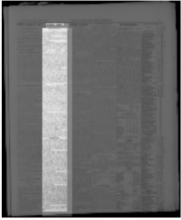




Home > Newspaper Catalogue > Pinang Gazette and Straits Chronicle > 1921 > April > 23 > Page 9 > KUNDONG RUBBER.



KUNDONG RUBBER.

Pinang Gazette and Straits Chronicle, 23 April 1921, Page 9

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<< Previous Article

Next Article >>

KUNDONG RUBBER.

DEBENTURE ISSUE.

The second ordinary general meeting of the Kundong Rubber Estate, Ltd., was held at the registered Office of the Company, Kuala Lumpur.

Mr. C. D. Mathewson, the Chairman, presided, a quorum of shareholders also being present.

The chairman said :—

Turning to the balance sheet, the first item of expenditure is for development on which \$80,466.12 has been expended. Development expenditure includes in addition to the upkeep of the 676 acres immature, the opening up of available reserve estimated at approximately 100 acres, and the cost of removal of tapioca over a considerable area. An arrangement had been come to with a contractor to take off the tapioca free of cost to the estate, but the contractor made little progress with the work, due no doubt to the falling market for this product at the time so that in order to establish satisfactory conditions for the growth of the rubber as soon as possible it was considered expedient to take in hand and complete the removal of this catchcrop which was so obviously retarding the growth of the rubber.

The other main head of expenditure viz building accounts is for \$27,785.13 and this refers to the building programme as set out in the directors' report, all buildings being necessary for the ordinary equipment of the estate. Contracts had already been placed before the market fell away, but the best possible was done in effecting a modification in the building programme and the question of providing factory and machinery is deferred pending an improvement in con-

ditions.

The crop, as stated, amounted to 78,078 lbs. produced at a cost of 55.62 cents per lb. this figure including depreciation at the rate of 4.30 cents per lb. In explanation of this somewhat high cost, I should mention that the yield per acre was no more than 310.51 lbs., 79 per cent. of the trees being in tapping over an area of 251.45 acres. Yield was poor mainly owing to the necessity for tapping at the unusual height of 47 inches from the ground. This was done in order to pave the way for the introduction of a well defined tapping system, no settled policy appearing to have been carried out previously.

Although a restricted crop of 76,000 lbs. has been provided for, that estimate is purely nominal because the policy is and has been for some little time to tap only those areas where we can do so at a profit, regarded from the point of view of direct crop charges.

Shareholders have been advised by circular dated 21st March of the necessity for raising fresh capital and the directors have invited subscriptions to an issue of \$63,000 by way of convertible loan. I regret to say, however that as the response has been inadequate the only course open to the Board will be to invite subscriptions to an issue of first mortgage debentures. Your Directors will give this matter their further immediate attention. The net profit for the year amounts with the assistance of sundry revenue on the Estate to \$5,813.14, which is recommended to be carried forward.

The Chairman moved the adoption of the report and accounts, which was duly carried. Mr. Gore was re-elected to the Board. The auditors, Messrs. Neill and Bell were reappointed for the ensuing year.

Connemara Estate.

The fifth annual general meeting of the Connemara Estate, Limited, was held at the registered offices of the company, Kuala Lumpur. The Hon. Mr. R. C. M. Kindersley, Chairman, presided, supported by the Secretaries, Messrs. Boustead and Co., and Messrs. Moullin. D. St. Leger Parsons, Major Gough and Dr. B. Day directors. The Chairman said:—

Since the last annual meeting there has been a complete change in the position of the rubber planting industry. We have not got a very large area in bearing and are not so much affected by the fall in prices as some companies, but we have suffered indirectly as the fall in the market coincided with our new issue of capital with the consequence



that the full number of shares were not subscribed by those entitled to them. However, 95,672 shares were taken up out of the 116,450 offered and with that amount added to our former capital we can see our way to maintain our present acreage in good order for at least two years ahead at the present rate of expenditure.



The opinion of those concerned in the industry supported by the London R.G.A. is entirely in favour of legislation being introduced to reduce the output of rubber and that opinion was conveyed to the Government by the Duncan Committee and also by the public meeting that was held on the 29th December. We are, however, told by Government that they are not satisfied that the country is unanimous.



Voluntary restriction would be effective, if the industry were in the hands of a few companies, but Asiatics, in large and small degrees, are landholders and they have become planters with the encouragement and permission of Government. The task of getting these numbers of small holders to agree to restriction on business lines, namely, in a way that would bind them, is practically impossible. It is therefore the clear duty of the Government to take steps to protect what may be called a national industry and to protect incidentally the whole business of the country by acting on the lines that have been put before them by the special committee.

The Directors' Report and Accounts for the year ended 31st December 1920 were passed.

