## CENTENARY REPORT



As the top line of this early letterhead reveals, some things never change



The balance sheet in December 1903

## THE FIRST YEARS

On 9 January 1903 a new company was founded in Hong Kong, the *South China Morning Post*. The publishing venture was the brainchild of an Australian/Chinese revolutionary, Tse Tsan-tai, and a British newspaperman, Alfred Cunningham. Tse was a genuine visionary, the inventor of a dirigible and a military sun hat, and also the founder of the Chinese Patriotic Reform Association. Cunningham was the managing editor of an established Hong Kong newspaper.

"The only excuse for starting a newspaper is that it should be something very much better and more interesting than anything we have been accustomed to," so said Cunningham to shareholders at the first annual general meeting of the *South China Morning Post*. With three rival English newspapers serving Hong Kong's tiny population, the *South China Morning Post* was not lacking in competition in the beginning. Eventually, it would buy two of those competitors and the third became a casualty of the second world war.

The Company proved to be an innovator from the very beginning. It brought the first linotype printing press to the region. This invention revolutionised the printing business in a similar way to the computer in recent decades. The innovation immediately set it above the competition in terms of quality.

As always in business, success is not guaranteed even with great people and good ideas. During its first years, the under-funded *South China Morning Post* struggled to survive in a poor business environment. In 1907, the Company reported a massive loss of HK\$92,939. The situation culminated in a management crisis, ending with Cunningham's ousting. Tse was also fired, but later claimed he resigned in protest at the way Cunningham was treated.

Meanwhile, an American, Dr Joseph Whittlesey Noble, had quietly acquired a significant shareholding (eventually 70%) of the Company, and he assumed the role of Chairman. Having previously rescued Dairy Farm from financial ruin, Noble rolled up his sleeves and set to work to build a profitable newspaper. This was to take him another six years.

## **Corporate** Milestones

## A selection of noteworthy events in the history of the Company



The first linotype and composing room

- 1903 South China Morning Post Company established
- 1907 Dr Joseph Whittlesey Noble assumes role of Chairman with aim of achieving profitability
- 1913 Company declares first profit of HK\$11,338.90
- 1914 Shareholders receive first dividend of HK\$1 per share
- 1915 Profits triple over previous year
- 1916 Company purchases rival Hongkong Telegraph



The South China Morning Post's Wyndham Street property in the 1920s

- 1918 HK\$2 dividend to shareholders
- 1919 HK\$3 dividend to shareholders and 10% bonus for staff
- 1922 HK\$4 dividend to shareholders and 10% bonus for staff
- 1925 Strikes hit Hong Kong, stock market crashes, profits fall 75%
- 1927 Board establishes a fund aimed at replacing the buildings on Wyndham Street for HK\$200,857 in 75 years time



Manning the teleprinter during a Happy Valley race meeting in 1934

- 1928 Board discusses concerns about the possible impact radio might have on profits
- 1929 Advertising rates raised to cover water costs amid severe shortage in Hong Kong
- 1931 Record profits announced despite onset of depression
- 1932 Circulation soars in response to Sino-Japanese war



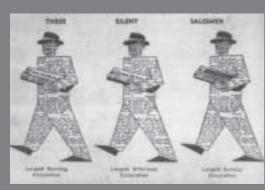
The editorial team in 194

- 1937 Sunday edition briefly published
- 1939 Company stockpiles supplies in response to war and announces record profit
- 1941 Hong Kong occupied by Japanese who seize Company assets to publish The Hongkong News
- 1945 Small leaflet carrying news of British fleet arrival heralds revival of the *South China Morning Post*
- 1947 Directors take majority stake in the Company by purchasing 3,000 of the Chairman's shares for US\$50 each



The newsroom in the early 1950s

- 1948 Company restructured and first time new shares are issued since 1903
- 1949 Company becomes wholly owned by Hong Kong shareholders
- 1950 Company buys rivals China Mail and Sunday Herald
- 1951 Soaring newsprint costs lead to cover price rise of HK30 cents
- 1954 Record HK\$1.03 million profit achieved
- 1956 Company issues 8,000 new shares at HK\$25 and raises capital to HK\$2 million



A house ad from 1959

- 1958 South China Morning Post joins Audit Bureau of Circulations and records 12,630 circulation
- 1959 Company sponsors Hong Kong's first open golf championship with £1,000 prize money
- 1961 Board authorises a one-for-one bonus issue as part of capital restructuring and doubles authorised capital to HK\$4 million
- 1964 Board discusses concerns about the possible impact television might have on profits
- 1965 Company reports a record million dollars gross in advertising revenue
- 1967 Company pays bonuses to staff who cover riots



Staff aboard the South China Morning Post launch in the 1970s

- 1969 Company sells Chief Executive's house on the Peak for HK\$503,000.

  Company's 6,700 sq ft Wyndham Street property valued at HK\$600-700 per sq ft
- 1970 Company moves from Wyndham Street to bigger premises in Quarry Bay
- 1971 South China Morning Post cover price rises from HK30 cents to HK40 cents
- 1973 Stock market boom fuels advertising demand leading to 100% increase in profits
- 1975 Company purchases Hong Kong waterfront property near Kai Tak for HK\$12 million



An early Atex computerised typesetter installed in the 1980s

- 1981 South China Morning Post cover price raised to HK\$1.50
- 1982 HK\$107 million profits declared
- 1990 The SCMP Group incorporates in April and acquires South China Morning Post and Sunday Morning Post. SCMP Group subsequently lists on the Stock Exchange of Hong Kong
- 1992 Company negotiates sale of Quarry Bay premises



The state-of-the-art Geoman printer used to produce the newspaper today

- 1995 Company inaugurates Tai Po printing facility and office premises
- 1997 SCMP.com records more than 18 million hits between 22 June and 9 July
- 2001 Company implements strategy to divest non-core assets
- 2002 SCMP.com becomes one of the world's first news website to launch paid subscription model
- 2002 South China Morning Post co-organises and hosts first conference, Pearl River Delta Forging A New Force
- 2003 South China Morning Post kicks off centenary celebration

