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## **Providing a Netflix for cars**

Carro co-founder invests only in what he has a good grasp of, like technology and engineering  
BY SUE-ANN TAN



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The huge success of subscription-based services like Netflix prompted entrepreneur Kelvin Chng to hit the road with his own car-based concept.

Mr Chng, 33, is the co-founder of Carro, which allows subscribers to select a plan and drive off with a car without needing to worry about annual depreciation and unexpected expenses such as repairs and insurance premiums.

He says: "Customers can pay a flat monthly fee that includes all costs associated with car ownership and, for added peace of mind, at the end of the term, customers can return the car with no questions asked about minor wear and tear, dents and scratches."

Carro - the "Netflix for cars", in Mr Chng's words - was started over three years ago and broke even within its first year of operation.

It now transacts around 2,000 cars a month with 300 or so staff across Singapore, Thailand and Indonesia.

Mr Chng says: "I have always wanted to use my skills for the greater good by serving a wider population of users."

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"At that time, we noticed that the car ecosystem was extremely fragmented and plagued with problems, from buying and selling to maintaining and even financing the vehicles.

"We wanted to utilise our know-how in technology to uplift this industry and bring it into the current era."

Worst and best bets

Q What has been your biggest investment mistake?

A I lost about 10 to 15 per cent of my portfolio during the 2015-2016 China stock crash. I felt quite bullish about the uptake of China's technology firms then and was caught when the market went south overnight.

I learnt then that things can get ugly pretty quickly, especially when they look like they are going well. One must be really disciplined to cut losses, even when it is hard to do so. If you hold onto a falling knife, you end up hurting yourself more.

Q And your best investment?

A I made a fairly decent amount during the Micron run-up over the past two years.

Micron's stock had a good bull run during the period that I was invested in it. I made 200 per cent returns from the initial investment I put in. The rewards were not surprising since I did some research before investing in it.

The key learning point I took away was to be very thorough with the research. As compared with the Chinese stocks that I was holding, I put a lot more time into the US market and that showed clearly in the drastic difference in the profits and losses in each case.

Sue-Ann Tan

He is looking to expand further by entering more cities and offering additional services.

Cars are not Mr Chng's only field of enterprise. He is also dabbling in a very different business - infant clothing distribution and e-commerce.

"My wife and I started this business as a hobby when we graduated almost seven years ago," he says.

"At that time, she spotted an opportunity for providing premium, high-quality infant wear that is fully organic.

"Many of the materials that are currently in use are laden with chemicals and she wanted to provide an alternative for parents who prefer a safer approach for sensitive babies, especially those with skin irritation or issues like eczema."

This business in infant clothes, called Little Suite, has since grown into an e-commerce store and distributor of multiple products ranging from organic clothing to baby loungers and pacifiers.

"She continues to source for safe and responsibly manufactured products to be stocked. Revenue-wise, we are in the hundreds of thousand range per year," he adds.

Mr Chng obtained his master's in information technology from Carnegie Mellon University in Pittsburgh in 2011, concurrently with his bachelor of information systems degree from

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Singapore Management University. Before that, he was with Ngee Ann Polytechnic pursuing computer engineering.

He is married to a 30-year-old Singaporean who works in digital marketing.

Q What's in your portfolio?

A I have a mix of stocks, mostly in the American technology and semiconductor sector, such as Applied Materials, Micron and Microsoft.

With more of the world going online, there will definitely be more of a need for chips and DRAMS (a type of semiconductor memory used in digital electronics).

It is fortunate that we in South-east Asia are well-positioned to see how the issues with the United States and China play out. We sit in the middle of the information flow and it gives us a very good understanding and comprehension of how markets are trending and shifting.

I also have some money in long-term investment funds set aside for longer-term goals, such as retirement. Being in a start-up is high risk and it is always good to have some risk diversification. I use a fund called Zurich, which helps manage my long-term investments.

I hold about 65 per cent in equities, 20 per cent in funds and another 10 to 15 per cent in cash so I can take up opportunities if they present themselves.

Equities provided an average annual return of about 10 to 12 per cent of the portfolio, while funds gave me returns of about 4 per cent to 8 per cent.

Q What are your immediate investment plans?

A I am looking into investing in overseas properties at the moment, but I still need to do more homework on it.

Q How did you get interested in investing?

A My belief since I was much younger is that every use of the time and resources you have at your disposal should be invested into making yourself richer - not just financially, but in everything you do. Naturally, investing is very much a big part of that.

Q Describe your investing strategy.

A I will invest only in things I have a good grasp of, such as in technology and engineering-related fields.

If you do not know the underlying asset or thing you are investing in, that's a gamble. When gambling, you might get lucky once or twice but the more sensible way is to make sure every bit of your investment counts.

Q What else is in your financial plan?

A I have the usual coverage for life insurance and health insurance to protect my family against anything untoward. I have no children yet, but I will look towards adding more to my financial plan as my commitment increases.

Q How are you planning for retirement?

A I haven't really planned for retirement in the normal sense, as I still have a long way to go.

Furthermore, I don't look at retirement in the usual manner. I would probably not voluntarily stop working or stop making good use of my time, hence retirement to me is probably the day

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when I stop working to make myself richer financially and start giving my time to make myself mentally richer in other ways like teaching or mentoring.

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

A Both my parents are long-time employees of banks. My father has retired and my mother will soon as well.

Q What was your family lifestyle?

A We are pretty no-frills and grew up the same way most Singaporeans my age did, with meals at hawker centres, strolls in the parks and games at the basketball courts. My family has always been close and, more often than not, it's the company, not the venue, that matters.

I used to tell my younger staff that the amount of money we can make in a lifetime is probably quite finite for most of us. Any amount that they spend or waste now means less in resources that they can use to make their future life better.

Q What does money mean to you?

A Money is an enabler for me, it enables you to live and experience things very differently in life. You don't need a lot of it, but every bit you have should count.

Q Home is now ...

A I just got a new place in Sengkang. It is an executive condominium, about 100 sq m (1,076 sq ft), with three bedrooms.

Q I drive ...

A I drive a grey car from the BMW 3 Series.