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COMP/M. 4904 / LITE-ON/PERLOS

SECTION 1.2

Description of the concentration

The concentration consists of the proposed acquisition by Lite-On Technology Corporation ("Lite-On") of sole control over Perlos Corporation ("Perlos").

On August 13 2007, Lite-On announced a public cash tender offer for Perlos. Pursuant to the tender offer, Lite-On has offered to acquire all issued and outstanding shares and options of Perlos. The tender offer will be made by Lite-On through a Finnish limited liability company controlled by Lite-On.

Also on 13 August 2007, Lite-On and Perlos entered into a definitive agreement in respect of the tender offer (the "Combination Agreement"). The Combination Agreement sets forth the principal terms under which Lite-On will make the tender offer and addresses the recommendation to be given by the Board of directors of Perlos. Upon completion of the tender offer, Lite-On is expected to hold at least 90% of all issued and outstanding shares in Perlos. As a result, Lite-On will have sole control over Perlos. Lite-On intends to de-list Perlos and operate it as an independent business within the Lite-On group.

Lite-On is a Taiwanese company listed on the Taiwan Stock Exchange. It is active in the supply of digital converged devices, *i e.*, in computer, communications and consumer electronics sectors. Its primary business areas are in the areas of optoelectronic components, digital display, imaging, and power supply.

Perlos is a Finnish company listed on the OMX Nordic Exchange Helsinki. Perlos operates in the telecommunications and electronics industry. It is primarily active in the supply of mobile phone handset casings.

While Lite-On and Perlos both serve the telecommunications industry, their operations are complementary. Lite-On primarily produces electronic components, while Perlos produces handset casings and mechanical components. The transaction will enable Lite-On to expand its product offering in order to better serve its large telecommunications customers.