interest and similar income	<u>228,09</u>	<u>215,18</u>
3. Result after taxes = Net loss of the year	849,12	757,25
4. Retained profits	<u>5.048,25</u>	<u>5.805,50</u>
5. Net retained profits	<u><u>4.199,13</u></u>	<u><u>5.048,25</u></u>

COMMERCIAL BALANCE SHEET ACCOUNTS as at 31.12.2016

AKB Ophthalmics GmbH, Oyten

EQUITY AND LIABILITIES

	Financial year Euro	Prior year Euro
Subscribed capital		
0800 Capital stock	25.564,59	25.564,59
Retained profits brought forward		
0860 Profit carried forward before allocation	5.048,25	5.805,50
Net loss for the financial year		
0000 Net loss for the financial year	849,12	757,25
Other provisions		
0977 Prov. for costs of accounting/auditing	853,00	845,00
Other liabilities		
1665 Liabilities to GmbH shareholders	1.060,77	0,00
of which to shareholders		
1665 Liabilities to GmbH shareholders	1.060,77	0,00
of which due within one year		
1665 Liabilities to GmbH shareholders	1.060,77	0,00
Total equity and liabilities	31.678,09	31.457,84



INCOME STATEMENT ACCOUNTS from 01.01.2016 to 31.12.2016

GKB Ophthalmics GmbH, Oyten

	Financial year Euro	Prior year Euro
Miscellaneous operating costs		
4900 Other operating costs	69,96	34,98
4957 Cost of prep.financial stat.,audi.costs	900,00	835,90
4970 Ancillary payment costs	107,25	101,55
	<u>1.077,21</u>	<u>972,43</u>
Other interest and similar income		
2650 Other interest and similar income	228,09	215,18
	<u>849,12</u>	<u>757,25</u>
Net loss for the financial year	<u>849,12</u>	<u>757,25</u>