

CENTENARY REPORT

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.



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

“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.

SOUTH CHINA MORNING POST, LIMITED.	
BALANCE SHEET AS AT 31st DECEMBER 1903.	
Assets	Liabilities
Fixed Capital	Share Capital
Reserves	Reserves
Current Assets	Current Liabilities
Total	Total

The balance sheet in December 1903

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 1941

- 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

South China Morning Post
南華早報

