BORQS Technologies (HK) Limited

Balance Sheet as at March 31, 2026

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Particulars	Notes	As at March 31, 2026
ASSETS		
Non current assets		
Other intangible assets	4	408.06
Deffered tax assets (net)		49.10
Total Non current assets		**457.16**
Current assets		
Inventories	5	164.91
Financial asset		
(ii) Trade receivables	6	3,701.03
(iii) Cash and cash equivalents	7	585.21
Contract assets	27	493.34
Other current assets	8	1,349.94
Total current assets		**6,294.43**
TOTAL ASSETS		**6,751.59**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	9	606.93
Other equity		(605.63)
Total equity		**1.30**
Liabilities		
Current liabilities		
Financial liabilities		
(i) Borrowings	10	2,504.20
(ii) Trade payables	11	1,427.89
(iii) Other financial liabilities	12	184.91
Deferred revenue	27	2,087.55
Other current liabilities	13	376.08
Provisions	14	169.66
Total current liabilities		**6,750.29**
TOTAL EQUITY AND LIABILITIES		**6,751.59**

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

S.S. Swamy

Chartered Accountant

Membership No.019990

Place : Bengaluru

Date : May 05, 2026

S.S. SWAMY B'lore-94 Chartered Accountant

For and on behalf of the Board of Directors of

Borqs Technologies (HK) Limited

BORQS Technologies (HK) Limited BORQS

Hareesh Ramanna

Director

Bengaluru

Date : May 05, 2026

BORQS Technologies (HK) Limited

Statement of Profit and Loss for the year ended March 31, 2026
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026
INCOME		
Revenue from operations	15	27,285.95
Other income	16	1.17
Total income		**27,287.12**
EXPENSES		
Cost of material consumed	17	23,778.47
Changes in inventories of finished goods, work-in-progress and stock- in-trade	18	(29.17)
Employee benefits expense	19	113.75
Finance cost	20	69.03
Depreciation and amortization expense	4	61.99
Other expenses	21	3,647.90
Total expenses		**27,641.97**
Profit before tax		**(354.85)**
Tax expense		
Deferred tax	22	(45.22)
		(45.22)
Profit for the year		**(309.63)**
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss		
Exchange differences in translating financial statements of foreign operations		20.71
Other comprehensive income for the year, net of income tax		**20.71**
Total comprehensive income for the year		**(288.92)**
Earnings per share (EPS)		
Basic & diluted EPS	23	(43.97)
Weighted average equity shares used in computing EPS		
Basic & diluted EPS		704,148

The accompanying notes form an integral part of these financial statements.
As per our report of even date attached

For and on behalf of the Board of Directors of
Borqs Technologies (HK) Limited

S.S. SWAMY
B'lore-94
Chartered Accountant

S.S. Swamy
Chartered Accountant
Membership No.019990

Place : Bengaluru
Date : May 05, 2026

BORQS Technologies (HK) Limited
BORQS

Hareesh Ramanna
Director

Place : Bengaluru
Date : May 05, 2026

BORQS Technologies (HK) Limited

Statement of changes in equity for the year ended March 31, 2026

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

A. Equity share capital

Balance as at April 01, 2025	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current year	Changes in equity share capital during the year	Balance as at March 31, 2026
A	B	C=A-B	D	E=C+D
7.04	-	7.04	-	7.04

B. Other equity

Particulars	Attributable to the owners of the Company		
	Reserves and surplus	Items of OCI	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 01, 2025	(316.71)	-	(316.71)
Loss for the year	(309.63)	-	(309.63)
Other comprehensive income	-	20.71	20.71
Balance as at March 31, 2026	(626.34)	20.71	(605.63)

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

S.S. Swamy
Chartered Accountant
Membership No.019990

Place : Bengaluru
Date : May 05, 2026

For and on behalf of the Board of Directors of
Borqs Technologies (HK) Limited

Hareesh Ramanna
Director

Place : Bengaluru
Date : May 05, 2026

BORQS Technologies (HK) Limited

Statement of cash flows for the year ended March 31, 2026

(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Particulars	For the year ended March 31, 2026
Cash flows from operating activities:	
Profit before tax	(354.85)
Adjustments to reconcile net profit to net cash provided by operating activities	
Depreciation and amortization expense	61.99
Finance cost	69.03
Exchange differences on translation of assets and liabilities	(37.71)
Operating profit before working capital changes	**(261.54)**
Changes in assets and liabilities:	
Inventory	(164.91)
Trade receivables, contract assets	(4,194.37)
Other financial assets and other assets	(242.46)
Trade payables and deferred revenue	3,515.45
Provisions, other current financial liabilities and other current liabilities	(650.79)
Cash generated from /(used in) operating activities	**(1,998.62)**
Income taxes refund/(paid)	-
Net cash generated from /(used in) operating activities (A)	**(1,998.62)**
Cash flows from investing activities:	
Interest received	-
Purchase of property, plant and equipment & intangible assets	(471.28)
Net cash generated from/ (used in) investing activities (B)	**(471.28)**
Cash flows from financing activities	
Interest paid	(69.03)
Loan taken	4,961.16
Loan paid	(2,456.96)
Net cash used in financing activities (C)	**2,435.18**
Net increase in cash and cash equivalents (A+B+C)	(34.73)
Cash and cash equivalents at the beginning of the year	564.18
Effect of exchange differences on translation of foreign currency cash and cash equivalents	55.76
Cash and cash equivalents at the end of the year	**585.21**

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors of
Borqs Technologies (HK) Limited

S.S. Swamy
Chartered Accountant
Membership No.019990

Place : Bengaluru
Date : May 05, 2026

Hareesh Ramanna
Director

Place : Bengaluru
Date : May 05, 2026

BORQS Technologies (HK) Limited
Notes forming part of the Financial Statements
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

1. Company overview

Borqs Technologies (HK) Limited , Hong Kong is wholly owned subsidiary of Borqs International Holding Corp ,Cayman Islands. The Company is primarily engaged in the business of design, development and manufacturing of consumer and enterprise devices.The Company became wholly owned subsidiary of Sasken Design Solutions Pte. Ltd, Singapore w.ef. 08 April 2025 pursuant to acquisition of Borqs International Holding Corp by Sasken Design Solutions Pte. Ltd.

The Company is also a wholly owned subsidiary of Sasken Technologies Limited, India which is the Ulimate Holding Company of the Company w.e.f 08 April 2025.

The financial statements have been approved by the Company's Board of Directors on May 05, 2026.

2. Basis of preparation of financial statements

A. Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time and other relevant provisions of the Act (Ind AS).

The financial statements correspond to the classification provisions contained in Ind AS 1,"Presentation of Financial Statements". For clarity, various items are aggregated in the Statements of Profit and Loss and Balance Sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

These financial statements are presented in Indian Rupees (₹), which is also the Ultimate Holding Company's functional currency. Functional currency of the Company is US Dollars (USD). All amounts included in these financial statements are reported in INR (₹ in lakhs), except share and per share data, unless otherwise stated.

These financial statements have been prepared for the purpose of consolidation with the financial statements of Sasken Technologies Limited, the ultimate Holding Company.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

B. Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis of accounting.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

C. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have a significant effect on the amounts recognized in the financial statements are included in the following notes:

a) Revenue recognition:

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations and the ability of the customer to benefit independently from such obligations, and allocation of transaction price to these distinct performance obligations involves significant judgement.The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

The Company uses the percentage of completion i.e. input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

b) Deferred taxes:

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly,the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

c) Property, plant and equipment & Intangibles:

The Company reviews the useful life of property, plant and equipment and intangibles at the end of each reporting period.

d) Inventories:

The Company considers factors like product discontinuances and ageing of inventory in determining the provision for slow moving, obsolete and other non-saleable inventory and adjusts the inventory provisions to reflect the recoverable value of inventory.

e) Provisions and contingent liabilities:

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

S. Swamy B'lore-94 Chartered Accountant

BORQS Technologies (HK) Limited BORQS

f) Expected credit losses on financial assets:
The impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

3. Summary of material accounting policies
(a) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Asset block	Estimated useful life
Computer software	5 years

(b) Revenue

The Company derives revenues from rendering design, development and manufacturing of consumer and enterprise devices (product solutions).

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

i. Time and Material contracts
Revenue and costs relating to time and material contracts are recognized as and when the services are rendered.

ii. Fixed-price contracts
Revenue from fixed price service contracts and customized technology developments is recognized based on the percentage of completion method (POC) of accounting with contract cost incurred determining the degree of completion of the performance obligation. Revenue from maintenance contracts is recognized ratably over the term of the maintenance arrangement.

iii. Sale of Product solution

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

iii. Others
Revenue from royalty is recognized when the later of the following events occurs;
a) the subsequent sale or usage occurs; or
b) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied).

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Deferred revenue ("contract liability") is recognized when there is billings in excess of revenues. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Interest income is recognized as it accrues in the Statement of Profit and Loss using effective interest rate method.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.
The Company disaggregates revenue from contracts with customers by geography and nature of services.

(c) Inventories

Inventories are initially recognised at cost and subsequently measured at the lower of cost and the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost of inventory is determined on First in first out basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion including an appropriate share of fixed and variable production overheads and all other costs incurred in bringing the inventory to their present location and condition.

(d) Foreign currency

(i) Foreign currency transactions

Initial recognition
Transactions in foreign currency are translated into the reporting currency by applying to the foreign currency amount, the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date, of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit and Loss and reported within foreign exchange gains/ (losses), net within results of operating activities, except when deferred in other comprehensive income as qualifying cash flow hedges.

Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate on the date of the transaction.

(e) Financial instruments
i. Recognition and initial measurement
Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement
Financial assets:
On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit and loss (FVTPL) or fair value through other comprehensive income (FVTOCI).

Financial liabilities:

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

3. Material accounting policies (continued)

iii. Derecognition

Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.

(f) Impairment

i. Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit- impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible defaults over the expected life of a financial instrument.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. The recoverable amount of an asset or cash generating unit is the higher of its fair value less cost of disposal (FVLCD) and its value-in-use (VIU). The VIU of long-lived assets is calculated using projected future cash flows. FVLCD of a cash generating unit is computed using turnover and earnings multiples. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

(g) Equity

i. Share capital and share premium

The authorized share capital of the Company as at March 31, 2026 is 704,148 equity shares of $ 1 each, par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as share premium.

Every holder of the equity shares, as reflected in the records of the Company as of the date of the shareholder's meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder's meeting.

ii. Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes and is available for dividend distribution.

iii. Other comprehensive income

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognized in Other Comprehensive Income, net of taxes and is presented within equity in the FCTR.

S.S. SWAMY * Chartered Accountant * B'lore-94

BORQS Technologies (HK) Limited * BORQS

3. Material accounting policies (continued)

(h) Income taxes

Income tax comprises current and deferred tax. It is recognized in Statement of Profit and Loss, except to the extent that it relates to a business combination or to an item recognized directly in equity or in Other Comprehensive Income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date and applicable for the period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or to realize the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognized using the Balance Sheet approach in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets, whether unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(i) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) and buy back of shares. Shares bought back are considered to have been bought back at the beginning of the year, irrespective of the date of buy back.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(j) Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a best estimate of such obligation.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. A contingent asset is neither recognized or disclosed in the financial statements.

(k) Warranty

Provision for warranty related costs are recognized when the license is provided or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised periodically.

S.S. SWAMY B'lore-94 Chartered Accountant

BORQS Technologies (HK) Limited BORQS

BORQS Technologies (HK) Limited
Notes forming part of the Financial Statements
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

(l) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and in hand and short term investments with an original maturity value of three months or less. The cash flow statement is prepared under the indirect method.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On August 13, 2025 MCA has notified following amendments to the existing accounting standards:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 - The amendment relates to classification of liabilities as current or non - current and non-current liabilities with covenants. In the context of classifying a liability as current,it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants.The group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

S.S. SWAMY B'lore-94 Chartered Accountant

BORQS Technologies (HK) Limited BORQS

BORQS Technologies (HK) Limited
Notes to the financial statements for the year ended March 31, 2026 (continued)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

4. Other Intangible assets

Particulars	Computer software
Gross carrying amount	
As at April 01, 2025	-
Additions	470.05
Disposals	-
As at March 31, 2026	**470.05**
Accumulated amortization	
As at April 01, 2025	-
Amortization for the year	61.99
Disposals	-
As at March 31, 2026	**61.99**
Net carrying amount	
As at March 31, 2026	**408.06**

S.S. SWAMY B'lore-94 Chartered Accountant

BORQS Technologies (HK) Limited BORQS

BORQS Technologies (HK) Limited
Notes to the financial statements for the year ended March 31, 2026 (continued)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

5. Inventories

	As at March 31, 2026
Raw material	135.74
Finished goods (in transit)	29.17
Total	**164.91**

6. Trade receivables

	As at March 31, 2026
Unsecured	
Trade receivables considered good	3,701.03
Trade receivables - credit impaired	-
	3,701.03
Less: Allowances for credit impaired	-
Total	3,701.03

As at March 31, 2026

Particulars	Outstandings for following periods from due date of payment					
	Less than 6 months *	6 months - 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	3,701.03	-	-	-	-	3,701.03
	3,701.03	-	-	-	-	3,701.03

* *includes the amount which is not due*

7. Cash and cash equivalents

	As at March 31, 2026
Balances with banks	
- Current accounts	585.21
Total	**585.21**

8. Other current assets (unsecured, considered good)

	As at March 31, 2026
Advances to suppliers	1,140.54
Other receivables	209.40
Total	**1,349.94**

S.S. SWAMY * B'lore-94 * Chartered Accountant

BORQS Technologies (HK) Limited * BORQS

BORQS Technologies (HK) Limited
Notes to the financial statements for the year ended March 31, 2026 (continued)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

9. Equity share capital

	As at March 31, 2026
Authorised:	
704,148 equity shares of $ 1 each	606.93
Issued, subscribed and paid up capital:	
704,148 equity shares of $ 1 each, fully paid up	606.93
Total	**606.93**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2026 No. of shares	Amount
Equity shares		
At the beginning of the year	704,148	606.93
Movement during the year	-	-
At the end of the year	**704,148**	**606.93**

(d) Details of shareholders holding more than 5% shares in the Company:

Name of the share holder	As at March 31, 2026 No. of shares	% of total shares
Equity shares of $ 1 each, fully paid-up held by:		
Borqs International Holding Corp (Cayman Islands), Holding Company	704,148	100%

10. Borrowings

	As at March 31, 2026
Loan from related parties (refer note 24)	2,504.20
Total	**2,504.20**

11. Trade payables

	As at March 31, 2026
Trade payables*	1,427.89
Total	**1,427.89**

*Trade payables are outstanding for less than 1 year.

12. Other financial liabilities

	As at March 31, 2026
Employee related payables	4.72
Others	180.19
Total	**184.91**

13. Other current liabilities

	As at March 31, 2026
Advances received from customers	376.08
Total	**376.08**

14. Provisions, current

	As at March 31, 2026
Provision for onerous contract	169.66
Total	**169.66**

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Notes to the financial statements for the year ended March 31, 2026 (continued)
(Amount ₹ in lakhs, except share and per share data, unless otherwise stated)

Particulars	For the year ended March 31, 2026
15. Revenue from operations	
Sale of product solutions	27,285.95
Total	**27,285.95**
16. Other income	
Interest income from:	
- others	1.17
Total	**1.17**
17. Cost of materials consumed	
Inventory of materials at the beginning of the year	-
Add: Purchases, net	23,914.21
Less: Inventory of materials at the end of the year	135.74
Total	**23,778.47**
18. Changes in inventories of finished goods, work-in-progress and stock- in-trade	
Opening inventory:	
- Finished goods	-
Closing inventory:	
- Finished goods	29.17
Decrease /(Increase) in inventory	**(29.17)**
19. Employee benefit expenses	
Salaries and bonus	113.75
Total	**113.75**
20.Finance cost	
Interest on borrowings	69.03
Total	**69.03**
21. Other expenses	
Travel	49.30
Professional, legal and consultancy charges	2,278.70
Subcontract cost	1,105.98
Software subscription charges	0.49
Auditor's remuneration:	-
- Audit fees	41.97
Exchange loss	0.71
Onerous contract provisions	162.37
Miscellaneous expenses	8.38
Total	**3,647.90**

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22. Income Taxes

A. Amounts recognised in the Statement of Profit and Loss and Other Comprehensive Income:

	For the year ended March 31, 2026
Income tax expense:	
Deferred tax*	(45.22)
Total	(45.22)

*Deferred tax is created on the business losses of the Company

B. Reconciliation of effective tax rate:	
Profit before income tax	(354.85)
Enacted income tax rate in the tax jurisdiction of the Company	16.50%
Computed expected tax expense	(58.55)
Effect of:	
Non-deductible expenses	13.33
Income tax expense, as above	(45.22)

23. Earnings per share (EPS)

i. Profit attributable to equity holders of the Company	For the year ended March 31, 2026
Profit after tax for the year	(309.63)
Profit attributable to equity holders of the Company	(309.63)
ii. Weighted average number of equity shares	
Issued ordinary shares at the beginning of the year	704,148
Effect of shares issued during the year	-
Weighted average number of shares at the end of the year	704,148
Effect of dilution of potential ordinary shares	-
iii. Weighted average number of equity shares for diluted earnings per share	704,148
Basic earning per share (i/ii)	(43.97)
Diluted earnings per share (i/iii)	(43.97)

24. Related party disclosures

a) Following is the list of holding company/ subsidiaries/ other related parties of the Company:

Particulars	Country	Nature of relationship
Sasken Technologies Limited (w.e.f 08 April 2025)	India	Ultimate holding company
Sasken Design Solutions Pte. Ltd (w.e.f 08 April 2025)	Singapore	Intermediate holding company
Borgs Technologies Inc (upto 07 April 2025)	USA	Ultimate holding company
Borqs International Holding Corp	Cayman Islands	Holding company
New Borqs Technologies (Bejing) Company Limited	China	Fellow subsidiary
BORQS Technologies India Private Limited	India	Fellow subsidiary
Sasken Finland Oy	Finland	Fellow subsidiary

b) Following is the list of other related parties:

(i) KMP's:

Name of the related party	Relationship
Rajiv C Mody	Director
Hareesh Rammanna	Director

c) Related party transactions other than those with key managerial personnel:	For the year ended March 31, 2026
(i) Consultancy Services/Goods procured from	
- New Borqs Technologies (Bejing) Company Limited	628.34
(ii) Loans availed	
- Sasken Design Solutions Pte. Ltd	4,961.16
(iii) Loans repaid	
- Sasken Design Solutions Pte. Ltd	2,456.96
(iv) Interest expenses	
- Sasken Design Solutions Pte. Ltd	69.03

Balances as at	As at March 31, 2026
(v) Trade receivable, unbilled revenue, other financial asset and other receivables	
- Borqs International Holding Corp	142.14
- Borqs Technologies India Private Limited	108.14
- New Borqs Technologies (Bejing) Company Limited	3,192.68
(vi) Trade and other payables	
- Borqs Technologies India Private Limited	328.62
- Sasken Design Solutions Pte. Ltd	651.13
- New Borqs Technologies (Bejing) Company Limited	610.77
(vii) Borrowings	
- Sasken Design Solutions Pte. Ltd	2,504.20

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25. Financial instruments - fair values and risk management

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
The cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value because the cost represents estimate of fair value.

A. Accounting classification and fair values

The Company does not have any financial instruments which are measured at fair value either through profit or loss or through other comprehensive income

March 31,2026	Carrying amount	
Financial assets not measured at fair value	Amortized cost	Total
(i) Trade receivables	3,701.03	3,701.03
(ii) Cash and bank balances	585.21	585.21
Total	4,286.24	4,286.24

	Carrying amount	
Financial liabilities not measured at fair value	Amortized cost	Total
(i) Borrowings	2,504.20	2,504.20
(ii) Trade Payables	1,427.89	1,427.89
(iii) Other financial liabilities	184.91	184.91
Total	2,504.20	2,504.20

The carrying amount of above financial assets and liabilities are considered to be the same as their fair values due to their short term nature.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of customers.

ii. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. The Company establishes an allowance for impairment that best represents its estimate of expected losses in respect of trade receivables. The Company has established a credit policy under which each new customer is analyzed individually for credit worthiness before the standard payment and delivery terms and conditions are offered. The balance outstanding of trade receivable is less than 180 days.

Cash and bank balances

The Company held cash and bank balances of Rs.585.21 lakhs at March 31, 2026.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
The Company's principal sources of liquidity are cash and cash equivalents the cash flow that is generated from operations and the amount raised during the year recieved through issue of equity and borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Exposure to liquidity risk

The company is exposed to liquidity risk from trade payables and borrowings which are expected to be paid within one year from the balance sheet date in ordinary course of business and there are no other material expsure to liquidity risk.

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

v. Currency risk

The Company's exposure to currency risk is not material, since there are no material transactions in other than the functional currency of the Company.

26.Contingent liabilities

The Company has no contingent liabilities as at March 31, 2026.

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BORQS Technologies (HK) Limited
Notes forming part of the Financial Statements
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27. Segments and disaggregated revenue information

(a) Segmental information:

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision makers, in deciding how to allocate resources and assessing performance. The Company operates in single segment of "Product solutions".

(b) Revenue by contract type:

	For the year ended March 31, 2026
Product solutions	27,285.95
Total	27,285.95

(c) Revenue by geography:

Europe (including Middle East)	1,925.26
APAC	25,360.69
Total	27,285.95

Two of the customers individually accounted for more than 10% of the revenues for the year ended March 31, 2026.

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting year and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time-and-material. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, yearic revalidations, adjustment for revenue that has not materialized and adjustments for currency fluctuations.

The aggregate value of performance obligations that are completely or partially unsatisfied out of the purchase orders received, other than those meeting the exclusion criteria mentioned above, is Rs. 2,087.55 Lakhs as at March 31, 2026. Out of this, the Company expects to recognize majority of the revenues in next period.

(d) Changes in Contract assets are as follows:

	As at March 31, 2026
Balance at the beginning of the year	-
Revenue recognized during the year	493.34
Invoices raised during the year	-
Balance at the end of the year	493.34

(e) Changes in deferred revenue are as follows:

Balance at the beginning of the year	-
Revenue recognized that was included in the deferred revenue at the beginning of the year	-
Increase due to invoicing during the period/year, excluding amounts recognized as revenue during the year	2,087.55
Balance at the end of the year	2,087.55

Reconciliation of revenue recognized with the contracted price is as follows:

	For the year ended March 31, 2026
Contracted price	27,285.95
Revenue recognized	27,285.95

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28 **Events after the reporting period**

No significant subsequent events have been observed which may require an adjustments to the financial statements.

As per our report of even date attached

for and on behalf of Board of Directors of
Borqs Technologies (HK) Limited (Hong Kong)

S.S. Swamy
Chartered Accountant
Membership No.019990

Place : Bengaluru
Date : May 05, 2026

Hareesh Ramanna
Director

Place : Bengaluru
Date : May 05, 2026

Borqs Technologies (HK) Limited BORQS

S.S. SWAMY B'lore-94 Chartered Accountant