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Hungry to build F&B start-up into major group

Entrepreneur also aspires to be a venture capitalist and has invested in micro start-ups



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Invest Editor

Entrepreneur Zac Chua did not waste any time testing his skills after graduating from the Singapore Management University (SMU) with a bachelor's degree in business management last year.

Mr Chua jumped straight into the deep end and set up The Kettle Gourmet to make oven-baked speciality popcorn with local flavours such as teh tarik, bak kwa and chicken rice.

Popcorn with that much of a twist might seem an acquired taste but sales are healthy, he said.

Mr Chua, 27, told The Sunday Times that his orders are mostly from business clients and involve regularly stocking up corporate pantries. His firm also caters to e-commerce buyers and booths set up for events.

"We are fortunate to have five-star local hotels and MNCs (multinationals) among our clients, subscribing to our flavours."



Mr Zac Chua, seen here with his mum Lee Li, a 59-year-old retiree, set up The Kettle Gourmet last year to make oven-baked speciality popcorn. He plans to expand with other food products and to markets like Indonesia and Hong Kong.
ST PHOTO: GIN TAY

Worst and best bets

Q *What has been your biggest investing mistake?*

A Back in my SMU (Singapore Management University) days, I lost a five-figure sum by speculating in several China stocks based on hearsay. I was impatient and wanted fast cash. I saw my capital gradually dwindling down to almost zero with each passing day while desperately hoping for the stocks to rebound.

It was an extremely painful lesson that still haunts me to this day. I learnt that cutting losses is never easy, especially with an ego, but in the end you have to swallow your pride and do it.

Q *And your best investment?*

A Jumping into business and starting The Kettle Gourmet with less than \$100 and bootstrapping it till where it is today. I am glad I made the tough decision to pursue a path less travelled instead of working as a salaried worker.

Being a business owner has taught me a lot about self-discipline, taking ownership and managing people. It is not easy but I love the daily challenges that come with it.

Lorna Tan

"Besides business to business, we do pop-ups at events all around Singapore to expose and grow the brand. Today, we have a team of 11 staff at our office at Kembangan and we work with a food manufacturer."

Mr Chua, who is the firm's chief executive, aims to build a major food and beverage (F&B) group here and potentially expand with other food products and to markets like Indonesia and Hong Kong.

Last month, he bought a peanut company in Malaysia. It will be re-branded as The Nutkins, a trendier name that should cater to the young, and launched next month.

Mr Chua, who studied at Temasek Polytechnic before heading to SMU, also aspires to be a venture capitalist and has invested in micro start-ups in Singapore in a gaming company and one developing wearable tech.

Besides his businesses, he has built up an equities portfolio since dabbling in stocks during his polytechnic days. He considers himself an aggressive investor and says that time is on his side to ride out the volatility in the years ahead.

"Stock-wise, the power of compounding is amazing. Start young. Start now. Business-wise, don't give up. You only have to be right once, and the rest is history. I have learnt to be grateful for the small things in life. Sometimes, all you need is popcorn from The Kettle Gourmet and peanuts from The Nutkins," he said.

Q *Money-wise, what were your growing-up years like?*

A My late dad was a successful businessman after having worked in a foreign bank for many years. He

sold his paint company before passing on at the age of 60 due to lung cancer. Mum is a housewife and used to work at a statutory board.

I have two siblings – an older sister and younger brother – both of whom work in the corporate world.

We had a pretty cool family upbringing where we had the freedom to pursue whatever we wanted. There was no pressure or stress on studies and I went along with my passion.

During my university days, I was fortunate enough to be exposed overseas during exchange programmes, and that inspired me to run my own company.

Growing up, dad taught me the importance of hard work and integrity in one's value system. He was a well-respected businessman and from him, I learnt the value of money, how hard it was to earn money and to be honest in all our dealings.

Q *What is your investing strategy for your business?*

A As an F&B start-up, the initial phase was the hardest. As the sole founder, I reinvested every cent back into the business for about six months. Thankfully, I made sufficient pre-sales to cover the start-up capital and was very lucky to have broken even within two months.

Currently, we are moving about 300 to 500 bags daily and we envisage growth of about 10 per cent monthly over the next few months. We have a young team, including interns, whose average age is 22.

We are currently working on more partnerships and tie-ups with large companies while establishing

a strong brand in Singapore. In two to three years' time, we intend to venture into other F&B products and overseas.

With the recent purchase of the peanut company and rebranding it as The Nutkins, we will provide localised flavoured peanuts like Black Pepper Crab and Baked Prawn.

I believe that there are gaps in this industry and I feel that as CEO, my role is to disrupt and shake up the industry. Because if you don't disrupt it yourself, someone else will do it for you.

Q *How did you get interested in investing?*

A I have always liked the idea of making my money work for me. My interest was sparked back when I was pursuing my diploma in Temasek Poly, where I was taught the basics of investing.

I believe that inflation is "killing" everyone, so if you do not invest, your savings will be eroded.

I bought my first share – Genting perpetual bonds with a coupon rate of 5.125 per cent – in 2010 when I was 19 and got hooked instantly at the capital appreciation and dividends. Soon I began shifting to STI blue-chip stocks like Keppel and DBS, and never looked back.

I also dabbled in trading (forex) then and was lucky enough to build a sizeable portfolio because of quantitative easing back then during my SMU days.

Q *Describe your investing strategy.*

A I consider myself a high-risk taker. Since my time horizon is long, I believe I can be aggressive with my investing strategy as long

as my risks are properly managed.

An analogy would be seeing the stock market as a battlefield and cash as your troops. You always need to do proper research before sending your troops to unknown territory (such as penny stocks, China stocks), or else you are bound to pay the price.

My late father taught me to buy blue chips and hold them for the long term. Hence I look out for monopoly stocks to buy and hold. Most of the profits I have made from investing are from being patient and holding rather than short-term buying and selling.

Q *What's in your portfolio?*

A Stock-wise, my portfolio is about 40 per cent growth stocks and 60 per cent blue chips. My stocks include Singapore Post and Sheng Siong Group.

Besides The Kettle Gourmet, I have several micro investments in small start-ups. I also have an end goal of building an F&B conglomerate so I am always on the lookout for good F&B firms to invest in.

I have adequate insurance coverage in place, such as life policies, early-stage critical illness policy and hospitalisation integrated plans with full riders.

Returns-wise, it is hard to give a number because of my diversified portfolio and active asset allocation. For example, I was one of the lucky speculators who made a few hundred-fold capital appreciation during the bitcoin craze, skewing the returns of my overall portfolio.

Q *What are your immediate investment plans?*

A Stock-wise, as I grow older, I plan to move towards blue chips. It is the slow and steady one that really makes you money when you hold on to it.

Business-wise, I am doing the start-up groundwork for The Nutkins, tasting new flavours and testing the market. Its scheduled launch date is next month. I am also in the midst of developing a chilli sauce in Vietnam and will be focusing on that as my next product.

I believe the Vietnam market has lots of arbitrage opportunities for business and I will be spending some time there.

Q *How are you planning for retirement?*

A I am lucky and grateful to be living out my passion every day and I consider managing this business and seeing it grow to be my dream lifestyle.

For this reason, I do not have a retirement plan per se.

However, as I grow older, I intend to continue my "venture builder" lifestyle for a few years – managing and building businesses before slowly shifting to doing what a venture capitalist would do, that is, buying and selling businesses.

Q *Home is now...*

A I am living with my mother and siblings in a freehold, semi-detached house in Kembangan.

Q *I drive...*

A I do not own a car and I take public transport and Grab if there are promo codes.

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