

**SKY LIGHT HOLDINGS LTD:
THE SUCCESS OF THIS COMPANY DEPENDS
ON THE SUCCESS OF ITS BIGGEST CUSTOMER**

The strongest aspect of Sky Light Holdings Ltd () (Code: 3882, Main Board, The Stock Exchange of Hongkong Ltd) is that it is the principle supplier of action cameras to GoPro Incorporated, based in San Mateo, California. GoPro Incorporated is listed on The (US) NASDAQ Stock Exchange. Its share price is about \$US51.

The weakest aspect of Sky Light Holdings Ltd is that just one of its customers, to wit, GoPro Incorporated, has accounted for between 70 percent and 82 percent of its Annual Turnover since the 2012 Financial Year.

If something tragic should befall the management of GoPro Incorporated, it could be disastrous for management of Sky Light Holdings Ltd.

Sky Light Holdings went public on the Main Board of The Stock Exchange of Hongkong Ltd on June 19, 2015. On that date, it published and disseminated its Global Offering Prospectus.

The Company Offered 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK2.68 to a high of \$HK3.38.

On June 30, 2015, Management announced that the Offer Price Per Share had been struck at the highest point of the Indicative Offer Price Per Share, being \$HK3.38, and that the Company had netted about \$HK614.30 million from its **Initial Public Offering (IPO)**.

The Company stated, in its announcement with regard to the results of the IPO, that it intends to use the funds, raised in this exercise, as follows:

- Approximately, 37 percent of the net proceeds, being about \$HK227.30 million, *‘for the purchase of land or completed properties for use as production facilities or offices and purchase of production machinery’*;
- Approximately, 19 percent of the net proceeds, being about \$HK116.70 million, *‘for marketing expenditures relating to (i) the development of new house brands for home imaging and smart wearable products and increased promotion of our “SKYPIX” brand; (ii) collaborate with major sales channels to promote our new and existing house brands; and (iii) the recruitment of additional marketing staff’*;
- Approximately, 19 percent of the net proceeds, being about \$HK116.70 million, *‘for possible mergers and acquisitions’*;
- Approximately, 15 percent of the net proceeds, being about \$HK92.10 million, *‘for research and development expenditures relating to (i) the set up of a new research and development centre in Xi’an, Shaanxi Province in the second half of 2015; (ii) the set up of additional radio frequency labs and upgrading of radio frequency, image and audio related facilities; and (iii) the recruitment of additional senior engineers’*; and,

- Approximately, 10 percent of the net proceeds, being about \$HK61.40 million, to be used as Working Capital.

Only 20 million Shares were Offered to investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC); and, that tranche, one was told, was over-subscribed approximately 86 times.

As for the 180-million, International Share Offer tranche, management stated that it had been '*significantly over-subscribed*'.

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