

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has only conducted limited review on the contents of Part A of this Circular prior to its issuance pursuant to the Paragraph 4.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”). Bursa Securities has not perused the contents of Part B of this Circular prior to its issuance as it is an Exempt Circular pursuant to the Paragraph 2.1 of Practice Note 18 of the Listing Requirements.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



YI-LAI BERHAD

(Company No.: 200001013437 / 516043-K)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

PROPOSED BONUS ISSUE OF 97,047,061 NEW ORDINARY SHARES IN YI-LAI BERHAD (“YILAI”) (“BONUS SHARES”) ON THE BASIS OF TWO (2) BONUS SHARES FOR EVERY THREE (3) EXISTING ORDINARY SHARES IN YILAI HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER

PART B

PROPOSED CHANGE OF NAME FROM “YI-LAI BERHAD” TO “YB VENTURES BERHAD”

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser to Part A



INVESTMENT BANK BERHAD
Registration No. 197401003530 (20657-W)

The Notice of the Extraordinary General Meeting (“EGM”) of YiLai to be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting Facilities from broadcast venue at 1st Floor, Meeting Room, Lot. 8, Jalan 51A/241, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 16 March 2021 at 10.00 a.m. or at any adjournment thereof. The Proxy Form should be lodged at YiLai’s Share Registrar’s Office at Boardroom.Com Sdn Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia not less than forty-eight (48) hours before the time appointed for the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

IMPORTANT DATES

Last date and time for lodging the Proxy Form : Sunday, 14 March 2021 at 10.00 a.m. or any adjournment thereof
Date and time for the EGM : Tuesday, 16 March 2021 at 10.00 a.m. or any adjournment thereof

This Circular is dated 22 February 2021

DEFINITIONS

In this Circular, unless otherwise indicated, the following words and abbreviations shall have the following meanings:-

“Act”	:	The Companies Act 2016
“Board”	:	Board of Directors of YiLai
“Bonus Shares”	:	97,047,061 new YiLai Shares to be issued pursuant to the Proposed Bonus Issue
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (198701006854 / 165570-W)
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (200301033577 / 635998-W)
“Circular”	:	This circular dated 22 February 2021 to the shareholders of YiLai in relation to the Proposed Bonus Issue
“EGM”	:	Extraordinary general meeting
“Entitlement Date”	:	The date to be determined and announced by the Board after the approvals from the relevant authorities and shareholders of the Company have been obtained, for the purpose of determining the entitlements of the shareholders of YiLai for the Proposed Bonus Issue
“EPS”	:	Earnings per Share
“FYE”	:	Financial year ended/ending 31 December
“KAF IB”	:	KAF Investment Bank Berhad (197401003530 / 20657-W)
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	18 February 2021, being the latest practicable date prior to the printing of this Circular
“NA”	:	Net assets
“Proposed Bonus Issue”	:	Proposed bonus issue of 97,047,061 Bonus Shares on the basis of two (2) Bonus Shares for every three (3) existing YiLai Shares held on the Entitlement Date
“Proposed Change of Name”	:	Proposed change of name from “Yi-Lai Berhad” to “YB Ventures Berhad”
“Record of Depositors”	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Rules of Bursa Depository”	:	The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 as amended from time to time, including the Securities Industry (Central Depositories) Amendment Act, 1998
“TEBP”	:	Theoretical ex-bonus price
“VWAMP”	:	Volume weighted average market price
“YiLai” or the “Company”	:	Yi-Lai Berhad (200001013437 / 516043-K)
“YiLai Group” or the “Group”	:	YiLai and its subsidiaries, collectively
“YiLai Share(s)” or “Share(s)”	:	Ordinary share(s) in the Company

DEFINITIONS (CONT'D)

Words denoting the singular number only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include a body of persons, corporate or unincorporated (including a trust). Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated. Any reference to any statute is a reference to that statute as for the time being amended or re-enacted.

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PART A

**LETTER TO THE SHAREHOLDERS OF YILAI IN RELATION
TO THE PROPOSED BONUS ISSUE**



YI-LAI BERHAD
(Company No.: 200001013437 / 516043-K)
(Incorporated in Malaysia)

Registered Office:
Level 5, Block B
Dataran PHB, Saujana Resort
Section U2
40150 Shah Alam
Selangor

22 February 2021

BOARD OF DIRECTORS

Tan Sri Dato' Sri Dr. Ali Bin Hamsa (Independent and Non-Executive Chairman)
Au Yee Boon (Executive Director)
Lee Boon Siong (Executive Director)
Tan Eik Huang (Independent and Non-Executive Director)

To: The Shareholders of YiLai

Dear Sir/Madam,

PROPOSED BONUS ISSUE

1.0 INTRODUCTION

On 10 February 2021, KAF IB had, on behalf of the Board, announced that YiLai is proposing to undertake a bonus issue of 97,047,061 Bonus Shares on the basis of two (2) Bonus Shares for every three (3) existing YiLai Shares held by the entitled shareholders of YiLai on the Entitlement Date.

On 18 February 2021, KAF IB had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 18 February 2021 resolved to approve the listing of and quotation for 97,047,061 new YiLai Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities.

THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF YILAI WITH THE DETAILS OF THE PROPOSED BONUS ISSUE AND TO SEEK YOUR APPROVAL ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED HEREWITH IN THIS CIRCULAR.

SHAREHOLDERS OF YILAI ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

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2.0 DETAILS OF THE PROPOSED BONUS ISSUE

2.1 Basis and number of Bonus Shares

The Proposed Bonus Issue entails the issuance of 97,047,061 Bonus Shares on the basis of two (2) Bonus Shares for every three (3) existing YiLai Shares held by the entitled shareholders of YiLai whose names appear in the Record of Depositors of the Company as at the Entitlement Date. The Entitlement Date will be determined and announced at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue.

As at the LPD, the issued share capital of YiLai is RM93,692,416 comprising 145,570,592 YiLai Shares (including 484,900 treasury shares). For avoidance of doubt, the Board has undertaken and confirmed that the Company will not cancel such treasury shares until the completion of the Proposed Bonus Issue and hence, the treasury shares held by the Company on the Entitlement Date will be entitled to the Bonus Shares as permitted under Section 127(11) of the Act and such Bonus Shares will be treated as treasury shares held by the Company at the time the Bonus Shares are allotted. Upon completion of the Proposed Bonus Issue, the total number of issued shares of the Company will increase from 145,570,592 YiLai Shares to 242,617,653 YiLai Shares.

Any fractional entitlements arising from the Proposed Bonus Issue shall be dealt with in such manner as the Board shall in its absolute discretion deem fit, expedient and in the best interest of the Company.

The Proposed Bonus Issue is not intended to be implemented on a staggered basis.

The Proposed Bonus Issue will result in an adjustment to the market price of YiLai Shares listed and quoted on the Main Market of Bursa Securities. For illustration purpose, based on the five (5)-day VWAMP of YiLai Shares up to and including the LPD of RM1.1792, the TEBP is RM0.7075 .

Further, in accordance with the lowest daily VWAMP of YiLai Shares during the past three (3) months up to and including 11 February 2021 (being the date immediately before submission of the application to Bursa Securities on 15 February 2021) of RM0.8523, the TEBP is RM0.5114. Pursuant thereto, the Board confirms that the Proposed Bonus Issue is in compliance with Paragraph 6.30(1A) of the Listing Requirements that the Share price adjusted for the Proposed Bonus Issue shall not less than RM0.50 based on the daily VWAMP during the past three (3)-month period before the application date.

For illustration purpose only, the theoretical adjusted market price and the resultant number of Shares pursuant to the implementation of the Proposed Bonus Issue shall be as follows:-

	Number of YiLai Shares held	Closing price / TEBP (RM)
As at the LPD	1,000	1.260
After Proposed Bonus Issue	1,666	0.755

2.2 Capitalisation of reserves

The Bonus Shares in respect the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.

For the avoidance of doubt, the Proposed Bonus Issue will increase the number of YiLai Shares but will not increase the value of the share capital of YiLai.

2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing YiLai Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to the shareholders of YiLai, prior to the date of allotment of the Bonus Shares.

As the Bonus Shares are prescribed securities under Section 14(5) of the Securities Industry (Central Depositories) Act 1991, the Bonus Shares will be credited directly into the respective Central Depository System accounts of entitled shareholders who hold YiLai Shares on the Entitlement Date and no physical share certificates will be issued.

2.4 Listing of and quotation for the Bonus Shares

Bursa Securities had vide its letter dated 18 February 2021 approved the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, subject to the conditions as set out in Section 5 of Part A of this Circular.

3.0 RATIONALE FOR THE PROPOSED BONUS ISSUE

After taking into consideration all options available, the Board is of the view that the Proposed Bonus Issue is the most appropriate avenue of rewarding its shareholders for their continuous support and loyalty towards YiLai as the Proposed Bonus Issue will:-

- (i) enable them to have greater participation in the equity of the Company in terms of the number of YiLai Shares held, while maintaining their percentage of equity shareholding in the Company; and
- (ii) encourage trading liquidity and marketability of YiLai Shares on the Main Market of Bursa Securities and potentially broadening the shareholder base of the Company.

4.0 EFFECTS OF THE PROPOSED BONUS ISSUE

4.1 Issued share capital

The proforma effects of the Proposed Bonus Issue on the issued share capital of YiLai are as follows:-

	No. of Shares	RM
As at the LPD (including treasury shares)	145,570,592	93,692,416
To be issued pursuant to the Proposed Bonus Issue	97,047,061	* -
Enlarged issue share capital (including treasury shares)	<u>242,617,653</u>	<u>93,692,416</u>

*Note *:- The Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves as explained in Section 2.2 of Part A of this Circular.*

4.2 Earnings and EPS

The Proposed Bonus Issue is not expected to have any effect on the consolidated earnings of YiLai for the FYE 2021, save for the proportionate reduction in the EPS as a result of the increase in the number of YiLai Shares in issue pursuant to the issuance of Bonus Shares.

4.3 NA and gearing

The proforma effects of the Proposed Bonus Issue on the consolidated NA per Share and gearing of YiLai based on the latest audited consolidated financial statements of YiLai for the FYE 2019 are as follows:-

	Audited as at 31 December 2019 RM'000	After the Proposed Bonus Issue RM'000
Share capital	93,692	93,692
Reserve	102,518	(2) 102,468
Shareholders' equity / NA	196,210	196,160
No. of Shares ('000) ⁽¹⁾	145,086	241,809
NA per Share (RM)	1.35	0.81
Borrowings (RM'000)	-	-
Gearing (times)	-	-

Notes:-

(1) Excluding treasury shares.

(2) After deducting the estimated expenses incidental to the Proposed Bonus Issue of approximately RM0.05 million.

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4.4 Substantial shareholders' shareholdings

The Proposed Bonus Issue will not have any effect on the substantial shareholders' percentage of shareholding in the Company as the Bonus Shares will be allotted on a pro-rata basis to all the shareholders of the Company. However, the number of YiLai Shares held by each substantial shareholder will increase proportionately as a result of the Proposed Bonus Issue. The proforma effects of the Proposed Bonus Issue on YiLai's substantial shareholders' shareholdings in the Company are as follows:-

	As at the LPD				After the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %
Hampton Capital Pte Ltd	12,694,876	8.75	-	-	21,158,126	8.75	-	-
Tan Jian Hong, Aaron	-	-	⁽²⁾ 12,694,876	8.75	-	-	⁽²⁾ 21,158,126	8.75
Wendy Kang Hui Lin	-	-	⁽²⁾ 12,694,876	8.75	-	-	⁽²⁾ 21,158,126	8.75
Lim Lee Wheng	4,945,300	3.41	⁽³⁾ ⁽⁴⁾ 17,427,500	12.01	8,242,166	3.41	⁽³⁾ ⁽⁴⁾ 29,045,833	12.01
Au Yee Boon	7,857,500	5.42	⁽⁴⁾ ⁽⁵⁾ 14,515,300	10.01	13,095,833	5.42	⁽⁴⁾ ⁽⁵⁾ 24,192,166	10.01
Techbase Solution Sdn Bhd	9,570,000	6.60	-	-	15,950,000	6.60	-	-
Gunung Resources Sdn Bhd	19,950,000	13.75	-	-	33,250,000	13.75	-	-

Notes:-

- (1) Excluding treasury shares.
- (2) Deemed interested by virtue of his/her interest in Hampton Capital Pte Ltd. pursuant to Section 8 of the Act.
- (3) Deemed interested through the shareholdings of her spouse, Au Yee Boon's interest in the Company.
- (4) Deemed interested by virtue of his interest in Techbase Solution Sdn Bhd. pursuant to Section 8 of the Act.
- (5) Deemed interested through the shareholdings of his spouse, Lim Lee Wheng's interest in the Company.

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4.5 Convertible securities

As at the LPD, the Company does not have any other convertible securities.

5.0 APPROVALS REQUIRED

The Proposed Bonus Issue is subject to the following approvals being obtained:-

- (i) Bursa Securities, for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities;

The approval of Bursa Securities was obtained vide its letter dated 18 February 2021 and is subject to the following conditions:-

<u>Condition</u>	<u>Status of compliance</u>
(a) YiLai and KAF IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue.	To be complied
(b) YiLai and KAF IB to inform Bursa Securities upon the completion of the Proposed Bonus Issue.	To be complied
(c) YiLai / KAF IB to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the EGM for the Proposed Bonus Issue	To be complied
(d) YiLai and KAF IB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed	To be complied
(e) YiLai and KAF IB are required to make the relevant announcements pursuant to Paragraph 6.35(2)(a) and (b) and 6.35(4) of the Listing Requirements	To be complied

- (ii) shareholders of YiLai for the Proposed Bonus Issue at the EGM to be convened; and

- (iii) any other relevant authorities/parties (if applicable).

The Proposed Bonus Issue is not conditional upon the Proposed Change of Name or any other corporate proposals undertaken or to be undertaken by YiLai.

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6.0 HISTORICAL SHARE PRICES

The monthly highest and lowest prices of YiLai Shares as traded on Bursa Securities for the past twelve (12) months up to the LPD are as follows:-

	Highest (RM)	Lowest (RM)
2020		
February	0.580	0.540
March	0.520	0.405
April	0.500	0.395
May	0.845	0.455
June	1.030	0.770
July	1.080	0.850
August	1.090	0.885
September	0.985	0.850
October	0.985	0.860
November	0.940	0.840
December	1.060	0.855
2021		
January	1.040	0.850
Last transacted market price on 9 February 2021 <i>(being the latest market day preceding the announcement of the Proposed Bonus Issue)</i>		1.070
Last transacted market price on the LPD		1.260

(Source: Bloomberg)

7.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

None of the Directors, major shareholders, chief executive and/or persons connected with them have any interest, direct or indirect, in the Proposed Bonus Issue save for their respective entitlements as shareholders under the Proposed Bonus Issue, which are also available to all other shareholders of the Company.

8.0 DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Bonus Issue, including, but not limited to, the rationale and financial effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of the Company and accordingly, on the basis above, recommends you to vote in favour of the resolution in relation to the Proposed Bonus Issue to be tabled at the forthcoming EGM.

9.0 OUTSTANDING CORPORATE EXERCISES

Save for the Proposed Bonus Issue and the Proposed Change of Name, there are no other intended corporate exercises/schemes which have been announced but yet to be completed by the Group prior to the printing of this Circular.

10.0 ESTIMATED TIME FRAME FOR COMPLETION OF THE PROPOSED BONUS ISSUE

Subject to the approvals as stated in Section 5.0 above and barring any unforeseen circumstances, the Proposed Bonus Issue is expected to be completed by the second (2nd) quarter of 2020. The tentative timetable in relation to the Proposed Bonus Issue is set out below:-

Date	Events
16 March 2021	Convening of the EGM to obtain the approval of YiLai's shareholders for the Proposed Bonus Issue
Mid March 2021	Announcement of the Entitlement Date
Early April 2021	Entitlement Date
Early April 2021	Listing of and quotation for the Bonus Shares on Bursa Securities / Completion of the Proposed Bonus Issue

11.0 EGM

The EGM, the notice of which is enclosed in this Circular, will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting Facilities from the broadcast venue at 1st Floor, Meeting Room, Lot. 8, Jalan 51A/241, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 16 March 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed Bonus Issue.

If you are unable to attend and vote in person at the EGM, you should complete, sign and return the Proxy Form enclosed with this Circular in accordance with the instructions printed therein as soon as possible so as to arrive at YiLai's Share Registrar's Office at Boardroom.com Sdn Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia not later than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

12.0 FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
YI-LAI BERHAD

AU YEE BOON
Executive Director

PART B

PROPOSED CHANGE OF NAME



YI-LAI BERHAD
(Company No.: 200001013437 / 516043-K)
(Incorporated in Malaysia)

Registered Office:
Level 5, Block B
Dataran PHB, Saujana Resort
Section U2
40150 Shah Alam
Selangor

22 February 2021

BOARD OF DIRECTORS

Tan Sri Dato' Sri Dr. Ali Bin Hamsa (Independent and Non-Executive Chairman)
Au Yee Boon (Executive Director)
Lee Boon Siong (Executive Director)
Tan Eik Huang (Independent and Non-Executive Director)

To: The Shareholders of YiLai

Dear Sir/Madam,

PROPOSED CHANGE OF NAME

1.0 INTRODUCTION

On 10 February 2021, KAF IB had, on behalf of the Board, announced that YiLai is proposing to change its name from "Yi-Lai Berhad" to "YB Ventures Berhad".

THE PURPOSE OF PART B OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF YILAI WITH THE DETAILS OF THE PROPOSED CHANGE OF NAME AND TO SEEK YOUR APPROVAL ON THE RESOLUTION PERTAINING TO THE PROPOSED CHANGE OF NAME TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED HEREWITH IN THIS CIRCULAR.

SHAREHOLDERS OF YILAI ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART B OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED CHANGE OF NAME TO BE TABLED AT THE FORTHCOMING EGM.

2.0 RATIONALE

The rationale of the Proposed Change of Name is to create a new corporate identity for the Company.

3.0 EFFECTS OF THE PROPSOED CHANGE OF NAME

The Proposed Change of Name will not have any effect on the issued share capital, earnings, EPS, NA, gearing and substantial shareholders' shareholdings of Yi-Lai.

4.0 APPROVALS REQUIRED

The Proposed Change of Name is subject to the approval of the shareholders of Yi-Lai at an EGM to be convened.

The Proposed Change of Name is not conditional upon the Proposed Bonus Issue or any other corporate proposals undertaken or to be undertaken by Yi-Lai. There are no proposals which have been announced by Yi-Lai but pending implementation, other than the Proposed Change of Name and the Proposed Bonus Issue.

5.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

None of the Directors, major shareholders, chief executive and/or persons connected with them have any interest, direct or indirect, in the Proposed Change of Name.

6.0 DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Change of Name, is of the opinion that the Proposed Change of Name is in the best interest of the Company and accordingly, recommends you to vote in favour of the resolution in relation to the Proposed Change of Name to be tabled at the forthcoming EGM.

7.0 EGM

The EGM, the notice of which is enclosed in this Circular, will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting Facilities from the broadcast venue at 1st Floor, Meeting Room, Lot. 8, Jalan 51A/241, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 16 March 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution pertaining to the Proposed Change of Name.

If you are unable to attend and vote in person at the EGM, you should complete, sign and return the Proxy Form enclosed with this Circular in accordance with the instructions printed therein as soon as possible so as to arrive at YiLai's Share Registrar's Office at Boardroom.com Sdn Bhd at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, Malaysia not later than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

8.0 FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
YI-LAI BERHAD

AU YEE BOON
Executive Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors of YiLai individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement/information herein misleading.

2. CONSENT

KAF IB, as the adviser to YiLai in relation to the Proposed Bonus Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto, where relevant, in the form and context in which it appears.

3. DECLARATION

KAF IB confirms that it is not aware of any conflict of interest that exist or likely to exist that affect or may affect its ability to act independently and objectively as the adviser in connection with the Proposed Bonus Issue.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any other material commitments and contingent liabilities incurred or known to be incurred by the YiLai Group which, upon becoming due and enforceable, may have a material and adverse impact on the financial results/position of the YiLai Group.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, YiLai Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Group or any facts which are likely to give rise to any proceedings, which may materially and adversely affect the business or financial position of the YiLai Group, save and except for the following case:-

- (i) YiLai had been cited as the 2nd defendant in Kuala Lumpur High Court Suit No. WA-22NCC-285-07/2020 ("**Suit No. 285**") filed on 8 July 2020 by Teng Kam Kheong, who intends to seek a specific prayer against us to purchase three properties for a sum of RM100 million.

On 30 July 2020, we had taken out an application to have Suit No. 285 summarily determined in favour of YiLai. Following the hearing that was held on 18 December 2020, Teng Kam Kheong withdrew the action against all parties (including YiLai) with no order as to cost and without liberty to file afresh.

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FURTHER INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of YiLai at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor during ordinary business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (i) the Constitution of YiLai;
- (ii) the letters of consent and conflict of interest referred to in Section 2 and Section 3 respectively of this Appendix I;
- (iii) the cause paper in respect of the material litigation referred to in Section 5 of this Appendix I;
- (iv) the audited consolidated financial statements of YiLai for the past two (2) FYE 2018 and FYE 2019; and
- (v) the unaudited consolidated financial statements of YiLai for the nine (9)-month financial period ended 30 September 2020.

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YI-LAI BERHAD
(Company No.: 200001013437 / 516043-K)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Yi-Lai Berhad (“**YiLai**” or the “**Company**”) (“**EGM**”) will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting (“**RPV**”) Facilities from the broadcast venue at 1st Floor, Meeting Room, Lot. 8, Jalan 51A/241, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 16 March 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without any modifications:-

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF 97,047,061 NEW ORDINARY SHARES IN YILAI (“BONUS SHARES”) ON THE BASIS OF TWO (2) BONUS SHARES FOR EVERY THREE (3) EXISTING ORDINARY SHARES IN YILAI (“YILAI SHARES”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE”)

“**THAT** subject to and conditional upon the approvals of all relevant authorities/parties, where required, the Directors of YiLai be and are hereby authorised to issue 97,047,061 Bonus Shares to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later (“**Entitlement Date**”), on the basis of two (2) Bonus Shares for every three (3) existing YiLai Shares held on the Entitlement Date.

THAT the Directors of YiLai be and are hereby authorised to deal with any fractional entitlements of the Bonus Shares that may arise from the Proposed Bonus Issue in such manner as the Directors of YiLai shall in their absolute discretion deem fit, expedient and in the best interest of the Company.

THAT the Bonus Shares shall, upon allotment and issue, rank equally in all respects with the then existing YiLai Shares except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to the shareholders of YiLai, the entitlement date of which is prior to the date of allotment of the Bonus Shares.

AND THAT any one of the Directors of YiLai be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to and to complete the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or deemed necessary by the Directors of YiLai and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as he may consider necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue.”

SPECIAL RESOLUTION

PROPOSED CHANGE OF NAME OF THE COMPANY FROM “YI-LAI BERHAD” TO “YB VENTURES BERHAD” (“PROPOSED CHANGE OF NAME”)

“**THAT** the name of the Company be hereby changed from “Yi-Lai Berhad” to “YB Ventures Berhad” with effective from the date of the Certificate of Change of Name of Company to be issued by the Companies Commission of Malaysia to the Company and that the Constitution of the Company be hereby amended accordingly, wherever the name of the Company appears.

AND THAT the Board of Directors of YiLai be and is hereby authorised to give effect to the Proposed Change of Name with full power to assent to do all acts, deeds and things and execute all necessary documents with full power to make any modifications, variations and/or amendments in any manner as may be in the best interests of the Company or as may be required by the relevant authorities and to take all steps as they may deem necessary and expedient in order to implement, finalise and give full effect to the Proposed Change of Name.”

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 / SSM PC NO. 201908002253)

Company Secretary

Selangor Darul Ehsan

22 February 2021

Notes:-

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual EGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at <https://web.vote2u.app>.
2. A member of the Company entitled to participate, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to participate, speak and vote in his/ her stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
4. Where a member or authorised nominee appoints two (2) proxies, or when an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/ her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or the hand of an office or attorney duly authorised.
6. The form of proxy must be deposited at the Registered Office of Yi-Lai's situated at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
7. Only members registered in the Record of Depositors as at 9 March 2021 shall be eligible to participate, speak and vote at the meeting or appoint a proxy to participate, speak and/ or vote on his/ her behalf.



YI-LAI BERHAD

YI-LAI BERHAD

(Company No.: 200001013437 / 516043-K)
(Incorporated in Malaysia)

PROXY FORM

CDS account no. of authorised nominee

No. of shares held

I/We* IC No./ ID No./ Company No
(name of shareholders as per NRIC, in capital letters)
of
(full address)

Email Address: Mobile No.
being a member/members* of YI-LAI BERHAD, hereby appoint
(name of proxy as per NRIC, in capital letters)

IC No. of
(full address)

Email Address: Mobile No.
or failing him/her*, IC No.
(name of proxy as per NRIC, in capital letters)

of
(full address)

Email Address: Mobile No.

You are required to fill in the mobile no. and email address to participate the Extraordinary General Meeting ("EGM"), otherwise, we are unable to register you as the participant of the meeting.
or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the EGM of the Company or any adjournment thereof to be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the broadcast venue at 1st Floor, Meeting Room, Lot. 8, Jalan 51A/241, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 16 March 2021 at 10.00 a.m. or any adjournment thereof.

Table with 3 columns: RESOLUTIONS, FOR, AGAINST. Rows include ORDINARY RESOLUTION - PROPOSED BONUS ISSUE and SPECIAL RESOLUTION - PROPOSED CHANGE OF NAME.

* Strike out whichever is not desired.
[Please indicate with a cross (x) in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific directions, your proxy may vote or abstain as he thinks fit.]

Signature or Common Seal
Of Member/(s)

Dated this: _____ day of _____ 2021

Notes:-

- 1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual EGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.app.
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AFFIX
STAMP

Registrar of Yi-Lai Berhad (200001013437 / 516043-K)
Boardroom.Com Sdn Bhd

Level 5, Block B
Dataran PHB, Saujana Resort
Section U2
40150 Shah Alam
Malaysia

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