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B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

(1) Basis of preparation

On February 25, 2026, Bethel Automotive Safety Systems Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") entered into a share transfer agreement with four existing shareholders of Yubei Steering System (Xinxiang) Co., Ltd. ("**Yubei Steering**") to acquire 50.9727% equity interests in Yubei Steering (the "**Acquisition**"). Pursuant to a supplemental agreement entered into by the Company and the four existing shareholders of Yubei Steering on April 28, 2026, the transaction consideration for the Acquisition was agreed to be RMB1,121,400,000. The Acquisition is anticipated to be completed in the near future. The Acquisition will be accounted for as a business combination.

The following is a summary of an illustrative and unaudited pro forma consolidated statement of assets and liabilities of the Group and Yubei Steering (the "**Enlarged Group**") (the "**Unaudited Pro Forma Financial Information of the Enlarged Group**"), which have been prepared on the basis of the notes set out below for the purpose of illustrating the impact of the Acquisition on the Group's consolidated statement of financial position as at December 31, 2025 as if the Acquisition had been completed as at December 31, 2025.

This Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Listing Rules and Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group as at December 31, 2025 or at any future date following the completion of the Acquisition.

The Unaudited Pro Forma Financial Information of the Enlarged Group is prepared based on the audited consolidated statement of financial position of the Group as at December 31, 2025 as set out in the accountants' report of the Group included in Appendix IA to the Document, the audited consolidated statement of financial position of Yubei Steering as at December 31, 2025 as set out in the accountants' report of Yubei Steering included in Appendix IB to the Document, after giving effect to the pro forma adjustments relating to the Acquisition as described in the accompanying notes. Narrative description of the pro forma adjustments that are (i) directly attributable to the Acquisition and not relating to future events or decisions; and (ii) factually supported, is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information of the Enlarged Group is based on a number of assumptions, estimates, and uncertainties. Accordingly, the Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to describe the actual financial position of the Enlarged Group that would have been attained had the Acquisition been completed as at December 31, 2025. The Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to predict future financial positions of the Enlarged Group.

(2) Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at December 31, 2025

	The Group	Yubei Steering	Pro forma adjustments	Unaudited pro forma statement of assets and liabilities of the Enlarged Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 3*	
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	3,529,492	522,590	147,475	4,199,557
Right-of-use assets	152,132	48,674	62,633	263,439
Intangible assets	21,734	23,993	410,018	455,745
Investment properties	—	820	1,870	2,690
Investments in associates and joint ventures	—	378,626	554,893	933,519
Financial assets at fair value through profit or loss	165,993	—	—	165,993
Financial assets at fair value through other comprehensive income	84,137	—	—	84,137
Time deposits	242,557	—	—	242,557
Prepayments, other receivables and other assets	75,628	39,473	—	115,101
Deferred tax assets	16,796	70,970	(1,718)	86,048
	4,288,469	1,085,146	1,175,171	6,548,786
Current assets				
Inventories	1,807,420	257,644	22,947	2,088,011
Trade and notes receivables	3,908,601	1,017,012	—	4,925,613
Prepayments, other receivables and other assets	474,641	26,088	—	500,729
Financial assets at fair value through profit or loss	2,512,133	—	—	2,512,133
Financial assets at fair value through other comprehensive income	2,108,214	760,007	—	2,868,221
Restricted bank deposits	14,621	430,314	—	444,935
Prepaid income tax	2,520	19	—	2,539
Time deposits	391,988	—	—	391,988
Cash at bank and on hand	1,767,075	248,614	(341,400)	1,674,289
	12,987,213	2,739,698	(318,453)	15,408,458

	The Group	Yubei Steering	Pro forma adjustments	Unaudited pro forma statement of assets and liabilities of the Enlarged Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 3*	
Current liabilities				
Trade, notes and other payables	5,613,090	2,181,323	—	7,794,413
Contract liabilities	40,350	25,667	—	66,017
Borrowings	31,053	392,729	—	423,782
Bond payables	1,401	—	—	1,401
Lease liabilities	3,516	1,000	—	4,516
Income tax payable	98,124	392	—	98,516
	5,787,534	2,601,111	—	8,388,645
Net current assets	7,199,679	138,587	(318,453)	7,019,813
Total assets less current liabilities	11,488,148	1,223,733	856,718	13,568,599
Non-current liabilities				
Trade, notes and other payables	72,346	—	—	72,346
Borrowings	47,690	138,600	780,000	966,290
Bond payables	2,592,200	—	—	2,592,200
Lease liabilities	11,476	979	—	12,455
Deferred income	157,323	11,451	(11,451)	157,323
Provision	167,865	119,069	—	286,934
Deferred tax liabilities	24,528	9	152,921	177,458
	3,073,428	270,108	921,470	4,265,006
Net assets	8,414,720	953,625	(64,752)	9,303,593

Notes:

1. The amounts are extracted from the audited consolidated statement of financial position of the Group as at December 31, 2025 as set out in the accountants' report of the Group included in Appendix IA to the Document.

2. The amounts are extracted from the audited consolidated statement of financial position of Yubei Steering as at December 31, 2025 as set out in the accountants' report of Yubei Steering included in Appendix IB to the Document.

3. The pro forma adjustment reflects the allocation of the cost of the Acquisition to the identifiable assets and liabilities of Yubei Steering which represents:

(a) The consideration of RMB[1,121,400,000] in relation to the Acquisition.

Pursuant to the preliminary agreements, the transaction consideration for the Acquisition was agreed to be RMB1,121,400,000 in cash. The Group intends to obtain a loan to finance the payment for RMB780,000,000 of the consideration under the Acquisition, and the remaining RMB341,400,000 of the consideration will be paid using the Company's own funds. The Acquisition is anticipated to be completed in the near future.

(b) The provisional fair value adjustments on the identifiable assets and liabilities of Yubei Steering as if the Acquisition had been completed on December 31, 2025.

The Group has applied the acquisition method in accordance with IFRS 3 Business Combinations to account for the Acquisition as if the acquisition had been completed on December 31, 2025. The acquisition method of accounting requires that the consideration transferred to be allocated to the net assets, including separately identifiable assets and liabilities acquired, based on their estimated fair values. In applying acquisition method of accounting, the identifiable assets and liabilities of Yubei Steering acquired would be recorded on the pro forma consolidated statement of assets and liabilities of the Enlarged Group at their fair values as at the date of completion of the Acquisition.

The directors of the Company have estimated the fair values of the identifiable assets and liabilities of Yubei Steering based on a draft valuation report prepared by an independent valuer. The final fair values of identifiable assets and liabilities of Yubei Steering resulting from the business combination on the date of completion may be different from that assessed by the directors of the Company as shown above.

(c) Recognition of goodwill in relation to the Acquisition

Goodwill of the Enlarged Group represents the excess of the cost of the Acquisition over the estimated fair values of the identifiable net assets of Yubei Steering. For the purpose of the preparation of the Unaudited Pro Forma Financial Information and for illustrative purpose, the recognition of goodwill arising from the Acquisition is analysed as follows:

	Notes	*RMB'000*
Total identifiable net assets of Yubei Steering at book value	*a*	953,625
Fair value adjustments	*b*	1,010,843
Deferred income tax liabilities arising from fair value adjustments	*b*	(152,921)
Total identifiable net assets of Yubei Steering at fair value	*b*	1,811,547
Less: fair value of identifiable net assets attributable to the non-control interests of Yubei Steering		(1,413)
Fair value of identifiable net assets attributable to owners of Yubei Steering		1,810,134
Proposed shareholding percentage to be acquired		50.9727%
Fair value of identifiable net assets attributable to the Group		922,674
Purchase consideration	*3(a)*	1,121,400
Goodwill		198,726

Notes:

a. The amounts are extracted from the audited consolidated statement of financial position of Yubei Steering as at December 31, 2025 as set out in the accountants' report of Yubei Steering included in Appendix IB to the Document.

b. Fair value adjustments mainly related to intangible assets, property, plant and equipment, investments in associates and joint ventures and right-of-use assets. Deferred income tax liabilities have been recognised for the temporary differences arising from the fair value adjustments. The directors of the Company have estimated the fair values of the identifiable assets and liabilities of Yubei Steering, based on a draft valuation report prepared by an independent valuer, and have applied it as the fair value of the identifiable assets and liabilities of Yubei Steering in preparing the Unaudited Pro Forma Financial Information of the Enlarged Group. Since the fair values of identifiable net assets of Yubei Steering at the completion date of the Acquisition may be substantially different from the fair values used in the preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group, the final amounts of the fair values of the identifiable net assets of Yubei Steering to be recognised in connection with the Acquisition may be different from the amounts presented above.

c. According to the Company's accounting policy on the goodwill impairment that conforms with the requirement of the International Accounting Standard 36 "Impairment of Assets", after initial recognition, the goodwill will be measured at cost less any accumulated impairment losses. The goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, the goodwill is, from the completion date, allocated to the Enlarged Group's cash generating units, that are expected to benefit from the synergies of the acquisition, irrespective of whether other assets or liabilities of the Enlarged Group are assigned to those units or groups of units. Further, impairment is determined by assessing the recoverable amount of the cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than the carrying amount of the units, an impairment loss will be recognised by reducing the carrying amount of any goodwill allocated to the units at first.

   For purposes of the Unaudited Pro Forma Financial Information, goodwill has been allocated to one cash generating unit, representing the business of Yubei Steering. The recoverable amount of this cash generating unit has been determined based on a value in use calculation as at December 31, 2025, which is calculated using assumptions of growth rate and discount rate. Other assumptions for the value in use calculation relate to the estimation of cash inflows/outflows and such estimation is based on the past performance and management's expectations. The directors of the Company have concluded, after such assessment, no impairment in respect of the goodwill should be recorded in the Unaudited Pro Forma Financial Information as of 31 December 2025. The directors of the Company have further determined that any reasonable possible change in the key assumptions would not cause the unit's carrying amount to exceed its recoverable amount as at 31 December 2025 for the purpose of the Unaudited Pro Forma Financial Information.

   The Company will adopt consistent accounting policies to assess the impairment of goodwill in the preparation of annual financial statements subsequent to the completion of the Acquisition.

4. Other than the above adjustments, no other adjustments have been made to reflect any trading results or other transactions of the Group and Yubei Steering entered into subsequent to December 31, 2025.

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