



News Release

PROTON COMMERCE TAKES AIM AT A RECORD SETTING YEAR

- PROTON's finance arm targets record number of disbursements in 2021

Subang Jaya, 28 April 2021 – PROTON has recorded a bright start to 2021. Cumulative sales in the first quarter of the year were the highest since March 2012, pointing towards a healthy order book and strong interest in the company's range of offerings. This has created a knock-on effect and for Proton Commerce Sdn. Bhd. (Proton Commerce) it could lead to a record number of loan disbursements.

PROTON's finance arm, has seen its loan volume grow in line with the increase in sales of Proton vehicles. In 2018, it disbursed a total of 5,410 loans, which nearly doubled to 10,668 the following year. For 2020, despite disruptions caused by the coronavirus as well as loan moratoriums to ease the burden on distressed borrowers, Proton Commerce disbursed 14,189 loans.

This year the company is taking aim at a record breaking volume, an all-time high of 20,000 disbursement.

"Although there was a downturn in many economic sectors caused by the Covid-19 pandemic, consumer sentiment for car purchases remains positive. PROTON's gains in product quality, its additions to the dealer network and the launch of new models have grown interest in its cars and we are seeing the results in the number of loan applications received.

"Our loan disbursement volume for Q1 this year has increased by 42.3% and we are confident of our volume growing even more in Q2. However, the hire-purchase market could face a tough second half of the year as the PENJANA sales tax incentive is scheduled to expire at the end of June so the industry could see a period of correction as market demand finds its natural level," said Mooi Fi Phang, Chief Executive Officer, Proton Commerce.

Proton Commerce is also seeing a change in the demographics of its customers and Mooi says the age of Proton buyers is trending downwards, indicating the company's revamped line-up has made it a more trendy choice with younger Malaysians. He also said 80% of Proton Commerce's customers opt for 9-year hire-purchase financing plans and that impaired loan rates up to three times lower than the industry average.

"2020 was a tough year for the industry as financial institutions had to make modification loss provisions for the 6-month moratorium programme announced by the central bank. Thankfully for Proton Commerce, the financial stability of our customer base meant a very low number of our borrowers opted for subsequent moratorium and with the removal of the provisions this year, we expect to contribute a healthy profit to our shareholders," added Mooi.

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PROTON
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About PROTON

PROTON Holdings Bhd began as Malaysia's first national car project, founded with the aim to accelerate Malaysia's economic development and lay the foundations for the local automotive industry. In 2017, PROTON entered its next phase to be a modern and global automotive brand; through a partnership between its two principals, DRB-HICOM and Zhejiang Geely Holding Group. Today, PROTON continues to delight its customers with cars anchored on its brand promise of Inspiring Connections and founded on its core values of always delivering Innovative Technology, Reliability and International standards.