



## SUNGEI RAMAL SYNDICATE.

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## SUNGEI RAMAL SYNDICATE.

### Dividend Paid Regularly For Fourteen Years.


Presiding at the annual meeting of the Sungei Ramal Syndicate Ltd., held at the offices of Boustead and Co., Kuala Lumpur, on Tuesday, Mr. E. G. Leyne said :

The profit for the year amounts to \$33,755, which is equivalent to 8½ per cent. on our increased capital. This satisfactory position is, of course, largely due to the two forward sales in force during the year. In view of the low prices prevailing, the board have not thought it advisable to sell forward for 1931 but we have the matter in mind should a favourable opportunity occur. The crop harvested was 386,303 lb. against an estimate of 375,000 lb. The crop was obtained in 11 months tapping as we, in common with most other companies, did not tap in May and as it was also obtained on a conservative tapping system—A.B.C.—the result can be considered satisfactory.


The yield per acre from the area tapped was 687 lb., and from the whole mature area 462 lb. and while these can be considered good results it is the opinion of your board and visiting agent that they can be improved by judicious cultivation and we have, therefore, taken advantage of labour conditions during the year to push on this work in the form of contour draining and bunding. The result of this policy is that at the end of the year practically the whole of the estate has been treated in this manner and is in a high state of cultivation. Expenditure in the future will be small and limited almost entirely to upkeep of these works.

Low Production Costs.






The cost of production is not stated in the report, and as these figures are of particular interest in these times, I will now give you details. The f.o.b. cost was 15.99 cents per lb. Included in this figure are the whole of general charges, cost of upkeeping the immature areas, and special expenditure on cultivation. As the cost of the two latter items were respectively 1.65 cents and .76 cents per lb., I think one can fairly say that the cost compares favourably with other well managed companies.




The cost of upkeeping the immature areas has come down gradually during the year and is now at a much more normal figure than 12 months ago, so that with a considerable saving here and under cultivation we expect to produce this year at a very moderate figure. In fact, if present prices prevail throughout the year we should finish up without showing a loss in working.



In view of this and the strong financial position of the company, your directors recommend the payment of a dividend of 2½ per cent. which is equivalent to 5 per cent. on the old capital, and we feel sure that shareholders will agree that we are not justified in paying a larger dividend while the outlook is so obscure. Sungei Ramal has never missed paying a dividend since the year 1916, and I hope that when we next meet, we will still be able to continue with this excellent record unbroken.

#### **New Planting Scheme Postponed.**



During the year a circular was sent to all shareholders asking them to vote for or against a scheme under which Sungei Ramal would join with another company of good standing in the planting up of an area on modern lines. A very large majority of them voted in favour of the scheme, but in view of the existing conditions, it has been left in abeyance and we do not propose pressing the matter further just now.

As regards our mining land, we have been given permission to use an area of 3½ acres of swamp land as a dump for tailings, but we have not yet received our mining lease. Action in the near future will depend on the price of tin and our treatment under the quota scheme.

As regards your young rubber the drainage has been greatly improved, with a resulting reduction in the cost of weeding, which was very expensive. Cover crops are now well established. The rubber itself is healthy, but the growth is rather backward in places, and the green covers should improve this. We are at present considering the advisability of doing some further budding with vigorous growing clones in those fields where the stand per acre is high and have asked for the opinion of an expert from the R.R.I. on this point.

#### **New Factory Required.**

The question of a new factory has been occupying the attention of your directors. The present factory is out of date and its equipment does not permit of reducing the cost of manufacture to the low figure which is general today in modern sheeting

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factories.

We have called for tenders for a fully-equipped factory as we feel that the time is ripe for doing so. Not only will we benefit by the introduction of improved machines, but also, owing to the depressed state of trade, we hope to have the work done and machinery installed at a figure very considerably below what it would have cost even 12 months ago. With an improved standard of sheet and cheaper running costs we should quickly recoup our expenditure.

All your directors visited the estate on one or more occasions, and I cannot conclude without paying a compliment to your late chairman, Mr. English, who has now left this country on retirement. He took a tremendous interest in the company and his constant visits to the estate were always productive of some sound suggestions for its improvement. I feel sure you will join with me in wishing him prosperity and happiness in the future. Our thanks are due to our manager and visiting agent for their work in a difficult year.

The report and accounts were adopted, a dividend was declared as recommended, Mr. A. Beckett was re-elected a director, and Messrs. Neill and Bell were reappointed auditors.

