



One of Originally US co-founder Tay Wei Kiat's apps, Sg BusLeh, earns enough advertisement revenue to cover the operation costs of its Vietnam office. ST PHOTO: ONG WEE JIN

Me&MyMoney

Creating apps an apt way to build a business

Originally US started with \$500 in capital, now it's 'on track' to break 7 digits in annual revenue

Sheryl Lee

Mr Tay Wei Kiat, co-founder of local start-up Originally US, started the business in 2014 with just \$500 in capital.

Now, two years later, the mobile application development business is 'on track' to break seven digits in annual revenue. It has even expanded to include an office in Vietnam.

"We didn't have staff at the start. It was just the two of us and we *baogiao*," said Mr Tay, 28, using the Hokkien phrase for doing everything themselves. His co-founder was Torin Nguyen.

"If we needed it, we would get external help by hiring locally based freelancers instead of our own staff. They were expensive but I didn't have to pay them unless I had business, so there was no risk on my side," he said.

Originally US has created more than 30 apps for clients, including Zalora and Dentsu, since it started and is now looking to make more apps of its own.

One of Mr Tay's own apps, Sg BusLeh, gives users the arrival times and locations of buses. The app currently earns enough advertisement revenue to cover the operation costs of its Vietnam office, which opened in January last year.

"I like these kinds of things, in which one thing pays for another and there's no need to worry about running out of money," Mr Tay said with a grin.

He expects Originally US' revenue to increase by 400 per cent this year and costs to rise by a far smaller 100 per cent.

"It's very outrageous, but we're going into making our own apps, like Ho!POS," he said, referring to the point of sale (POS) system that helps food and beverage (F&B) establishments collect data, such as the average time required to pre-

pare each food item.

"When you build custom apps, the costs are higher because each app is different. Selling the same system, the same product, costs less," Mr Tay explained.

"Having your own business is like seeing your kid grow bit by bit every day," he added. "You don't feel it but, suddenly, you realise the kid has grown significantly. That's how I do it, step by step."

Q Moneywise, what were your growing-up years like?

A I come from a lower middle-income class, so my parents taught me to be financially disciplined from young. They would buy me the materials I need for my studies, but I had to save up pocket money for games and toys.

Q How did you get interested in investing?

A In 2012, when I was a third-year student in Singapore Management University (SMU), I took a class on financial markets. It was quite technical and I learnt how the orders came in and were cleared. There's a bit of psychology involved, regarding what kind of price buyers and sellers think they can get.

The mechanism behind the whole thing fascinated me, so I checked out a few counters and stocks and started investing from there.

I started very small, with around \$2,000, because I was a student and had limited capital. At the time, I looked only at shares below \$1.

I was looking around at some of the brokerages available and Standard Chartered had this thing in which there's no minimum commission, so you can trade as small as you want. That was a good way to start learning.

Q What is your investment strategy?

A I follow the 3CS – calculated, care-

ful and cumulative. Rather than a possible big gain, I prefer stable recurring income.

For most people who have day jobs, investment tends to be something they take risks in to get higher returns, but I am risk-averse because I run my own business.

I will choose stable, high-dividend yielding stocks because I don't have a lot of time to manage my investments.

So I invest a lot in blue chips such as Singtel and real estate investment trusts (Reits). I try to get dividends from there instead of dabbling in speculation.

Reits actually provide one of the highest dividends around – you can get up to 7 or 8 per cent every year, and they are divided into different categories, so they are quite flexible.

You can choose what you fancy, from retail to industrial areas. Their values usually don't change drastically, unless the Government comes out. Recently, all my shares dropped but my Reits are still above the price I bought them at.

Actual property is beyond me, so this is the poor man's way of investing in property, since whatever yield you're getting from dividends comes from rental paid by tenants.

I don't do a lot of technical analysis actually. I invest mostly based on my observations, like how occupied offices in certain areas are and whether certain malls are doing better.

While working on one of my apps, Ho!POS, I interacted with clients in the F&B industry who own multiple outlets in different shopping malls. From my conversations with them, I get to know which malls have higher rentals or are doing well.

The recent trend is that the more prominent malls in Orchard and VivoCity haven't been doing as well as the regional centres. So I've been

Worst and best bets

Q What has been your biggest investing mistake?

A It was buying this industrial Reit, Cambridge, every time the asking price dropped in hope of lowering my acquisition cost. The price never recovered.

I put in around \$5,000 and lost 40 per cent of that over five months. I guess it's not that much but it was painful because those were the early days in 2013, and that was easily half a month's salary for me.

Looking back, I let emotion get in the way... there was a period of time before 2013 where it kept shooting up, almost to a dollar, so I kept buying and then selling at a higher price. I made quite a bit, but then it started falling.

At the time, I thought I'll buy it again once there's a sign of recovery. So I did, and then it fell even more. I did this three times, three times it fell, and now it's around \$0 cents, far from the original value of 80 cents.

Now I'm just holding on to it and getting the dividend. There's not much I can do.

Q And what has been your best investment move?

A I've made the most from Singtel, around \$6,000 since 2014. That's pretty good considering I hold just \$20,000 of Singtel at any one time.

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buying Reits that cover the regional ones. Before I started reserving cash in December last year, I added around \$3,000 to my portfolio every month.

Q What's in your portfolio?

A I liquidated about 30 per cent of it recently, so my portfolio value is around \$80,000 now. Around 40 per cent of my portfolio is blue chips and 50 per cent, Reits.

My Reits include Fraser Centrepoint Trust, Cambridge Industrial Trust and LippoMalls.

I've been investing in Reits for three years now. For 2015, my returns overall were 5 per cent, even though the STI fell.

For blue chips, I have Singtel, StarHub, UOB, SingPost and Kettel Corp, among others. My worst

performing blue chip is Keppel. I bought it at \$8.70 late last year and now it's about \$6 because of the low oil prices.

I trade only in the Singapore Exchange (SGX) because it's easier for me to understand what's going on compared to overseas, where people buy based on speculation and it can be very risky. I like to keep to things I know.

Q What does money mean to you?

A It means personal freedom and the ability to take care of your loved ones.

Last year, one of my loved ones had a mini cancer scare. It turned out to be nothing, just a false positive for a tumour marker, but I spent a lot of time accompanying her to the doctor because she had to go for different tests.

If I weren't self-employed, I wouldn't have been able to accompany her like that without losing my job... and then I wouldn't have had the money to pay for the tests.

Q What's the most extravagant thing you've done?

A I've spent around \$2,000 on fountain pens since my university days.

I have a thing for fountain pens. I have a few discrete, but have a long history and story behind it.

My favourite pen, the Lamy 2000, was launched in 1966 and is still in production today.

The story behind this pen is that it turned the entire company's fortune around after its launch.

As an entrepreneur, I am also intrigued in finding the one thing that could bring my company to the next level.

Q What are your immediate investment plans?

A I'm not adding to my portfolio as of now because I'm reserving cash for the financial downturn.

I'm holding around six digits in cash. In case there's what we call a "Great Singapore Sale" in the SGX, in which prices go down.

Q How are you planning for retirement?

A In the long run, I'm trying to build up my portfolio, so I can live off dividends. My wife and I are trying to have a kid, so I intend to slow down and be more hands-off by the time I'm 35, with at least \$8,000 a month in recurring income.

Q Home is now.

A A five-room HDB flat near Buangkok MRT station, with my wife.

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HIGHEST DIVIDENDS

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MR TAY WEI KIAT, co-founder of local start-up Originally US, on investing in Reits.

