

For immediate release

Dah Sing Bank releases findings of "2024 Survey on Business Opportunities for SMEs"

Over 70% of SMEs Expect Business Growth of At Least 4% Close to 60% Eye Development in Greater Bay Area

(Hong Kong, 19 June 2024) Dah Sing Bank, Limited ("Dah Sing Bank" or "the Bank") said today that according to the findings of its "2024 Survey on Business Opportunities for SMEs" (the "Survey"), Hong Kong's small and medium enterprises ("SMEs") are generally confident about their future. Over 70% of SMEs surveyed expect business growth in the next 12 months to exceed 4%; indeed, close to half of those surveyed expect business growth to exceed 7% over the said period. Furthermore, close to 60% intend to expand into the Greater Bay Area ("GBA").

The Bank commissioned research company NielsenIQ to survey close to 300 SMEs¹ in Hong Kong between April and May 2024, with the objective of understanding their views on market opportunities and future development as well as on environmental, social and governance (ESG) issues.

80% of SMEs Surveyed Expect Business Growth Opportunity to Come from Hong Kong

According to the Survey, 76% of SMEs surveyed expect their business to grow by 4% or more in the next 12 months, with those expecting business growth of 7% or more over the said period reaching 48%. Scale expansion (73%) and launch of new products and services (73%) are cited as main drivers for growth. Meanwhile, 82% of SMEs surveyed expect business opportunities to come from Hong Kong, while 46% expect these to come from the GBA (excluding Hong Kong).

When asked about their macro views of the market, SMEs surveyed expect e-commerce (60%), finance (56%) and advanced technology (55%) to be the key growth sectors for Hong Kong in the next 12 months. Meanwhile, key growth sectors cited for the GBA (excluding Hong Kong) include advanced technology (68%), consumption (66%) and finance (65%).

Close to 70% of SMEs Surveyed Want to Know More About Risk Management Strategies

Out of the 58% of SMEs surveyed that intend to expand into the GBA market, 58% expect business growth in the next 12 months to exceed 7%. When asked to name the key drivers for growth in the GBA, e-commerce development (81%) is cited in addition to scale expansion (82%) and launch of new products and services (82%).

¹ The survey was conducted through online questionnaires in Hong Kong from April 19 to May 4, 2024, interviewing 291 local SMEs.

Meanwhile, 81% of this SME group said they would consider to seek support and services from banks, and 66% said they would be concerned whether there would be sufficient cross-border payment services.

"Notwithstanding the many macroeconomic challenges that lie ahead, our Survey shows that Hong Kong's SMEs are still highly resilient which is characteristic of the city's indomitable spirit, and they are putting their agility at their best to grow their business. As a home-grown bank with deep roots in Hong Kong and a firm commitment towards the GBA, Dah Sing Bank will continue to pledge our full support to local SMEs, to be their partner to capture business opportunities," said Ms. Phoebe Wong, Deputy Chief Executive, Senior Executive Director and Group Head of Personal Banking of Dah Sing Bank.

Concerning their future development, SMEs surveyed believe their greatest challenges in the next 12 months to be on managing interest rate and foreign exchange risks (56%) as well as managing cost of funds (55%); 47% are also worried about geopolitics. To address these challenges, 68% of SMEs surveyed hope to receive information on interest rates and foreign exchange hedging strategies, and 46% hope their banking partners would provide practical seminars or workshops. Additionally, 42% hope to receive introductory guidance on ESG fundamentals.

More Than Half of SMEs Surveyed Recognise the Benefits of ESG, Yet Only 25% Have Started Implementation

With ESG having become an important business issue, most SMEs surveyed are aware of the benefits of implementing ESG practices, including the potential for social contribution and a positive brand image (59%), access to green and sustainable finance (54%), cost savings on electricity, water and waste management (53%) and inclusion in the supplier lists of large enterprises (49%).

Nevertheless, only 25% have actually integrated ESG into their business operations; 31% are aware of ESG but have not yet implemented it and 24% are interested but do not know how to get started. Of those SMEs surveyed which have yet to integrate ESG into their business operations, 43% do not know where to seek guidance and assistance, 41% lack ESG understanding, and 36% are concerned about the cost of ESG certification.

Ms. Wong continued, "We understand that while SMEs are keen to progress with the times and explore more business opportunities, they are also interested to put ESG into practice and demonstrate their corporate social responsibility. Yet they often lack time and resources to understand and implement the relevant standards, and are in need of some professional support and guidance. As such, Dah Sing Bank is committed to look for different ways to provide the necessary and appropriate support to them."

Dah Sing Bank has sponsored a number of educational programmes in recent years that were aimed at enhancing SME awareness and understanding of ESG. The Bank hopes to encourage SMEs to participate in the transition towards a sustainable economy, and to help them recognise the challenges and opportunities available in the trend towards a low carbon economy. Earlier this year, Dah Sing Bank collaborated with the Hong Kong Small and Medium Enterprises Association to launch the "SME ESG Charter 2024". This initiative aims to help SMEs integrate ESG elements into their operational frameworks and governance mechanisms, with the long-term goal of improving operational efficiency and enhancing their business competitiveness.

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68%

of SMEs hope to receive information on interest rates and foreign exchange hedging strategies

24%

of SMEs are interested in ESG but do not know how to get started



2024 Survey on Business Opportunities for SMEs

About Dah Sing Bank

Dah Sing Bank, Limited ("Dah Sing Bank") is a wholly-owned subsidiary of Dah Sing Banking Group (HKG:2356). Founded in Hong Kong over 75 years ago, Dah Sing 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, Dah Sing Bank has wholly-owned subsidiaries including Dah Sing Bank (China) Limited, Banco Comercial de Macau, 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 around 64 operating locations in Hong Kong, Macau and Mainland China.