



## Me & My Money

Mr Davies Teo wants his money to work harder to generate more passive income, fund more charitable work and improve lives. **B12**



Mr Davies Teo (seated) with his siblings (from left) Shirley, Richard and Cheryl. As chief executive of E-Tech Building Services, Mr Davies Teo aims to grow the business in the next few years and expand its offerings, like working in partnership with manufacturers to bring in the building monitoring system with sophisticated state-of-the-art technology for the facilities management industry. ST PHOTO: LIN ZHAOWEI

### Me&MyProperty

# Turning troubled firm into a thriving business

Businessman and siblings grew dad's building services firm into one with \$10m yearly revenue



**Lorna Tan**  
Invest Editor

When businessman Davies Teo and his two siblings took over their father's building services firm in 2000, it looked like they had landed on a sinking ship.

The company was turning over just \$300,000 a year and losing money.

Mr Teo was in his early 20s at the time and faced a dauntingly steep learning curve after his father left Singapore to venture into businesses in the Philippines, leaving his three children to make good here.

Mr Teo, now 43, and brother Richard, 42 chipped in as technicians while Shirley, 44, handled the accounts.

The three siblings went without pay for three years, drawing only a paltry monthly allowance of \$300 each.

Four years later, E-Tech Building Services broke even and began to make money. It has been thriving ever since: The firm of 150 full-time employees racked up revenue of \$10 million in the 12 months to June 20 this year.

E-Tech was set up in 1990 with start-up capital of \$100,000 by Mr Teo's father, Victor. Its range of services has since grown to include mechanical and electrical (M&E) engineering, fire protection, air-conditioning systems, roof waterproofing, and lighting and plumbing works.

The family also operates other business like restaurants, student hostels and cleaning services in Singapore, while Mr Teo's father has interests in petrol stations, motels,

grocery shops and restaurants in the Philippines. Mr Teo's youngest sister Cheryl, 40, is a director at food and beverage firm Mizu Enterprise, which sells local delicacies and assorted teas and drinks.

Mr Teo obtained a diploma in electrical and electronic engineering from Singapore Polytechnic in 1996. He is married to housewife Sharon Yee, 37, and they have two daughters - Vernice, 11 and Kerryn, nine.

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

**A** Where E-Tech's M&E business is concerned, I am always willing to invest good money to build up a strong foundation. I will not cut corners as this will impact the long-term success of my company and affect its reputation. To me, the brand equity of an organisation is of paramount importance and should not be compromised. I will fiercely pursue a business opportunity if I see there is investment value in it.

My sister Shirley is the saver and controls the purse strings of the family's businesses. As my sister has strong business acumen, I will consult her on major business ventures where there are heavy financial investments to be made.

**Q What's the next stage of growth for your businesses?**

**A** Apart from E-Tech Building services, our businesses include cleaning services, restaurants and student hostels, which we are building for growth.

We plan to expand into the region and we have started negotiating with some foreign investors.

**Q What's in your portfolio?**

**A** Most of my financial investments were made in the last few years when E-Tech grew substantially in size and sales volume. Today, we employ some 150 full-time management and staff. Revenue grew from a mere \$300,000 when I took over the company in 2000 to almost \$10 million last year.

My personal bankers recommended and structured some investment instruments to suit my risk appetite. However, most of my monies are invested in my family businesses.

As substantial shareholders, my siblings and I have pumped in at least \$5 million (from our dividends and retained earnings) over the years to buoy E-Tech and diversify into other money-making businesses.

We are looking around for new areas to invest in, like properties.

In 2016, my brother and I each bought a condo at Coco Palms, and my sister Shirley bought a \$3.5 million landed property in September.

We also bought a \$2 million retail shop space at City Gate Mall in Beach Road.

Going forward, we would be considering investing in industrial or office space to house our businesses and for rental yield, which can generate attractive passive monthly returns.

**Q What are your immediate investment plans?**

**A** As CEO of E-Tech, I aim to grow my business in the next few years and expand my offerings in this sphere, like working in partnership with manufacturers to bring in the building monitoring system with sophisticated state-of-the-art technology for the facilities management industry.

E-Tech aims to be a fully integrated one-stop shop in line with Singapore's aim to be a "Smart Nation".

We are in the midst of talking to some foreign investors to expand the company into regional markets. In the next phase of growth, we are aiming to enter South-east Asia like Vietnam, Cambodia and Thailand. An IPO (initial public offering) listing is also an alluring business goal in a few years' time.

Efforts will also be made to grow our cleaning services business as it is in synergistic alliance with our M&E business. We are also actively looking at reviving our student hostel accommodation business, which we stopped when leases of both projects in Telok Kurau and Lorong Buangkok expired.

### Worst and best bets

**Q What has been your biggest investing mistake?**

**A** In our enthusiasm in diversifying our businesses, we over-expanded our restaurant business between 2011 and 2013 and chalked up a loss of nearly \$500,000. We took on a very large space in a major downtown shopping mall and operated our fine dining restaurant brand Chang Feng Ji.

The high rental, staff problems and weak sales drained our financial and management resources. The early termination of the lease due to a major refurbishing programme by the landlord also added to our woes. We folded the business and operated our other restaurant brands, Alliance Food and Mizu, in other less fancy locations.

Having learnt a painful lesson, we are mindful of the potential pitfalls and will be more prepared the next time round. We are still hopeful and are scouting for a suitable venue to revive Chang Feng Ji.

**Q And your best investment?**

**A** Apart from my property investments, my best investment to date is E-Tech Building Services. Since I took over with my siblings, the company has grown by leaps and bounds and we are aiming to hit \$12 million sales turnover this financial year. We have also started talking to foreign investors to take a stake in our company so that we can grow at an accelerated speed.

Lorna Tan

### MOTIVATION

**My philosophy in life is 'work hard and play later'. To me, money is always important but I also constantly tell myself that it is not the ultimate. Still, I must ensure that I am always well provided for... And it is precisely for this reason that I am giving E-Tech my everything.**



MR DAVIES TEO, chief executive officer of E-Tech Building Services.

**Q How did you get interested in investing?**

**A** I got interested in investing (in my companies particularly) when I realised that I can do so much more for others. Apart from employment opportunities, I can help them build

better place to live in. Not just for your generation but also for future generations.

**Q Describe your investing strategy.**

**A** I have lots of guts when it comes to sniffing out business opportunities and making quick and hard decisions. Once I sense a reasonably lucrative investment opportunity, I will pursue it furiously and with great passion.

To me, speed is of the essence and I will quickly assemble my siblings and top management team to deliberate on the viability of the investment deal. Once my mind is made up, there is no turning back, even if there is a certain degree of risk involved. To strike a balance, I do gather market intelligence information from industry players and consult experts and bankers for added confidence.

**Q What else is in your financial plan?**

**A** I have a portfolio of insurance (life and investment) policies amounting to about \$2 million. My monthly insurance premium totals about \$2,000 and they include cover for my children's education, major illness and whole life insurance.

**Q How are you planning for retirement?**

**A** I don't believe in retiring as I enjoy keeping busy and active and meeting people. I am still young and will continue to work and grow my business. But I will make it a point to take my family for a good holiday at least twice a year and bond with my children - something I missed out on when I was a child. My mother sometimes joins us for these outings.

My philosophy in life is "work hard and play later". To me, money is always important but I also constantly tell myself that it is not the ultimate. Still, I must ensure that I am always well provided for in any eventuality. And it is precisely for this reason that I am giving E-Tech my everything. Right now, my whole life revolves around the company.

**Q Home is now...**

**A** I live with my wife and two daughters in a 1,400 sq ft, 99-year leasehold four-bedroom condominium at Coco Palms in Pasir Ris. I bought this seventh-floor unit last year for \$1.5 million. Prior to this, I had a five-room HDB flat in Tampines.

**Q I drive...**

**A** A white Range Rover Evoque. I bought it as a little reward for myself. Each time I get into my car, I feel a sense of pride and comfort that I have done well after all those years of hard work. This car also inspires me to work even harder and do greater things in life.

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