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SUNGEI RAMAL SYNDICATE.

Annual Meeting.

CHAIRMAN AND FUNERAL OF RESTRICTION.

20 PER CENT DIVIDEND.

THE fifteenth annual general meeting of Sungei Ramal Syndicate Ltd., was held at Kuala Lumpur, on Monday the chairman, Mr. M. C. English, presiding.

The chairman said—The profit for the year 1928 amounted to \$47,045 68 or to about 23½ per cent, on the capital, against a profit of 47 per cent. on the same capital for 1927. The reduction, as shown in the report, is more than accounted for by the lower price of rubber, and would have been much greater had the cost of production not been materially reduced. The actual costs are shown in the report, the reduction in the cost having amounted to 9.32 cents per lb.

The crop harvested was 320,092 lbs against 265,191 lbs for 1927. This crop was taken from some 563 acres which were tapped on the average during the year with a stand of some 73 trees per

year, with a stand of some 10 trees per acre. The large area which was untapped shows that the company worked fully in the spirit and to the letter of restriction, and the actual restriction of crop was even more than shown, as of the acreage tapped a large proportion of tasks were untapped for many days.

This was done in order to keep as much labour as possible, instead of definitely closing down further areas and allowing the labour to depart.

After the funeral of restriction, it was decided for the future to put the property on to the alternate daily A. B. C. system. This means that one third of the estate is always resting. When this system is started the crop for the whole estate is considerably less than on the full alternate day system, but owing to the rests given to the trees and to the lower average level of the cuts it is fully anticipated that the total yield will steadily increase.

It is even hoped that after a few years the yield will be almost the same as it would be were the alternate daily system to be continued, while far less labour is used and the useful life of the trees should be prolonged. A period of very low prices afforded the most favourable moment to begin such a system, as not much cash was sacrificed by procuring a smaller crop. However we do not complain on that account of the fact that prices improved sooner than was anticipated when restriction came off.

In view of the fairly small crop which was collected and of the low prices in vogue, I do not think that the results for the year can be called disappointing. In order to enable the company to pay as regular dividends as possible, it was considered to be advisable to sell some rubber forward as long as a price showing a fair profit was obtainable. Details of forward sales are given in the report.

The sale for 1929 at 31½ cents delivered Port Swettenham was I think one of the best of the many which were made at about the same time, when almost all companies thought it advisable to insure their position against the future, which looked very black. Although the price

does not look so well now, still it shows us a good profit on our cost of production.

With the further 1929 sale mentioned in the report we have assured cash coming in to the amount of over \$56,000 which almost covers the whole of our revenue expenditure for the year and leaves us with 155,000 lbs. of rubber to sell on the open market.

Our sales for 1930 give us certain cash amounting to over \$57,000 leaving us with probably over 200,000 lbs of rubber as well to sell to the best advantage.

With your satisfactory cash position we should be able to pay dividends from now onwards without having to hold up any further sums for emergencies, and we feel that the best interests of shareholders have been provided for.

We do not propose to make any further forward sales for 1930 unless we can get a better price than 48 cents per lb, which is the price at which one of the contracts has been made, and then we should only sell a small amount if any. Such a price shows us a very large profit.

We now recommend dealing with the amount of \$54,632.57 which is available for allocation as shown by the report as follows:—

(1) Pay a final dividend of 15 per cent requiring \$30,000. This makes 20 per cent for the year and is rather less than the total profit earned during the year.

(2) Transfer to reserve for development account the sum of \$7,500, making this up to a total of \$87,500.

(3) To carry forward the balance of \$17,132.57 subject to directors' fees.


Capital.

It is suggested that the present might be a good opportunity of issuing these shares, and the nominal capital of the company might be increased to \$500,000 the unissued balance being held


in reserve to be issued later should the Company wish to extent, say by joining up with some other company to plant up a new area on the latest lines.

The whole matter has not yet been considered in full by the directors, but we should be grateful for the benefit of the opinion of any shareholders on the subject.

Tin.

 I regret that owing to difficulties in obtaining permission from the Government to prove the tin bearing area mentioned last year, no more actual work has been done in this connection at present. Negotiations with Government continue.

The mining for which permission is sought is only in the nature of detailed prospecting work until we can find out whether the deposit extends further than can be seen on the surface. We do not wish to have the land definitely alienated as mining land until we know whether the extent of the deposit is great enough to offset the value of the rubber on it.

 After a short discussion on estate matters, Mr. Ritchie seconded the resolution which was carried unanimously. A final dividend of 15 per cent. making 20 per cent. for the year was declared.

The retiring director, Mr. M. C. English, was re-elected and Messrs. Neill and Bell were re-appointed auditors.