

## MARSMAN HONGKONG CHINA, LTD.

An optimistic view of the future was expressed at the annual meeting of Marsman Hongkong China, Ltd., which was held in Hongkong, October 14th, by the Chairman, Mr. J. H. Marsman. The following is a complete text of the Chairman's speech before the meeting: Gentlemen:

You have received the Report of the Directors and Statement of Accounts, and with your permission I will take them as read.

In closing the accounts for the year ended 30th April, 1939, the Directors have considered it wise to write down all assets to actual value as of that date. This combined with the fact that the considerable losses resulting from operations initiated in the previous period are reflected in this year's accounts obscures the picture of the results achieved in the year under review. As explained in the report, these results may be considered very satisfactory in view of the very disturbed conditions prevailing, and I foresee for the current year still better results, inasmuch as the management, after solving the problems created in the past, is now able to devote all its time to current business and plans for the future.

In fact the Company's operations since the close of the year under review up to September 30th have resulted in a net profit of £17,055.—8.

Generally speaking our policy since last year has been based on the following principles:

1. To liquidate commitments in connection with projects which could not be proceeded with, either as a result of the ensuing political disturbances, or for other reasons.
2. To observe great caution in proceeding with our activities, limiting them in the mining and engineering field to the study of the available resources and of the ways and means of participating in their development as soon as peaceful conditions will have been re-established.
3. To increase as much as possible the volume of such transaction as are likely to yield immediate profit and practically no risk.

These principles have been adhered to during the past year, and as related above, with the result that some recovery from the previous unfavourable position has been made.

The Report of the Directors covers the operations of the past year quite fully and I shall, therefore, confine my remarks to changes which have occurred since the close of the fiscal year.

You will note from the Report that the sum of £28,388.— was written off the Metals Account, in order to bring the figures into line with market pri-

ces. In view of the turn of world events, metal prices have advanced, and, as a result, the Metals Stocks as at October 30th have a market value of about £30,000 in excess of the book value. While the merchandising of commodities handled by this Department is hampered in various respects, valuable contacts and consumer connections have been extended throughout the world and our organization generally has been considerably strengthened. We look forward to an extensive increase in volume of business, in fact, since the close of the year, the Metals Department has made quite substantial profits.

Investments in Manila shares have been carefully selected and, even at the present low prices, show a satisfactory position, considering the drop in the Sterling-Peso exchange rate, besides yielding a very high average revenue. The companies in which shares are held are all in very sound condition and still better dividends may be expected in the future.

Your Company has an investment of Fl. 250,000.—in Marsman's Algemeene Exploratie Maatschappij, equal to approximately £28,000.--. This investment, besides also showing at this time a profit on exchange, looks very promising. That company has acquired the Mangani Mine and retains several options on other properties and an interest in a vast gold alluvial project in

the Netherlands East Indies, on which testing to date has shown surprisingly favorable results.

Altogether about 1,500,000 Guilders have been spent, which amount is amply covered by the value of the mining and hydro-electric plants erected at Mangani and which is capable of handling 200 tons of ore a day. A similar plant in the Philippines would cost ₱2,250,000. The ore bodies are of good commercial value as ascertained by extensive drilling, tunneling, cross-cutting and shaft-sinking. The mine has been widely opened up and thoroughly prepared for production on several levels. The mine has been fully equipped with electrically driven hoisting machinery, pumps, ventilating fans, transformers, etc., together with modern compressors, air-drills and all other equipment incidental to a thoroughly modern up-to-date mine project.

The construction of the mill building and machine shops, warehouses, blacksmith shops, labourers' quarters, etc., has been completed.

A considerable quantity of ore has already been mined during development work and is placed in dumps ready for commencement of operations.

The property is expected to commence production of gold by the first of December.

Your Company holds a substantial participation in the Twin Rivers mil-

ling operations in the Baguio District in the Philippines.

Finally, your Company has been allotted an interest in gold and base metal propositions now being developed by Marsman & Company, Inc., in the United States, and also a considerable participation in an alluvial gold property in British territory, which all look very promising.

Gentlemen, in closing my remarks I would like to add that it is my determination to do my utmost, given reasonable favourable conditions, not only to recoup the losses of the past, but to place the Company on a fair dividend

earning basis as soon as possible. It is the only Marsman subsidiary which is not in this position; my reputation is at stake and I shall not rest content until it is.

I commend our Managing Director, Mr. Robert de Vos, and his local staff for their untiring efforts on behalf of the Company, and am especially grateful to Directors Dodwell and Wilson for their wise counsel and helpfulness in the administration of our business affairs.

I now beg to move that the Report and Accounts for the year ended 30th April, 1939, be approved and adopted.

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## MANGANI MINES

The ore from development hoisted and stockpiled on Zero Level totaled 560 metric tons for the month of September. This makes a total of 4,700 metric tons stockpiled at Mangani as of October 1, 1939.

The main shaft is now 136 meters down from the collar, and sinking is still in progress to get to better ground to open Level Two station.

Surface construction work is rapidly nearing completion for the opening of

the mill in November. Foundations for the crusher and the ball mill have been poured and work on the crushing and grinding section of the mill should be practically completed by the end of October. The mill construction has made excellent advance in September in spite of the considerable time lost on account of heavy rains.

Assembly of the generator for the Brani power plant is progressing, and the necessary units are expected to arrive in the latter part of October.

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## TUBA MINES

The production for Tuba Mines during the month of September totalled P51,360.32 from the treatment of 1,842 tons of ore with a recovered value of P27.88 per ton. The average per ton was considerably higher than the previous month. The percentage of extraction was 93%.

The total development footage for the month was 552 feet. The capital advance accounted for 358 feet of which 23 feet were in ore. Of the 194 in operating advance, 78 feet were in ore.

Mine operations were normal throughout the month with a very encouraging structure on the 150 and 250 levels. Extensions and parallel lenses were encountered in practically all active stopes on these levels.

Mill operations were satisfactory throughout the month.

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## PERSONALS

*(Continued from page 10)*

H. A. Ottiger of the Baguio office of Marsman Trading Corporation, was host at a dinner for J. H. Marsman at the Pines Hotel in Baguio October 7. Several friends of Mr. Marsman attended the dinner in his honor.

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Mr. and Mrs. J. E. Atkinson arrived October 16 on the Tjinegara for a brief visit in Manila before going to San Francisco on a combined business and pleasure trip.

Mr. Atkinson is the general superintendent of the Mangani Mines in Sumatra and was formerly stationed in Batavia for three years. Mrs. Atkinson is the daughter of Mr. Alf Welhaven, vice-president of Marsman & Company.