

For immediate release

**Dah Sing Bank and Hong Kong Small and Medium Enterprises Association
Join Hands to Support SMEs to Better Understand and Practice ESG**

**"SME ESG Charter" 2024 enhanced brand image and
expanded business opportunities for participating SMEs**

(Hong Kong, 9 January 2025) Close to 90% of small and medium enterprises ("SMEs") participating in the SME ESG Charter 2024 ("ESG Charter 2024") have acknowledged that they have benefited from enhanced brand image, reflecting the significance of the ESG Charter 2024 jointly launched by Dah Sing Bank, Limited ("Dah Sing Bank" or "the Bank") and the Hong Kong Small and Medium Enterprises Association ("HKSMEA"). The Bank and HKSMEA have confirmed to continue their collaboration with the SME ESG Charter 2025 ("ESG Charter 2025") to encourage more SMEs to improve their environmental, social and governance (ESG) performance and accelerate the transition towards economic sustainability.

HKSMEA surveyed 302 SMEs in December last year on their business challenges and their knowledge and implementation of ESG. The survey results showed that the top challenge faced by SMEs in the past year was rising cost of business (57.7%), followed by increased competition (46.5%), loss of customers (42.3%) and manpower shortages (36.6%). Meanwhile, 77% of SMEs considered ESG practices to be 'very important' and 'important', while 85.2% of the surveyed companies indicated willingness and interest to participate in the ESG Charter.

Dah Sing Bank launched its partnership with HKSMEA when the ESG Charter 2024 was introduced last year. The initiative was well received with 35 SMEs having participated, of which 26 qualified to receive free independent assessment and certification. The participating SMEs acknowledged that the initiative has helped deepen their understanding of ESG, and that gaining certified in the ESG Charter 2024 not only improved their corporate image but also helped to increase business opportunities.

"Dah Sing Bank has always been committed to supporting SMEs and helping them seek opportunities. Whilst the climate change driven ESG megatrend may seem remote, it is in fact shaping the development of a sustainable economy, presenting both challenges and potential opportunities for companies. We hope to encourage different industries and stakeholders to participate in this megatrend, and to help more SMEs transition towards economic sustainability so that they may progress further with enhanced competitiveness to capture new opportunities. We joined forces with HKSMEA to provide SMEs with hands-on training and support in the ESG Charter 2024. In 2025, we hope to enhance the scope of the ESG Charter to reach out to more local SMEs," said Ms. Phoebe Wong, Deputy Chief Executive, Senior Executive Director and Group Head of Personal Banking of Dah Sing Bank.

Through the ESG Charter 2024, Dah Sing Bank and HKSMEA provided comprehensive support to SMEs which included publicity, workshops, technical advice, auditing and certification, public education and business liaison. Dah Sing Bank will award SMEs that have successfully qualified for the ESG Charter 2024 an incentive of up to HKD1,400 in account opening fee rebates. The Bank also plans to introduce various product and service incentives in the coming year to encourage customers to implement ESG practices.

Mr. Andrew Kwok, President of HKSMEA, said, "The transition towards economic sustainability is an important global trend. HKSMEA is committed to encouraging more SMEs to participate in the ESG Charter and to achieving our long-term goal of enabling more SMEs to understand the importance of

learning and practicing ESG. We support local SMEs to integrate ESG elements into their operating structures and governance mechanisms, and meet the long-term development needs of Mainland China and Hong Kong."

HKSMEA's SME survey also showed that 88.9% of SMEs participating in the ESG Charter 2024 acknowledged that their brand image has improved, 72.2% acknowledged funding support for certification and 50% for professional advice.

Furthermore, 62% of SMEs surveyed have started to implement ESG-related initiatives. Among the areas that SMEs have started to implemented, social responsibility ranked highest at 95.5%, followed by environmental protection at 93.2% and corporate governance at 86.4%. Meanwhile, 84.1% of SMEs agreed that good ESG practices can increase customer trust and build a positive brand image, while 54.5% of SMEs believed that implementing ESG practices can help them gain access to large companies' supplier lists, thereby increasing business opportunities. Similarly, 54.5% of SMEs believed that they can effectively reduce operating costs through savings in electricity, water and waste management costs.

Among the SMEs surveyed, 77% saw adopting ESG practices as "very important" and "important"; 61.5% said it would help to attract investors; 46.2% said it could reduce operating costs through environmental protection measures; 46.2% believed it could increase employees' sense of belonging and morale; 30.8% said it has improved their own operational management systems, and 30.8% said it could increase customer loyalty and trust.

According to the survey, 85.2% of companies surveyed indicated willingness and interest to participate in the ESG Charter. The key reason for not yet implementing ESG measures was a lack of human resources (48.1%), followed by a lack of financial resources (40.7%). Tight cash flow has prevented SMEs from investing in the necessary resources to implement ESG measures.

The ESG Charter 2024 is a not-for-profit assessment framework that references the sections of the ESG Reporting Guide in Appendix C2 of the HKEX Listing Rules that are applicable to SMEs. Participating SMEs will be assessed by and will receive an assessment report from a third party professional consultancy. SMEs who have successfully attained the ESG Charter 2024 status will be placed in the SME ESG Register by HKSMEA, and will enjoy priority when large corporations supporting the charter consider their products and services.

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Photo 1:
Ms. Phoebe Wong, Deputy Chief Executive, Senior Executive Director and Group Head of Personal Banking of Dah Sing Bank and Mr. Andrew Kwok, President of Hong Kong Small and Medium Enterprises Association confirmed to continue collaboration with the SME ESG Charter 2025.



Photo 2:
(Front row, from left) Mr. Calvin Cheng, Chairman of HKSMEA, Legislative Council Member Hon Maggie Chan Man-ki and Ir Hon Lee Chun-keung, Ms. Pam Mak, Chairman of the ESG Committee and Life Honorary President of HKSMEA, Ms. Phoebe Wong, Deputy Chief Executive, Senior Executive Director and Group Head of Personal Banking of Dah Sing Bank, Dr. Bernard Chan Pak-li, Under Secretary for Commerce and Economic Development Bureau, Mr. Andrew Kwok, President of HKSMEA, Legislative Council Member Hon Elizabeth Quat and Ir Hon Chan Siu-hung attended the Closing Ceremony of the "SME ESG Charter" 2024.

About Hong Kong Small and Medium Enterprises Association

Founded in 1996, Hong Kong Small and Medium Enterprises Association was one of the most important SMEs chamber of commerce in Hong Kong. As a non-profit making organization, we have been working for the development of SMEs from manufacturing, food & beverage industry, professional service sectors, marketing and allied industrial / business sectors for almost three decades.

Our main mission is to serve as a bridge of communication between SMEs and HKSAR Government, increasing the competitiveness and productivity of SMEs, assisting them in upgrading, restructuring, entering GBA market and developing globally.

About Dah Sing Bank Limited

Dah Sing Bank, Limited (the "Bank") is a wholly-owned subsidiary of Dah Sing Banking Group (HKG:2356). Founded in Hong Kong over 75 years ago, the Bank has been providing quality banking products and services to its customers with a vision to be "The Local Bank with a Personal Touch". Over the years, the Bank has been rigorous in delivering on its brand tagline to grow with its customers in Hong Kong, the Greater Bay Area and beyond – "Together We Progress and Prosper". Building on our experience and solid foundation in the industry, our scope of professional services now spans retail banking, private banking, business and commercial banking. Meanwhile, the Bank is also making significant investments in its digital banking capabilities to stay abreast with smart banking developments in Hong Kong and to support financial inclusion at large.

In addition to its Hong Kong banking operations, the Bank has wholly-owned subsidiaries including Dah Sing Bank (China) Limited, Banco Comercial de Macau, S.A., and OK Finance Limited. It is also a strategic shareholder of Bank of Chongqing with a shareholding of about 13%. Dah Sing Bank and its subsidiaries now have 64 operating locations in Hong Kong, Macau and Mainland China.