

1 BACKGROUND OF THE COMPANIES

1.1 Telekom Malaysia

The principal activities of Telekom Malaysia is to establish, maintain and provide telecommunications and related services under a licence issued by the Minister of Energy, Communications and Multimedia ⁽¹⁶⁾.

Telekom Malaysia was incorporated to take over the operations of Jabatan Telekom Malaysia (JTM) as part of the government's privatisation exercise. The remaining entity, JTM, then became the regulatory government body to oversee the telecommunications industry.

Following Telekom Malaysia's public issue, the government continued to own a major portion of the Telekom Malaysia enlarged share capital and a special share, which would enable the government to ensure that certain major decisions affecting the operations of Telekom Malaysia are consistent with its policy. Telekom Malaysia's operations are regulated through a licence issued by the Ministry of Energy, Telecommunications and Posts. The licence was issued to Telekom Malaysia for an initial period of 20 years effective from 1.1.87.

In 1989 Telekom Malaysia launched a RM637m capital works programme to expand, digitalise and modernise the country's existing telecommunications network. In 1992, Telekom Malaysia and the Communication Authority of Thailand embarked on a project to install an optical fibre submarine cable system linking Malaysia and Thailand. Called the M-T Cable Project, the link is part of the Asean Optical Fibre Submarine Cable Network (AOFSCN). In the following year, the Company together with eight other international telecommunication carriers in the Asia Pacific Region launched a project to implement a new submarine cable system called the Asia Pacific Cable Network (APCN), which will connect Malaysia, Indonesia, Singapore, Thailand, Hong Kong, Philippines, Taiwan, Japan and Korea. Telekom together with Keretapi Tanah Melayu Bhd also undertook the installation, management, operation and maintenance of an optical fibre

telecommunications system along the railway corridor of the country. In 1993 and 1994, Telekom established several JVCs in India, Sri Lanka and Malawi to operate cellular mobile networks. (14), (15)

1.2 Lucent Technologies

Lucent Technologies Inc. was formed from the systems and technology units of AT&T Corp. and the associated assets and liabilities of those units, including Bell Laboratories. Lucent was incorporated on November 29, 1995. On September 30, 1996, AT&T distributed to its shareowners all of its remaining interest in Lucent in which the transaction was completed. (11)

Lucent Technologies designs, builds and delivers a wide range of public and private networks, communications systems and software, consumer and business telephone systems and microelectronics components.

Lucent Technologies has offices or distributors in more than 90 countries and territories around the world. **Bell Laboratories**, which is the research and development arm for Lucent Technologies has facilities in 13 countries. In addition to Bell Labs, Lucent Technologies has several business units, which include: (13)

Network Systems provides public networking systems and software to local and long-distance telephone companies and cable companies around the world. It is the number one market share leader in the U.S. for switching systems, transmission systems, wireless networks and networking software.

Microelectronics designs and manufactures high-performance integrated circuits, optoelectronic components, and power systems for customers that make products for the telecommunications and computing industries.

Business Communications Systems develops, manufactures, markets and services advanced communications products and systems for a whole range of customers from large multinational companies to small businesses. (13)