



The Hongkong Hotel in Central

NAMES behind the name

*The cast of characters in the early evolution of
The Hongkong and Shanghai Hotels includes the famous,
the rare, and one essential alias.*

To distil 140 years of our corporate history in just four pages would be an impossible task. However, this brief essay touches on the early and colourful fortunes of the company as it began its long journey in the late 19th century.

FOUNDATIONS

The decision to set up The Hongkong Hotel Company was the right one taken at the worst of times. In September 1865, along the China Coast, the warning signs of a market crash were gathering although they had their roots in London where “the bankers’ banker”, Overend, Gurney & Co., was teetering, undermined by liabilities set to peak at £11 million.

The knock-on effect shook the Far East, where the house of Dent & Co., “the Precious and Compliant Hong”, was already on quicksand and would soon go under. An unlikely member of staff would make the deal of his life in providing The Hongkong Hotel Company with the site it needed to build the first deluxe inn on the erstwhile “barren island”.

The hotel company’s provisional board had a cosmopolitan flavour. Foremost among the

promoters were three businessmen: a Scotsman, Douglas Lapraik, whose home became University Hall; a German, Baron Gustav von Overbeck, Consul for Prussia and Austria-Hungary; and an Englishman with a Dutch bloodline, C H M Bosman, a director of Hongkong & Whampoa Dock, and Consul for the Netherlands.

NOBODY’S LACKEY

By 2 March 1866 when The Hongkong Hotel Company was registered with limited liability, Lapraik was feeling the pinch. He reneged on his share subscription and told others to do likewise, potentially depriving the company of the capital it needed to fulfil its business plan, which was to take over and refurbish the Oriental Hotel in Wellington Street.

Into the chair slipped von Overbeck. His name appeared atop a list of “assistants” on the Dent & Co. payroll, but the evidence indicates the Baron was nobody’s lackey. In October 1865, as the hotel company was forming, the directors of Dent’s had sold to von Overbeck half the land they owned between Queen’s Road, Pedder’s Wharf (Pedder Street) and the Praya. Today, on that same site, stands Central



Gustav von Overbeck bought the land (circled) and sold it to The Hongkong Hotel Company

Building. Records show the sale price as \$46,000. In December 1866, the Baron sold on the property to the hotel company, of which he was a director, for \$190,000 – a 300% profit in 14 months. It was a boom-time return in the thick of a “disastrous” market slump.

With such deals, it is little wonder that Dent & Co. went bankrupt and The Hongkong Hotel Company, financed by a Bank of Paris branch manager named Kaiser, struggled to make headway.

IN THE MIRE



The Hongkong Hotel was duly built and its “soft opening” on 29 February 1868 was presided over for the company by C H M Bosman with His Excellency, Sir Richard MacDonnell as honoured guest. The colony had its deluxe hotel, dubbed by an eager press as “the greatest enterprise of the kind in China and Japan”. To ensure everything ran smoothly, Charles Duggan had been recruited from The Langham in London as manager, but not much later he switched careers to be an inspector of police.

Although the hotel initially made a loss, von Overbeck promised better results by the end of 1869. However, investors were likely more reassured by the installation as company secretary of C Langdon Davies, superintendent of the Bullion House at the Mint, than by encouraging words.

NON-CONFORMIST

The board, which included two dynamic entrepreneurs from Calcutta – chairman E R Belilios and 27-year-old director C P Chater, gave up on managing the hotel themselves and leased it out. A fixed income of \$1,900 per month was demanded of the lessee who, until November 1883, was Mr Dorabjee Nowrojee – a Parsee baker with a

taste for pies of the business kind. When the board wrested back the management of a hotel they decided was run-down, Nowrojee became a competitor in the hotel business as well as starting a cross-harbour ferry service which he sold in 1898 to the new “Star” Ferry Co.

By 1885 a different character was stamping his personality on the company board. Broker W. Kerfoot Hughes was a headstrong non-conformist who owned one-third of the stock. He brought in from The Baldwin in San Francisco a manager called Greeley who introduced outside catering to Hong Kong, and told his fellow directors the hotel must expand.

In 1886 the company bought the site where Gloucester Tower stands today, for \$192,500, raising the funds via mortgage debentures. A five-storey north wing went up on the south of the site. The two-storey building to its north was leased to C P Chater, for him to live in and oversee from his bedroom window the vast Praya

Reclamation he was lobbying for in Whitehall. Annual rental was \$10,000 and the lease was until the end of 1890, the year work on the project began.

right Prospectus & Tariff
left The Hongkong Hotel



NORTH TO THE PRAYA

Something about the property incurred Chater’s wrath as the visionary was setting up Hongkong Land and Hongkong Electric. By August 1888, landlord and tenant were in a dispute, finally resolved by a legal judgement, that struck six months’ profits off the books. The board voted to pull the offending building down and extend their hotel all the way to the Praya.

During construction, at two a.m. one night in April 1888, a wall of the original building collapsed, destroying two rooms and damaging the dining and billiard rooms, but with no human casualties. The mishap made a mess

of an occupancy rate that was already “poor” and delayed the opening of the initial new wing until August 1889. By then the architect had his plans approved to build out to what would be Des Voeux Road when the reclamation was complete in 1904. The second and final extension opened in 1892.

THE KELLY DISGUISE



Sir Ellis Kadoorie

The Hongkong Hotel verandah provided the turf for the colony’s stockbrokers to ply their trade. In February 1891 “certain well-known brokers”, as the press called them, led by the ubiquitous Chater, formed the first proper stock exchange. Among them was a broker who traded under the alias of E.S. Kelly, then a common practice in the colony. He was half of Benjamin & Kelly, and by March 1890 had bought his first 25 shares in the hotel company under his assumed name. In reality he was Eleazar (Elly) Silas Kadoorie. Elly, brothers Moyses and Ellis, and nephew Reuben, had all used the “Kelly” alias in colonial business circles since arriving from Baghdad via India in the 1880s.

Robert Hotung emulated his father by taking the chairman’s seat, and by the turn of the century he and a member of the Hutton Potts clan were the two major shareholders. In 1900, the board decided the 140-room hotel was no longer in the deluxe category. A scheme was tabled to sell it and rebuild in expansive style on 50,000 square feet of newly-reclaimed land bordered by Pedder Street, Chater Road, Ice House Street and the New Praya (Connaught

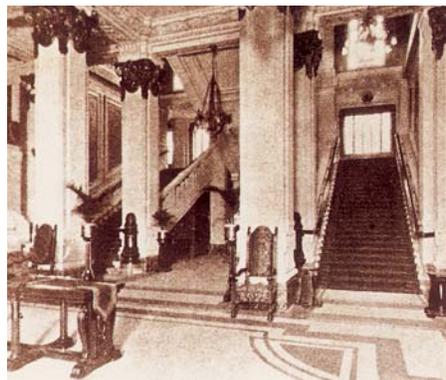
Road today). An understanding was reached with Hongkong Land over the eastern lot, the hotel company already owned the western extremity and Hotung half the real estate in between. But in August 1900 the bold scheme was voted down 6 to 5 at an EGM at which E.S. Kelly was present. A plan that would have transformed the Central District landscape was consigned to what-might-have-been by a swinging vote.

METAMORPHOSIS

The company was doing well enough to attract the Kadoorie brothers under their real name. The hotel’s dining room was bursting at the seams and good dividends were being paid. In 1906, when the company sat on property worth \$1.3 million, Ellis Kadoorie reportedly held over 10,000 shares.

By the early 1920s the Kadoorie family were in control. They smartly built up a first-class hotel group by acquisition and development in Hong Kong, Shanghai and Peking, and changed the company name to The Hongkong and Shanghai Hotels. The venerable Hongkong Hotel would disappear. The north wing was sold to Hongkong Land after a fire in 1926 and the southern half with its first-floor Gripps restaurant was pulled down by Central Development in 1952. The first deluxe hotel in Hong Kong would be replaced as flagship by The Peninsula, a brand name that today stands for deluxe-plus. Part of the 1923-24 paperwork

associated with the metamorphosis were statutory declarations attesting that Kelly and Kadoorie, two different names among the many behind the brand, were one and the same.



top Sir Elly Kadoorie with sons, Lawrence and Horace
bottom The main staircase in The Peninsula, 1928