

# LUM CHANG CREATIONS | SGX: LCC

## High margin play on SG real estate upcycle

Following its fast-tracked upgrade from the SGX Catalist board to the SGX Mainboard on 16 July because of an exceptional margin-led profit surge in 1H26, **LCC's order book has grown to a healthy S\$141.7mil** as the urban revitalisation specialist **won orders in diversified construction segments** such as a new MRT station.

Compared with the year earlier figure of S\$112.8mil (30 June 2025), the order book is **26% bigger and shorter dated** and at ~1.4x FY26 revenue versus about 1.0x a year earlier, will support **both FY27 revenue** above FY26's S\$101.6mil and sustain FY27 **gross margins > 30%**.

**BCA data points to a healthy backdrop for LCC in FY27. Certified payments**, a proxy for construction output, **rose 7.5% in 2Q and 12.5% in July**, after a 20.6% surge in 1Q, **ahead of BCA's 2026 output forecast of S\$43–46bn. That is steady revenue conversion across the industry in 2026. Contracts awarded**, a proxy for future output, **rose 37.8% in 2Q**.

While **FY28 depends on LCC winning replacement contracts** in a niche where the latest public-sector award data is weak, construction is a big S\$50 bn industry in Singapore and there's always a lot of projects up for tender such as **the pipeline of 57 new MRT stations (estimated TAM of S\$888mil for 2026-29 or 6x LCC's order book)**.

At S\$0.30 the stock trades on **10.3x FY27F PE**, and the **generous payout ratio of 65%** in FY26 is well above the 30% commitment made at IPO.

**We initiate coverage of LCC with a BUY and target price of S\$0.36, 20% above the current S\$0.30.** At the current share price of S\$0.30, the dividend yield is 7.5%. Key risks are margin sustainability: LCC's 35% + gross margin in FY26 is high for the construction industry though RHTC sees it staying > 30% in FY27.

### BUY

Current Price: \$ 0.30  
Target Price: \$ 0.36  
Upside: + 20%

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Mkt cap: S\$198 mil  
[S\$0.30 20-October-26]

Target Price: S\$0.36

30-day ADTV: 0.457 mil

Singapore

Capital Goods - Construction  
& Engineering [201030]

| LCC Forecast<br>S\$ mil | 6/25  | 6/26  | 6/27F | 6/28F | Industry<br>Valuation | 2027F<br>P/E (x) | 2027F<br>PEG | 2027F<br>DY(%) |
|-------------------------|-------|-------|-------|-------|-----------------------|------------------|--------------|----------------|
| Revenue                 | 113.6 | 101.6 | 105.5 | 101.9 | LCC                   | 10.3             | n.m.         | 6.3            |
| EBIT                    | 16.2  | 27.6  | 23.5  | 18.9  | Huatong Global        | 4.6              | n.a.         | 2.2            |
| Net Att Profit          | 12.9  | 22.3  | 19.2  | 15.6  | Soilbuild             | 4.2              | n.a.         | 6.4            |
| EPS (S\$ cts)           | 2.31  | 3.55  | 2.90  | 2.36  | Construction          |                  |              |                |
| P/E (x)                 | 13.0  | 8.5   | 10.3  | 12.7  | Peer Average          | 4.4              | n.a.         | 4.3            |
| PEG (x)                 | 0.08  | 0.16  | n.m.  | n.m.  | % LCC / Avg.          | +135%            | n.a.         | +2.0ppt        |
| ROAE (%)                | 68.0  | 60.4  | 35.7  | 26.4  | STI                   | 18.0             | 1.74         | 4.1            |
| Div Yield (%)           | 3.7   | 7.5   | 6.3   | 5.1   | % LCC / STI           | -43%             | n.m.         | +2.2ppt        |
| FCF Yield (%)           | 10.4  | 5.6   | 12.1  | 8.4   |                       |                  |              |                |
| Gearing - D/E (%)       | 5.5   | 3.1   | 3.1   | 1.9   |                       |                  |              |                |
| - D/TA (%)              | 1.9   | 1.9   | 1.9   | 1.2   |                       |                  |              |                |
| Intrinsic Value         |       |       |       | 0.36  |                       |                  |              |                |
| % Upside                |       |       |       | 20%   |                       |                  |              |                |

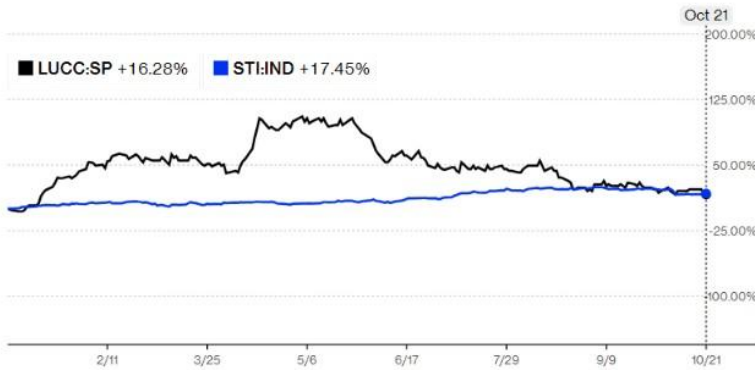
DY = Dividend Yield, Source = RHTC, BBG



# BUY

Price \$0.30

20-Oct-26



## Ratios & Valuations

| Jun-yr end         | FY2023 | FY2024 | FY2025 | FY2026 | FY2027F | FY2028F |
|--------------------|--------|--------|--------|--------|---------|---------|
| PE(x)              |        | 35.7   | 13.0   | 8.5    | 10.3    | 12.7    |
| PE/G               |        | n.a.   | 0.1    | 0.2    | n.m.    | n.m.    |
| Intrinsic value    |        |        |        |        | \$0.36  |         |
| (potential upside) |        |        |        |        | 20%     |         |
| Mkt Cap/Sales (x)  |        | 3.36   | 1.74   | 1.95   | 1.88    | 1.94    |
| Div Yield (%)      |        | 0.7%   | 3.7%   | 7.5%   | 6.3%    | 5.1%    |
| FCF Yield (%)      |        | 4.8%   | 10.4%  | 5.6%   | 12.1%   | 8.4%    |
| P/BVPS             |        | n.a.   | 7.89   | 4.12   | 3.68    | 3.42    |
| ROAE (%)           |        | 37.2%  | 68.0%  | 60.4%  | 35.7%   | 26.4%   |
| ROAA (%)           |        | 16.2%  | 26.8%  | 29.8%  | 22.0%   | 16.6%   |

## Growth & Margins

| %              | FY24/23 | FY25/24 | FY26/25 | FY27F/26 | FY28F/27 |
|----------------|---------|---------|---------|----------|----------|
| Revenue growth |         | 92.5%   | (10.5%) | 3.8%     | (3.4%)   |
| PBT growth     |         | 143.3%  | 70.2%   | (14.5%)  | (18.7%)  |
| EPS growth     |         | 175.0%  | 53.7%   | (18.2%)  | (18.7%)  |
| DPS growth     |         | 450.0%  | 104.5%  | (16.2%)  | (18.7%)  |
| FCF growth     |         | 118.4%  | (45.8%) | 114.1%   | (30.6%)  |
| Asset growth   |         | 129.8%  | 22.3%   | 11.9%    | 4.1%     |
|                | FY2024  | FY2025  | FY2026  | FY2027F  | FY2028F  |
| Op margin      | 11.3%   | 14.2%   | 27.2%   | 22.2%    | 18.6%    |
| Net margin     | 8.0%    | 11.4%   | 21.9%   | 18.2%    | 15.3%    |
| FCF margin     | 16.0%   | 18.1%   | 11.0%   | 22.7%    | 16.3%    |

Source: LCC ARs, RHTC estimates.

## Income Statement (\$'000)

| Jun yr end ('000)       | FY2024   | FY2025   | FY2026   | FY2027F  | FY2028F  |
|-------------------------|----------|----------|----------|----------|----------|
| Revenue                 | 58,973   | 113,550  | 101,573  | 105,453  | 101,886  |
| Cost of goods sold      | (48,321) | (91,169) | (65,531) | (72,851) | (73,290) |
| Gross profit            | 10,652   | 22,381   | 36,042   | 32,602   | 28,596   |
| SG&A                    | (4,003)  | (6,205)  | (8,464)  | (9,141)  | (9,690)  |
| EBIT                    | 6,649    | 16,176   | 27,578   | 23,461   | 18,906   |
| Interest expense        | (12)     | (58)     | (153)    | (161)    | (169)    |
| Others                  | 146      | 386      | 659      | 718      | 783      |
| Pre-tax profit          | 6,783    | 16,504   | 28,084   | 24,019   | 19,521   |
| Tax                     | (1,150)  | (3,012)  | (5,194)  | (4,323)  | (3,514)  |
| Tax rate                | 17.0%    | 18.3%    | 18.5%    | 18.0%    | 18.0%    |
| Net profit              | 5,633    | 13,492   | 22,890   | 19,695   | 16,007   |
| Minority Interests      | (910)    | (581)    | (628)    | (540)    | (439)    |
| Net Attributable Profit | 4,723    | 12,911   | 22,262   | 19,155   | 15,568   |
| less dividends paid     | (1,255)  | (5,000)  | (14,805) | (12,451) | (10,119) |
| Retained Earnings       | 3,468    | 7,911    | 7,457    | 6,704    | 5,449    |

## Top shareholders (Est Free Float 25.8%)

| Beneficial owner                 | Total shares | Est % o/s shrs |
|----------------------------------|--------------|----------------|
| Lum Chang Holdings Limited       | 423,400,000  | 64.15%         |
| Lim Thiam Hooi                   | 66,600,000   | 10.09%         |
| Sub-total                        | 490,000,000  | 74.24%         |
| Implied free float (660m shares) |              | 25.76%         |

## LCC Per Share

| Per Share Data    | FY2024 | FY2025 | FY2026 | FY2027F | FY2028F |
|-------------------|--------|--------|--------|---------|---------|
| EPS S\$ cents     | 0.84   | 2.31   | 3.55   | 2.90    | 2.36    |
| DPS S\$ cents     | 0.20   | 1.10   | 2.25   | 1.89    | 1.53    |
| payout            | 23.8%  | 47.6%  | 63.4%  | 65.0%   | 65.0%   |
| Wt avg sh o/s mil | 560.0  | 560.0  | 626.4  | 660.0   | 660.0   |
| BVPS S\$ cents    | n.a.   | 3.80   | 7.29   | 8.15    | 8.77    |

## Balance Sheet (\$'000)

| Jun yr end ('000)                | FY2024 | FY2025 | FY2026 | FY2027F | FY2028F |
|----------------------------------|--------|--------|--------|---------|---------|
| Cash & ST investments            | 11,483 | 27,045 | 33,605 | 52,756  | 57,001  |
| Accounts receivable              | 8,225  | 20,840 | 24,267 | 18,982  | 18,340  |
| Contract assets                  | 5,035  | 9,369  | 15,539 | 8,964   | 8,660   |
| Other current assets             | 206    | 360    | 306    | 240     | 200     |
| Total current assets             | 24,949 | 57,614 | 73,717 | 80,941  | 84,201  |
| Net PP&E                         | 1,168  | 4,521  | 3,981  | 5,661   | 6,344   |
| Deferred income tax assets       | 107    | 632    | 632    | 632     | 632     |
| Trade & other receivables (NC)   | 3,014  | 4,386  | 3,803  | 4,640   | 4,483   |
| Other LT assets                  | 0      | 28     | 28     | 28      | 28      |
| Total non-current assets         | 4,289  | 9,567  | 8,444  | 10,961  | 11,487  |
| Total assets                     | 29,238 | 67,181 | 82,161 | 91,902  | 95,688  |
| Accounts payable                 | 7,905  | 22,642 | 16,721 | 13,113  | 13,192  |
| ST debt & current lease          | 220    | 329    | 393    | 440     | 400     |
| Contract liab., provisions & tax | 4,966  | 17,721 | 11,879 | 16,970  | 16,691  |
| Total current liabilities        | 13,091 | 40,692 | 28,993 | 30,524  | 30,284  |
| LT debt & lease                  | 574    | 952    | 1,191  | 1,330   | 770     |
| Trade & other payables (NC)      | 821    | 2,296  | 1,487  | 3,351   | 3,371   |
| Total non-current liabilities    | 1,395  | 3,248  | 2,678  | 4,681   | 4,141   |
| Equity                           | 14,752 | 23,241 | 50,490 | 56,697  | 61,263  |
| Total liabilities & equity       | 29,238 | 67,181 | 82,161 | 91,902  | 95,688  |

## Cash Flow (\$'000)

| Jun yr end ('000)             | FY2024  | FY2025  | FY2026   | FY2027F  | FY2028F  |
|-------------------------------|---------|---------|----------|----------|----------|
| CF operating                  | 7,057   | 16,837  | 28,956   | 25,219   | 20,661   |
| Net change working capital    | 3,482   | 6,798   | (12,181) | 4,581    | 962      |
| Others                        | (1,024) | (1,029) | (3,591)  | (4,323)  | (3,514)  |
| CF from operations            | 9,515   | 22,606  | 13,184   | 25,476   | 18,109   |
| Capital expenditure           | (83)    | (2,005) | (2,026)  | (1,582)  | (1,528)  |
| Acquisitions/(divestures)     | 0       | (39)    | 0        | 0        | 0        |
| Others                        | 83      | 318     | 2,476    | 0        | 0        |
| CF from investing             | 0       | (1,726) | 450      | (1,582)  | (1,528)  |
| Dividends paid                | (1,255) | (5,000) | (14,805) | (13,488) | (11,262) |
| Share issue/(repurchased)     | (245)   | 18      | 9,370    | 9,857    | (179)    |
| Debt & lease changes          | (244)   | (354)   | (1,703)  | (1,112)  | (895)    |
| CF from financing             | (1,744) | (5,336) | (7,138)  | (4,743)  | (12,336) |
| Net CF                        | 7,771   | 15,544  | 6,496    | 19,151   | 4,245    |
| Free CF                       | 9,432   | 20,601  | 11,158   | 23,894   | 16,581   |
| FCF per share (basic) S\$ cts |         |         |          |          |          |
| Beginning cash                | 3,713   | 11,483  | 27,045   | 33,605   | 52,756   |
| FX impact                     | (1)     | 18      | 64       | 0        | 0        |
| End cash                      | 11,483  | 27,045  | 33,605   | 52,756   | 57,001   |

# 1. EXECUTIVE SUMMARY

We initiate coverage of Lum Chang Creations (LCC) following a meeting with Managing Director Lim Thiam Hooi on the company's strategy, outlook and market positioning. LCC is a specialist interior fit-out, conservation, restoration and A&A contractor, spun off from construction giant Lum Chang Holdings (LCH) and listed on the SGX Catalist board in July 2025 before moving to the SGX Mainboard in July 2026 in record time following its exceptional 1H26 performance of a margin-led profit surge to S\$11.2 mil. The performance triggered the company's inclusion into the prestigious MSCI Global Micro Cap Index (Singapore Index) in February 2026.

LCC's strategy has two arms: (1) take its conservation and fit-out capabilities into adjacent, higher-value Singapore segments such as GCBs, and (2) build a regional foothold, starting with Malaysia, which has a similar architectural heritage as Singapore in terms of conservation shophouses and gazetted colonial-era buildings although margins may differ. The company carries substantial structural momentum into FY27 and FY28 and is well-positioned to maintain its industry-leading gross margin of >30% in FY27. As at 25 August 2026, the group had a solid order book of approximately S\$141.7 mil. This includes a newly secured S\$32.9 mil architectural and associated sub-contract works for Teck Ghee MRT Station and the underground structure for part of the North-South Corridor Tunnel, which extends revenue visibility through FY29 and into FY30 (July 2029). This is an important win for the company given the massive pipeline of 57 new MRT stations that will be built between 2026 and the late 2030s.

LCC's stellar 1H26 performance continued in 2H with full-year FY26 net profit rising 70% to S\$22.9 mil with S\$22.3 mil attributable to shareholders. Implied 2H gross margin was 37.7%, even higher than in 1H. Cash was S\$33.6 mil at year-end (June). Shareholders were well rewarded. The total FY26 payout ratio was 65%, well above the 30% commitment made at IPO.

We expect LCC to benefit in FY27 from BCA certified payments for January-July running ahead of BCA's 2026 output forecast (+13.6% yoy), although contracts awarded are only 2.5% higher, broadly in line with BCA's January forecast of 2026 construction demand flatlining at around the 2025 level of S\$50.5 bn. Our fiscal-year demand index, built on BCA's ranges, is deliberately conservative: it falls 8.0% in FY27 and 8.1% in FY28, and we apply that decline to new-order growth (Fig 5-1). Our FY27 revenue forecast of S\$105.5 mil therefore rests on the larger opening order book and faster conversion, not on market growth (see Sections 3-1 and 5-1). The higher construction demand in 2026 is already being reflected in LCC's order book which rose 26% to S\$141.7 mil as of 25 August 2026, from S\$112.8 mil on 30 June 2025. It is also shorter dated and equals 1.4x FY26 revenue, compared with about 1.0x a year earlier. This supports our FY27 revenue forecast of S\$105.5 mil versus S\$101.6 mil in FY26.

Margins remain the key profit variable, with our FY27 forecast assuming net profit declines by 14% on the back of lower but still superior margins for the construction industry of ~31%. This is because LCC management has said that they expect the 30 June backlog to be recognised within three months to two years, compared to 6 months to three years previously implying faster conversion in FY27, which is margin supportive, but replenishment is needed sooner hence our slightly more conservative outlook. Each point of margin is worth S\$0.85mil of profit. The share count rising to 660 mil shares also pulls down EPS by about 5% beyond the profit fall.

RHTC estimates that LCC secured about S\$74 mil of new orders between December 2025 and August 2026, including the S\$32.9mil Teck Ghee MRT contract which covers architectural and subcontract works from July 2026 to July 2029, roughly S\$11 mil a year. The estimate is derived from the S\$132 mil December 2025 backlog and approximately S\$64 mil of revenue recognised since then. The backlog is concentrated in large contracts. Since November 2025, LCC has announced three awards of about S\$32 mil each: the Registries of Civil & Muslim Marriages Building (public), an Orchard Road church (institutional), and Teck Ghee MRT (public) illustrating LCC's versatility across different construction segments. Some work under these contracts has already been completed.

**Figure 1-1: Order Book and Contracts**

|                                                 | S\$'000 (unless otherwise stated) |
|-------------------------------------------------|-----------------------------------|
| Order Book as at 25 August                      | 141,700                           |
| Order Book / FY26 Revenue                       | 1.40x                             |
| Registries of Civil & Muslim Marriages Building | 31,900                            |
| Orchard Road Presbyterian Church                | 31,500                            |
| Covenant Evangelical Free Church                | 21,700                            |
| Teck Ghee Station                               | 32,900                            |
| Named Contracts / Order Book                    | 83.3%                             |

Source: LCC, BCA.

**Initiate coverage on LCC with a BUY recommendation and TP of S\$0.36 (potential +20% upside).** Our exit strategy of 36cts implies exit dividend yield at 5.3% or in PE terms at 12.4x (FY27F) to 15.2x (FY28F). LCC remains a good medium-term trade with limited downside due to its high current dividend yield of 6.3% FY27F.

**Risks to LCC's assumptions.** The biggest risk is gross margin normalisation leading to substantial earnings contraction in FY28F and potential downside on dividends. Gross margin in FY26 was 35.5% up from 19.7% in FY25 and 18.1% in FY24. We assume 30.9% in FY27. Each percentage point of margin is worth about S\$0.85 mil of profit in FY27.

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## 2. OVERVIEW

Founded in 2018, Lum Chang Creations (LCC) is the urban revitalisation arm of Mainboard-listed Lum Chang Holdings (LCH). Through Lum Chang Interior, Lum Chang Decor and Lum Chang Brandsbridge, it undertakes conservation and restoration, interior fit-out, and additions and alterations (A&A) work. LCC was spun off from LCH and listed on Catalist in July 2025 before moving to the SGX Mainboard in July 2026. Its strategy has two arms: (1) take its conservation and fit-out capabilities into adjacent, higher-value Singapore segments, and (2) build a regional foothold, starting with Malaysia. Revenue increased 8.1x from S\$14.0 mil in FY22 to S\$113.6 mil in FY25.

### **IPO and Ownership**

LCC's July 2025 IPO was priced at S\$0.25 per share and comprised 35 mil new shares and 14 mil vendor shares. The public tranche was 47.3 times oversubscribed. With 315 mil shares outstanding, the company had an implied market capitalisation of approximately S\$78.75 mil.

Following the IPO, Lum Chang Holdings owned 71.1% of LCC, managing director Lim Thiam Hooi held 13.3%, and the public held 15.6%. The board also stated its intention to distribute at least 30% of profit as dividends for FY25 and FY26.

### **Subsequent Capital Actions**

A placement of 15 mil new shares and 20 mil vendor shares at S\$0.759 was completed on 30 June 2026. Net proceeds to LCC was S\$10.8 mil. A one-for-one bonus issue on 10 July doubled the share count to 660 mil, and Mainboard trading began on 16 July.

### **Share Price and Valuation**

LCC opened at S\$0.30 on its debut and reached S\$1.02 by late February 2026. The share price later declined to about S\$0.76 by the placement. On a post-bonus basis, it traded at S\$0.38 in July and was approximately S\$0.31 in early October. Adjusted for the bonus issue, the IPO price was S\$0.125. A price of S\$0.31 therefore represents roughly 2.5 times the adjusted IPO price and is about 40% below the adjusted peak of approximately S\$0.51. At S\$0.31, FY2026 EPS of S\$0.0355 implies a trailing P/E of approximately 8.7x, while the S\$0.0225 dividend implies a yield of about 7.3%.

Factors supporting the share price outlook for LCC include BCA contracts awarded, a proxy for future construction demand, up a market beating 37.8% in 2Q (although July fell 52.6% and January–July is up only 2.5%), and URA's push for adaptive reuse of heritage buildings which requires specialised artisan skills.

## 2-1 Singapore: Where LCC can take Market Share

LCC has built its reputation in work on gazetted monuments and retail fit-outs. Its asset-light model and specialist artisan capabilities also position it credibly for several adjacent segments. We rank these segments by the strength of the evidence to date and the scale of the broader market.

**Figure 2-1: Singapore: Where LCC can take Market Share**

| Segment                             | Demand driver                                                                                  | LCC's right to win                                                                             | Evidence to date                                                                                                            | Our view                        |
|-------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Healthcare & institutional fit-outs | Hospital retrofits; places of worship and civic buildings; strict fire, M&E and plumbing codes | Track record in complex, code-heavy A&A; government-tender licences (CR06 L5, CR03)            | S\$26.9m MOH community hospital retrofit (Bedok); two church contracts (S\$31.5m, S\$21.7m); Alexandra Hospital in pipeline | <b>Highest conviction</b>       |
| High-end residential / GCB A&A      | Strong GCB transaction values in 2025 despite softer broader market                            | Lum Chang Decor holds BCA General Builder Class 1; in-house joinery via Quintessential Builder | GCB projects cited in pipeline; typical contract S\$5–10m                                                                   | <b>High</b> , but small tickets |
| Hospitality fit-outs                | Rising room supply and visitor arrivals driving refurbishments                                 | Marriott Tang Plaza A&A; Cavan Road warehouse-to-hotel conversion                              | Ongoing projects; no large new award disclosed                                                                              | Medium                          |
| Green retrofits (ESG)               | Green Plan 2030; Green Mark standards; URA SDI scheme extension                                | Structural stabilisation and integrating modern services into old structures                   | No dedicated, green-retrofit award disclosed; driver sourced from a third-party filing                                      | Medium; needs a partner         |
| Modernist adaptive reuse            | URA identifying non-designated mid-century buildings for retention; fire-code upgrades         | Transfer of heritage techniques to 20th-century buildings                                      | Management commentary only                                                                                                  | Long-dated option               |

### Healthcare and institutional – entering an accelerated expansion phase

Healthcare and institutional fit-outs are LCC's most de-risked adjacency because fire-safety, plumbing and mechanical requirements create high barriers to entry.

LCC's S\$26.9 mil MOH retrofit contract for the Bedok community hospital, awarded in September 2024 (FY25), demonstrates its ability to execute complex, higher-margin work. FY26 wins at Orchard Road Presbyterian Church and Covenant Evangelical Free Church show that the same capability is transferable to other institutional clients.

Singapore's hospital infrastructure pipeline is entering an accelerated expansion phase. The Ministry of Health (MOH) is working to inject 13,600 new beds by 2030 to alleviate pressure on public hospitals. Under the newly rolled out Healthcare Facility Design Standards (HFDS) launched in 2025, future facilities will utilize standardized, modular frameworks to build hospitals significantly faster. Financially, Singapore's modern public healthcare developments average over S\$1mil per bed in construction costs. Mega-facilities range between S\$600 mil to over S\$1 bn based on complexity and layout.

**Figure 2-2: Upcoming Hospital Development Pipeline**

| Project/Facility                                 | Phase/Status                                 | Expected Opening                  | Projected Bed Capacity                |
|--------------------------------------------------|----------------------------------------------|-----------------------------------|---------------------------------------|
| SGH Emergency Medicine Building                  | Completion & commissioning phase             | 2026                              | ~150 beds                             |
| Sengkang General & Outram Community Hospital     | Ward conversions / capacity expansion        | 2026                              | +350 beds                             |
| SGH Elective Care Centre                         | Main building works underway                 | 2027                              | ~300 beds                             |
| Alexandra Hospital Redevelopment                 | Main construction commenced Dec 2025         | 2028-30                           | Part of 4,000 public bed ramp-up      |
| Eastern General Hospital (EGH) Campus            | Bedok North site construction                | 2029-30                           | ~1,400 beds                           |
| Tengah General and Community Hospital (TGCH)     | Main contract tender in progress             | Early 2030s (target 7-year build) | To fully adopt modular HFDS blocks    |
| New Eastern Private Acute Hospital               | Not-for-profit land tender launching H2 2026 | Early 2030s                       | 300 to 400 beds                       |
| National University Hospital (NUH) Redevelopment | Major long-term campus expansion             | 2033-38 (Two Phases)              | Replacing 1,200 beds + adding 300 new |

Source: MOH.

Financial benchmarks for healthcare real estate and asset retrofitting project major outlays across mechanical, electrical, and structural systems:

- **New Build Benchmarks (S\$600 mil – S\$1 bn+):** A standard 330-bed specialist hospital project demands approximately S\$603.7 mil in basic builder and M&E costs. A larger, standalone 746-bed community facility hits S\$721 mil, while massive comprehensive medical campuses like Woodlands Health touch S\$1 bn.
- **Infrastructure Asset Retrofitting (S\$350 mil):** Major private overhauls serve as excellent indicators for the cost of updating older operational hubs. The joint refurbishment of Mount Elizabeth Hospital Orchard ("Project Renaissance") costs S\$350 mil. This involves a comprehensive 3-year live retrofit to completely update mechanical, electrical, fire protection, and expanded emergency/treatment facilities without halting clinical workflows.

- Campus Advance Infrastructure Works (S\$82 mil): Early phase structural and engineering interventions—such as the contract awarded for Singapore General Hospital (SGH) Phase 2A—cost S\$82 million simply to lay down utility networks and ground links before main facility foundations are poured.

### High-end residential/GCBs – Estimated TAM of ~S\$130 mil per annum

LCC initially earmarked S\$2.0 mil of IPO proceeds for this high margin segment and later allocated a further S\$1.5 mil. It also incorporated Lum Chang Decor, whose BCA General Builder Class 1 licence allows it to undertake A&A works on large homes without relying on an external main contractor.

Quintessential Builder, now 51% owned, provides bespoke joinery, giving LCC greater control over finish quality and lead times.

The GCB market remains buoyant in 2026. However, headline GCB transactions, such as the record breaking S\$148 mil sale of a Peirce Road property, also reflect land and asset values rather than the contractor's addressable spend. Management has indicated typical project values of S\$5-10 mil; several GCB projects a year would therefore contribute a significant 15-30% share of LCC's approximately S\$100 mil revenue base. However, private homeowners also introduce scope-change and payment-concentration risks that are less prevalent with institutional clients.

When a GCB changes hands, the new owner typically executes either a full demolish-and-rebuild or an extensive refurbishment (Addition & Alteration - A&A), which is LCC's core skill. It is estimated that 30% to 40% of transacted GCBs undergo complete reconstruction. Roughly 50% to 60% of buyers choose extensive refurbishment if the structural integrity of the existing house is excellent, focusing instead on modernizing the mechanical, electrical, and plumbing (M&E) systems.

Approximately 15-16 GCBs changed hands in 1H26 at an estimated S\$612 mil or S\$39.5 mil per GCB. This is potentially worth S\$62 mil in new construction contracts for LCC at an estimated S\$7.5 mil per GCB rebuild and S\$2.5 mil for A&A assuming 30% to 40% undergo complete reconstruction and 50% to 60% undergo A&A or a TAM of S\$124 mil on an annualised basis.

**Figure 2-3: GCB Transactions Market Data, 2023-2026**

| Year    | Number of Transactions | Total Transacted Value (S\$) | Average Transacted Value (S\$) | TAM (S\$)* |
|---------|------------------------|------------------------------|--------------------------------|------------|
| 2023    | 18-23                  | S\$525 mil – S\$777 mil      | ~S\$32 mil                     | S\$82 mil  |
| 2024    | 35                     | S\$1.32 bn                   | S\$37.7 mil                    | S\$140 mil |
| 2025    | 36                     | S\$1.36 bn                   | S\$37.8 mil                    | S\$144 mil |
| 2026 H1 | ~15-16                 | S\$612 mil                   | S\$39.5 mil                    | S\$62 mil  |

\*Assuming 30% to 40% undergo complete reconstruction at S\$5-S\$10 mil per rebuild and 50% to 60% undergo A&A at S\$2.5mil per GCB.

Source: URA, ST.

## Green retrofits

Singapore's Green Plan 2030 and extended URA Strategic Development Incentive scheme encourage owners to retrofit ageing commercial buildings rather than demolish and redevelop them. Under the Singapore Green Building Masterplan, 66% of buildings were green certified by late 2025, against an 80% target for 2030, supporting a steady pipeline of brownfield retrofits. The government has also allocated S\$63 mil to the Grant for Energy Efficient Measures in Existing Buildings 2.0, extended through March 2027, to subsidise HVAC upgrades and energy-efficiency improvements in commercial and municipal buildings.

LCC's structural-stabilisation and restoration expertise is relevant when ageing buildings must be adapted without damaging their existing frames. However, much of a green retrofit's value lies in M&E, façades and energy systems, where LCC has no stated specialism. Capturing meaningful market share would therefore likely require a green-tech engineering partner or acquisition, neither of which management has formalised.

## Hospitality and modernist adaptive reuse

Growth in room supply and visitor arrivals supports refurbishment demand. LCC already has relevant references at Marriott Tang Plaza and in the conversion of the Cavan Road conservation warehouse into a hotel. Modernist adaptive reuse is the more compelling long-dated option. If URA continues identifying mid-century buildings for retention, owners will require fire-code-compliant A&A work that general builders may be poorly equipped to deliver. For now, however, the opportunity rests on management commentary and should be treated as upside rather than part of the base case.

While aggregate, standalone government datasets breaking down the exact "age profile" of Singapore's entire hotel stock of approximately 285 gazetted hotels with 74,400 to 79,500 rooms (e.g., exact years since construction) are not publicly categorized, industry trends paint a clear picture. Singapore's hotel inventory consists of highly mature assets, but strict scarcity of new land combined with a rigorous 7-year cyclical renovation standard ensures that older properties undergo rolling capital transformations to stay current. On the spending front, Singapore has witnessed billions of dollars in upgrades over the past few years, heavily incentivized by the Singapore Tourism Board's (STB) Hotel Rejuvenation Fund to fight off regional competition. Mega-resorts and luxury mainstays like Marina Bay Sands and Resorts World are now more than 15 years old (both opening around 2010), putting them in prime positions for massive second-generation overhauls.

Rather than allowing properties to structurally age out, the market has seen monumental capital expenditures over the past few years, highlighted by major individual hotel overhauls:

**Figure 2-4: Key Upgrade Expenditures over the Past Two Years**

| Hotel Property                        | S\$ Spent on Upgrading                 |                                                                                                                                                                               |
|---------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Marina Bay Sands</b>               | ~S\$2.37 bn                            | Multi-year program. Rejuvenated Towers 1, 2, and 3, converting hundreds of standard rooms into 380 luxury suites, plus redesigning the SkyPark and lobby. Completion in 2025. |
| <b>The St. Regis Singapore</b>        | S\$44 mil                              | Due for completion in October 2026. Full multi-year transformation of all 299 guestrooms, event spaces, grand ballroom, and new dining venues.                                |
| <b>Parkroyal Collection Pickering</b> | S\$3.7 mil<br>Phase 1 (room upgrading) | Completed an initial event space overhaul. Currently executing rolling upgrades to the lobby, wellness floor, and urban farm facilities through April 2027.                   |
| <b>Furama City Centre</b>             | Multi S\$ mil                          | Commencing Q3 2026 through end-2027. Complete overhaul into smart-room technology (automated controls, AI cleaning robots) and new family-themed spaces.                      |
| <b>Frasers Hospitality Portfolio</b>  | S\$140 mil                             | The extensive transformation of Frasers House scheduled for completion by December 2027.                                                                                      |
| <b>Crowne Plaza Changi Airport</b>    | S\$22 mil                              | OUE Group completed this AEI to add premier rooms, upscale suites, revamp all-day dining facilities.                                                                          |

Source: RHTC estimates

According to commercial property trackers like CBRE Singapore standard hotel renovation costs run S\$15,000 to S\$40,000 per room just for a simple guest room refresh, while public areas easily cost an extra S\$100,000 to S\$500,000. The recent wave of aggressive spending is driven by two main factors. The 2-to-3 Year Competitive Cycle: While the historical industry standard was a 7-year renovation cycle, hotels are now carrying out strategic soft-refurbishments (upholstery, technology, table-tops) every 2 to 3 years to defend their premium room rates. The Tech & Sustainability Pivot: A significant portion of the capital spend is going toward ESG compliance and automation. Over 73% of hotel rooms in Singapore have successfully pushed capital into achieving sustainable certification.

To mitigate rising construction costs and encourage tech integration (such as AI cleaning robots and smart energy controls), the government actively subsidizes these investments. Through the Singapore Tourism Board (STB) Hotel Rejuvenation Fund (HRF), qualified hotel owners can claim up to 70% of qualifying costs directed toward innovation, layout reimaging, and structural R&D, with project applications open through March 31, 2027

### Transport – Estimated TAM of S\$888 mil for new MRT Stations for 2026-29

LCC's S\$32.9 mil architectural subcontract for Teck Ghee MRT station, running from July 2026 to July 2029, demonstrates its ability to secure large infrastructure interior packages and builds on earlier work at Bedok South and Tanah Merah stations. The contract improves order-book visibility, while Singapore's MRT pipeline remains substantial: LTA is expanding the network to 360 km by the 2030s, aiming to place 8 in 10 households within a 10-minute walk of a station. Applying the Teck Ghee contract value to the 57 planned stations implies a potential pipeline of

about S\$1.88 bn, equivalent to 13x LCC's current order book. Of this, the 27 stations scheduled for 2026–29 represent about S\$888 mil, or 6x the current order book.

**Figure 2-5: Singapore MRT Station Pipeline & Phase Rollout (2026-2030s)**

|                                        | <i>Number of New Stations</i> |
|----------------------------------------|-------------------------------|
| TELS/DTL3e (2026)                      | 3                             |
| Jurong Region Line (2026-2029)         | 24                            |
| Cross Island Line Phase 1 (2030)       | 12                            |
| CRL Phase 2 & Punggol Extension (2032) | 10                            |
| NS3A Infill Station (2034)             | 1                             |
| Downtown Line Extension (2035)         | 3                             |
| Cross Island Line Phase 3 (Late 2030s) | 4                             |
| <b>Total</b>                           | <b>57</b>                     |

Source: LTA, MRT.

While the LTA does not release a standardized flat "retrofitting fee" due to the unique engineering complexities of each site, active civil contracts reveal the massive scale of S\$ financial allocations required to fit new platforms, build interchanges, or activate structural shells:

**Figure 2-6: S\$ Budget Estimates for Station Structural Retrofitting & Civil Works**

| <b>Project Scope / Retrofitting Type</b>                            | <b>Contract Value (S\$mil)</b> | <b>Key Details</b>                                                                                                                                                                             |
|---------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Underground infill activation (e.g., Hume station on DTL)           | ~S\$34.3 mil                   | Awarded to JSM Construction Group. Involves retrofitting a pre-existing structural station shell with architectural finishes, ventilation, and barrier-free access.                            |
| Existing elevated line infill (e.g.; New NS3A station & viaduct)    | ~S\$281 mil                    | Awarded to Obayashi Corporation. Requires building a brand new elevated platform structure and retrofitting a working viaduct on the live North-South Line.                                    |
| Interchange retrofit & core systems (e.g.; Tanah Merah station)     | ~S\$325 mil                    | Awarded to Lum Chang Contractors. Retrofitting an active station to add a completely new platform and middle tracks to support the future TEL transition.                                      |
| Station extensions & interlinking (e.g., DTL underground extension) | ~S\$735 mil                    | Split between Woh Hup (\$285M) and Samwoh-CCCC (\$450M). Covers underground station builds (DE1/DE2) structured to physically integrate the DTL extension directly into the existing NSL line. |
| System-wide rejuvenation (NS&EWL legacy core upgrades)              | >S\$2.6 bn                     | Mega-budget to overhaul Singapore's oldest lines. Retrofitting legacy stations with automated CBTC digital signalling, upgraded power supplies, and track circuits.                            |

## 2-2 Malaysia: Expansion Risks

LCC has allocated approximately S\$2.0 mil of IPO proceeds, and a further S\$1.5 mil of placement proceeds to regional expansion, with Malaysia the initial priority. A stable ringgit provides some support, but expansion introduces four material risks: regulatory access, legal enforceability, artisan capacity and cross-border supply-chain execution.

### **Regulatory licensing and market access**

Under the CIDB Act 1994, an entity cannot carry out construction work in Malaysia without a valid CIDB registration (s.25). Breaches attract fines of RM10,000–100,000 (s.29), and CIDB may order a non-compliant contractor to stop work (s.30). Contractors must also obtain relevant local premises licences, including those required under the Federal Territory of Kuala Lumpur by-laws.

The RM750,000 (~S\$242k) should be understood as the minimum paid-up capital required for G7 status, not as a licence fee. G7 removes the contract-value ceiling that applies at G6, which is capped at RM10 mil. The capital remains in the subsidiary and provides eligibility to bid; it does not secure contracts. Two caveats are more important than the statutory fines:

Much of Malaysia’s conservation and institutional work is government-funded, and foreign-owned contractors face access restrictions. Management’s reference to Bumiputera partnerships reflects this constraint. Any partnership would dilute economics and introduce counterparty risk.

G7 status must be renewed and maintained through continuing capital, personnel and track-record requirements, creating a recurring administrative burden for a small team.

### **Legal enforceability and working-capital exposure**

Management’s disclosures note that Malaysia’s legal framework may operate differently from Singapore’s, that rights and obligations may be less clearly established, and that disputes may take longer to resolve. Regulatory breaches, subcontractor defaults and payment disputes could therefore be harder to remedy. For a contractor reliant on progress claims and variation orders, delayed dispute resolution is a working-capital risk as much as a legal one.

LCC uses front-loaded compliance, with local company secretaries and legal advisers preparing checklists before new activities begin.

### **Replicating the “pyramid” training system: the key execution risk**

LCC’s moat lies in its human capital. Conservation work is manual and skill-intensive and cannot be delegated to generic foreign labour. In Singapore, LCC limits churn through an in-house “pyramid” system in which senior craftsmen train newer cohorts over several years, supported by a deliberate “family culture”. Losing a trained artisan therefore means losing years of accumulated knowledge.

In our view, this is the binding constraint on regional expansion, as it is for other skilled trades and professions that are difficult to scale or leverage. LCC would need to build a comparable low-turnover artisan base in Malaysia from scratch, while seconding Singapore supervisors would draw on the same bench supporting a growing domestic order book.

LCC does not disclose artisan attrition, headcount by skill tier or training throughput, so the scalability of the model cannot be tested quantitatively.

### Cross-border supply chain for bespoke materials

LCC depends on subcontractors and suppliers for specialised raw materials, bespoke joinery and architectural elements. Cross-border execution adds import restrictions, freight volatility and longer lead times. If Singapore suppliers cannot serve Malaysian sites efficiently and equivalent local suppliers are unavailable, margins could compress.

LCC's 51%-owned joinery arm, Quintessential Builder, provides some protection for furniture and fixtures, but not for heritage materials or specialist M&E.

**Figure 2-7: Malaysia Risk Matrix**

| Risk                       | Mitigant                                            | Newsflow expectation                                                   |
|----------------------------|-----------------------------------------------------|------------------------------------------------------------------------|
| Licensing / market access  | G7 obtained; local advisers; possible Bumiputera JV | First Malaysian contract award and its client type (private vs public) |
| Legal / dispute resolution | Front-end compliance checklists                     | Receivable days on Malaysian projects; any disputes disclosed          |
| Artisan model replication  | Pyramid training; secondment of supervisors         | Malaysian headcount; Singapore delivery slippage                       |
| Supply chain / materials   | Quintessential Builder; supplier diversification    | Segment gross margin vs Singapore                                      |

## 2-3 Execution Roadmap: Where LCC can Leverage on

### Capital deployment is the clearest gap

By June 2026, LCC had deployed just S\$245k of its S\$7.0mil IPO proceeds, entirely on regional expansion, leaving S\$6.76 mil unused across the GCB, M&A and working-capital allocations. It subsequently raised another S\$10.8 mil net, earmarking S\$6.0 mil for acquisitions. This may signal valuation discipline or a limited pool of suitable targets. Either way, we exclude M&A-driven growth from our forecasts until a transaction is announced.

**Figure 2-8: Execution Roadmap: Where LCC can Leverage on**

| Pillar                                   | Progress to date                                                                                                                    | Expectations for LCC                                                                                                              |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 1. Targeted M&A and vertical integration | Raised stake in Quintessential Builder from 35.7% to 51.0% for S\$30k; S\$6.0m of new placement proceeds earmarked for acquisitions | Identify and close acquisitions of specialist subcontractors or green-tech engineers; disclose target criteria and return hurdles |
| 2. Licensing and market access           | CIDB G7 (Malaysia); BCA GB1 (Lum Chang Decor); CR06 L5 and CR03 registrations; ISO 45001 WSH system                                 | Convert licences into awards: first Malaysian contract; GCB awards contracted directly by Lum Chang Decor                         |
| 3. Scaling the pyramid training system   | Ongoing pairing of veterans with new cohorts; “family culture” retention programme                                                  | Disclose artisan headcount, attrition and training throughput; show no delivery slippage as order book grows                      |
| 4. Supply-chain resilience               | Partial integration via Quintessential Builder                                                                                      | Diversify sources of heritage materials; pre-agree cross-border logistics terms before first Malaysian project                    |
| 5. Independent bidding platform          | Spin-off; perpetual, non-exclusive “Lum Chang” brand licence for S\$1.00 ; Mainboard listing from 16 Jul 26                         | Grow share of wins from clients outside the LCH network; clarify licence terms if LCH’s stake keeps falling                       |

### 3. INVESTMENT THESIS FOR LCC

RHTC's investment thesis for LCC is based on 3 main factors that will drive revenues and profits in FY27 and FY28. Firstly, a healthy order book that grew 26% between 30 June 2025 and 25 August 2026 and now stands at S\$141.7 mil (section 3-1). This will support higher revenues in FY27 and margins above the construction industry average. The second is the forecast beating macro-BCA construction data in 2026 that will support revenues through FY27 and into FY28 (section 3-2). Cost pressures in the construction sector are analysed but have a limited direct impact on LCC (see section 3-3). The third that will drive the profits outlook is margins which hit 35.5% in FY26 and look unsustainable. However, LCC operates in a niche in the industry where margins are higher and while we see margins mean reverting to a more normal long-run 24% this will occur over several years e.g. FY27-FY29 (see section 3-4).

#### 3-1 LCC's Order Book Supports Earnings Visibility

LCC's order book of S\$141.7 mil as of 25 August 2026 is 26% bigger and shorter dated compared with the year earlier figure of S\$112.8 mil (30 June 2025) and stands at ~1.4x FY26 revenue versus about 1.0x FY25 revenue a year earlier. This will support FY27 revenue above FY26's S\$101.6 mil. LCC's management now expects the 30 June backlog to be recognised over three months to two years, versus six months to three years before. That means faster conversion, which is revenue and margin supportive in FY27.

RHTC estimates that about S\$74 mil of new orders were won between December 2025 and August 2026, of which Teck Ghee MRT is S\$32.9 mil. This is derived from the S\$132 mil December backlog and about S\$64 mil of revenue since. The backlog is dominated by large contracts. Three of about S\$32 mil each have been announced since November 2025: the Registries of Civil & Muslim Marriages Building (public), an Orchard Road church (institutional) and Teck Ghee (public MRT). Some of these have already been partly executed. These run 12-36 months, so they will feed revenues in FY27 through to FY29.

**Figure 3-1: Order Book and Contracts**

| <i>S\$'000 (unless otherwise stated)</i>        |         |
|-------------------------------------------------|---------|
| Order Book as at 25 August                      | 141,700 |
| Order Book / FY26 Revenue                       | 1.40x   |
| Registries of Civil & Muslim Marriages Building | 31,900  |
| Orchard Road Presbyterian Church                | 31,500  |
| Covenant Evangelical Free Church                | 21,700  |
| Teck Ghee Station                               | 32,900  |
| Named Contracts / Order Book                    | 83.3%   |

Source: LCC.

Teck Ghee covers architectural and subcontract works from July 2026 to July 2029, roughly S\$11 mil a year. It diversifies LCC across public and private clients, though infrastructure work probably earns lower margins than heritage conservation. The pipeline of 57 new MRT stations is massive with an estimated TAM for LCC of S\$888 mil for 2026-29 (6x LCC's current order book) using Teck Ghee as a benchmark.

LCC has an order book of S\$142mil as of 25 August which is about 1.4x FY26 revenue, or S\$47-71 mil a year if burned evenly over 2-3 years. Where we'd push back is that even burn is the wrong test: Using FY26 as a check, the opening order book was about S\$112.8 mil at 30 June 2025 (S\$122 mil at end-May 2025), and the same arithmetic would have implied S\$38-56 mil versus actual revenue of S\$101.6 mil, because much revenue comes from orders won and executed in the same year. Calibrating to FY26, the backlog alone gives roughly S\$64-78 mil in FY27 (assuming 45-55% year-one burn). The other S\$27-41 mil must come from new wins.

Our base case has FY27 revenue at 83% of the opening (30 June 2026) backlog of S\$126.6 mil, versus 90% in FY26. LCC needs about S\$106 mil of new orders, a book-to-bill near 1.0x. Holding revenue flat at S\$101.6mil needs about S\$98 mil of new orders, so intake falling more than ~15% from FY26's roughly S\$115 mil means lower revenue.

Our concerns are strongest in the areas of profit visibility and replenishment risk. For profit visibility the backlog is thinner than revenue visibility. At 25-30% margins, the S\$142mil order book yields S\$35-43 mil of gross profit across several years, about one FY26 gross profit. For replenishment risk - 2Q26 public institutional awards fell 61.7%, and LCC's wins come in S\$30m-plus chunks. Finally, the burn rate: more long-dated contracts lower it. Each point of conversion is about S\$2.3 mil of FY27 revenue.

### 3-2 BCA Data – Healthy Backdrop Through FY27

BCA has forecast 2026 construction demand at S\$47–S\$53 bn, similar to in 2025. BCA also projects demand averaging S\$39–S\$46 bn a year from 2027 to 2030, below 2025's S\$50.5 bn. It warns that construction demand could moderate after Changi T5, a one-off project, potentially reverting to pre-COVID levels.

However, BCA data for January-July 2026 is ahead of these forecasts on output (certified payments +13.6% yoy) but only modestly on demand (contracts awarded +2.5% yoy), and points to a healthy backdrop for LCC through FY27 and into FY28. Certified progress payments, a proxy for construction output, rose 7.5% yoy to S\$11.1 bn in 2Q26 and 12.5% to S\$4.1 bn in July, after a 20.6% surge in 1Q. That is steady revenue conversion across the construction industry. Contracts awarded, a proxy for future construction output, rose by an even more impressive 37.8% to S\$17 bn in 2Q, reversing a 13.4% contraction in 1Q.

However, 2Q contracts awarded were lumpy and not in LCC's lane. Private contracts awarded jumped 119%, driven by industrial (+2,307%) and commercial (+457%) works, while public contracts awarded fell 20.5%. Public institutional & others fell 61.7%. Those percentages come off small or one-off bases, probably large new builds. LCC's heritage and institutional work sits in the segment that fell.

The aggregates are dominated by mega-projects. T5, MRT lines and the Marina Bay Sands expansion drive BCA's numbers. LCC competes in conservation, fit-out and A&A, which the headline series don't isolate but will nevertheless be a part of these mega projects.

**Figure 3-2: Building and Construction Activities, 2022-2026**

|                           | 2022     | 2023     | 2024     | 2025     | 2026 Jan-Jul |
|---------------------------|----------|----------|----------|----------|--------------|
| <b>\$ mil</b>             |          |          |          |          |              |
| <b>Contracts Awarded</b>  | 29,786.4 | 34,162.8 | 44,626.5 | 50,656.1 | 32,554.2     |
| Public                    | 17,303.8 | 19,309.2 | 24,819.0 | 27,058.3 | 12,421.0     |
| Private                   | 12,482.5 | 14,853.6 | 19,807.5 | 23,597.7 | 20,133.0     |
| <b>Certified Payments</b> | 30,286.3 | 34,939.8 | 38,440.5 | 41,776.0 | 26,627.2     |
| Public                    | 15,149.1 | 17,260.0 | 20,910.7 | 22,764.4 | 14,532.2     |
| Private                   | 15,137.1 | 17,679.9 | 17,529.8 | 19,011.6 | 12,095.1     |
| <b>% yoy</b>              |          |          |          |          |              |
| <b>Contracts Awarded</b>  | -0.5     | 14.7     | 30.6     | 13.5     | 2.5          |
| Public                    | -3.0     | 11.6     | 28.5     | 9.0      | -20.8        |
| Private                   | 3.2      | 19.0     | 33.4     | 19.1     | 25.2         |
| <b>Certified Payments</b> | 15.8     | 15.4     | 10.0     | 8.7      | 13.6         |
| Public                    | 15.8     | 13.9     | 21.2     | 8.9      | 13.9         |
| Private                   | 15.8     | 16.8     | -0.8     | 8.5      | 13.2         |

Source: Dept of Statistics.

**Figure 3-3: Building and Construction Activities, 2026**

|                           | 1Q       | 2Q       | July    |
|---------------------------|----------|----------|---------|
| <b>\$ mil</b>             |          |          |         |
| <b>Contracts Awarded</b>  | 13,997.0 | 17,023.0 | 1,534.0 |
| Public                    | 5,610.0  | 5,713.0  | 1,098.0 |
| Private                   | 8,387.0  | 11,310.0 | 436.0   |
| <b>Certified Payments</b> | 11,415.0 | 11,127.0 | 4,085.0 |
| Public                    | 6,255.0  | 6,122.0  | 2,155.0 |
| Private                   | 5,160.0  | 5,005.0  | 1,930.0 |
| <b>% yoy</b>              |          |          |         |
| <b>Contracts Awarded</b>  | -13.4    | 37.8     | -52.6   |
| Public                    | -12.1    | -20.5    | -48.0   |
| Private                   | -14.3    | 118.9    | -56.5   |
| <b>Certified Payments</b> | 20.6     | 7.5      | 12.5    |
| Public                    | 22.0     | 6.8      | 13.4    |
| Private                   | 18.9     | 8.4      | 11.4    |

Source: Dept of Statistics.

**Figure 3-4: Contracts Awarded by Sector and Development Type, 2022-2026**

| \$ mil                 | 2022     | 2023     | 2024     | 2025     | 2026 Jan-Jul |
|------------------------|----------|----------|----------|----------|--------------|
| <b>Total</b>           | 29,786.4 | 34,162.8 | 44,626.5 | 50,656.1 | 32,554.2     |
| Building Work          | 19,566.8 | 26,924.7 | 37,489.1 | 41,366.5 | 27,618.2     |
| Residential            | 9,189.2  | 13,239.7 | 15,312.6 | 16,052.1 | 6,324.9      |
| Commercial             | 1,645.2  | 3,602.0  | 5,388.7  | 2,171.2  | 6,670.9      |
| Industrial             | 4,437.9  | 4,590.2  | 4,953.6  | 7,108.2  | 9,574.0      |
| Institutional & Others | 4,294.6  | 5,492.7  | 11,834.3 | 16,034.7 | 5,048.4      |
| Civil Engineering      | 10,219.6 | 7,238.1  | 7,137.4  | 9,289.5  | 4,939.5      |
| <b>Public</b>          | 17,303.8 | 19,309.2 | 24,819.0 | 27,058.3 | 12,421.0     |
| Building Work          | 8,715.6  | 12,928   | 18,525.4 | 21,232.0 | 8,626.7      |
| Residential            | 5,328.2  | 7,647.1  | 7,304.6  | 9,619.6  | 3,772.4      |
| Commercial             | 108.0    | 70.4     | 292.7    | 958.8    | 647.3        |
| Industrial             | 350.9    | 415.4    | 321.2    | 586.1    | 290.4        |
| Institutional & Others | 2,928.5  | 4,795.1  | 10,606.9 | 10,067.6 | 3,916.6      |
| Civil Engineering      | 8,588.3  | 6,381.2  | 6,293.6  | 5,826.3  | 3,794.6      |
| <b>Private</b>         | 12,482.5 | 14,853.6 | 19,807.5 | 23,597.7 | 20,133.0     |
| Building Work          | 10,851.2 | 13,996.7 | 18,963.7 | 20,134.5 | 18,991.7     |
| Residential            | 3,861.0  | 5,592.6  | 8,008.0  | 6,432.6  | 2,552.6      |
| Commercial             | 1,537.2  | 3,531.6  | 5,096.0  | 1,212.5  | 6,023.8      |
| Industrial             | 4,087.0  | 4,174.8  | 4,632.4  | 6,522.4  | 9,283.6      |
| Institutional & Others | 1,366.1  | 697.6    | 1,227.4  | 5,967.6  | 1,131.7      |
| Civil Engineering      | 1,631.3  | 857.0    | 843.8    | 3,463.2  | 1,141.3      |
| <b>% yoy</b>           |          |          |          |          |              |
| <b>Total</b>           | -0.5     | 14.7     | 30.6     | 13.5     | 2.5          |
| Building Work          | -3.7     | 37.6     | 39.2     | 10.3     | 9.2          |
| Residential            | -0.4     | 44.1     | 15.7     | 4.8      | -35.9        |
| Commercial             | -40.4    | 118.9    | 49.6     | -59.7    | 374.7        |
| Industrial             | -11.0    | 3.4      | 7.9      | 43.5     | 102.3        |
| Institutional & Others | 28.1     | 27.9     | 115.5    | 35.5     | -45.7        |
| Civil Engineering      | 6.3      | -29.2    | -1.4     | 30.2     | -23.6        |
| <b>Public</b>          | -3.0     | 11.6     | 28.5     | 9.0      | -20.8        |
| Building Work          | 0.4      | 48.3     | 43.3     | 14.6     | -29.8        |
| Residential            | -0.2     | 43.5     | -4.5     | 31.7     | -40.2        |
| Commercial             | 66.2     | -34.8    | 315.8    | 227.6    | -21.8        |
| Industrial             | -62.4    | 18.4     | -22.7    | 82.5     | -18.3        |
| Institutional & Others | 24.7     | 63.7     | 121.2    | -5.1     | -18.5        |
| Civil Engineering      | -6.2     | -25.7    | -1.4     | -7.4     | 12.0         |
| <b>Private</b>         | 3.2      | 19.0     | 33.4     | 19.1     | 25.2         |
| Building Work          | -6.8     | 29.0     | 35.5     | 6.2      | 46.0         |
| Residential            | -0.7     | 44.8     | 43.2     | -19.7    | -28.3        |
| Commercial             | -42.9    | 129.7    | 44.3     | -76.2    | 941.8        |
| Industrial             | 0.8      | 2.1      | 11.0     | 40.8     | 112.1        |
| Institutional & Others | 36.3     | -48.9    | 75.9     | 386.2    | -74.8        |
| Civil Engineering      | 260.3    | -47.5    | -1.5     | 310.4    | -62.8        |

Source: Dept of Statistics.

**Figure 3-5: Contracts Awarded by Sector and Development Type, 2026**

| \$ mil                 | 1Q       | 2Q             | July    |
|------------------------|----------|----------------|---------|
| <b>Total</b>           | 13,997.0 | 17,023.0       | 1,534.0 |
| Building Work          | 11,146.6 | 15,022.4       | 1,449.2 |
| Residential            | 2,229.0  | 3,801.0        | 294.9   |
| Commercial             | 5,082.0  | 948.0          | 640.5   |
| Industrial             | 1,008.0  | 8,421.0        | 144.7   |
| Institutional & Others | 2,827.0  | 1,852.0        | 369.1   |
| Civil Engineering      | 2,851.0  | 2,001.0        | 84.7    |
| <b>Public</b>          | 5,610.0  | 5,713.0        | 1,098.0 |
| Building Work          | 3,600.7  | 4,005.1        | 1,020.9 |
| Residential            | 780.0    | 2,888.0        | 104.2   |
| Commercial             | 46.0     | 44.0           | 557.3   |
| Industrial             | 245.0    | 46.0           | 0.0     |
| Institutional & Others | 2,530.0  | 1,027.0        | 359.4   |
| Civil Engineering      | 2,009.0  | 1,708.0        | 77.2    |
| <b>Private</b>         | 8,387.0  | 11,310.0       | 436.0   |
| Building Work          | 7,545.9  | 11,017.4       | 428.4   |
| Residential            | 1,450.0  | 912.0          | 190.8   |
| Commercial             | 5,036.0  | 904.0          | 83.2    |
| Industrial             | 763.0    | 8,376.0        | 144.7   |
| Institutional & Others | 297.0    | 825.0          | 9.7     |
| Civil Engineering      | 841.1    | 292.6          | 7.6     |
| <b>% yoy</b>           |          |                |         |
| <b>Total</b>           | -13.4    | 37.8           | -52.6   |
| Building Work          | -24.8    | 89.5           | -43.0   |
| Residential            | -53.8    | -5.6           | -71.1   |
| Commercial             | 1,115.3  | 54.1           | 72.2    |
| Industrial             | -74.9    | 2,122.6        | -58.2   |
| Institutional & Others | -49.4    | -36.3          | -54.0   |
| Civil Engineering      | 113.6    | -54.8          | -87.8   |
| <b>Public</b>          | -12.1    | -20.5          | -48.0   |
| Building Work          | -34.4    | -23.7          | -34.4   |
| Residential            | -78.9    | 38.6           | -79.9   |
| Commercial             | -7.2     | -90.3          | 71.6    |
| Industrial             | 27.4     | 47.2           | -100.0  |
| Institutional & Others | 63.9     | <b>-61.7</b>   | -38.1   |
| Civil Engineering      | 124.9    | -11.9          | -86.1   |
| <b>Private</b>         | -14.3    | 118.9          | -61.3   |
| Building Work          | -19.2    | 311.5          | -56.5   |
| Residential            | 29.5     | -53.0          | -62.0   |
| Commercial             | 1,266.3  | <b>457.2</b>   | 75.9    |
| Industrial             | -80.0    | <b>2,306.9</b> | -32.2   |
| Institutional & Others | -92.6    | 263.7          | -95.6   |
| Civil Engineering      | 90.8     | -88.2          | -94.6   |

Source: Dept of Statistics.

**Figure 3-6: Certified Payments by Sector and Development Type, 2022-2026**

| \$ mil                 | 2022     | 2023     | 2024     | 2025     | 2026 Jan - Jul |
|------------------------|----------|----------|----------|----------|----------------|
| <b>Total</b>           | 30,286.3 | 34,939.8 | 38,440.5 | 41,776.0 | 26,627.2       |
| Building Work          | 22,443.4 | 26,683.5 | 28,611.7 | 31,448.1 | 20,365.7       |
| Residential            | 8,767.6  | 10,247.5 | 11,847.1 | 12,949.8 | 7,961.7        |
| Commercial             | 2,017.2  | 2,742.8  | 2,618.7  | 2,753.2  | 1,768.7        |
| Industrial             | 7,020.1  | 8,366.6  | 8,346.3  | 8,287.8  | 5,461.1        |
| Institutional & Others | 4,638.6  | 5,326.6  | 5,799.7  | 7,457.3  | 5,174.2        |
| Civil Engineering      | 7,842.9  | 8,256.3  | 9,828.8  | 10,327.9 | 6,261.6        |
| <b>Public</b>          | 15,149.1 | 17,260.0 | 20,910.7 | 22,808.4 | 14,532.2       |
| Building Work          | 8,286.8  | 10,013.9 | 12,338.3 | 13,763.5 | 9,176.6        |
| Residential            | 3,969.7  | 4,921.0  | 6,384.6  | 6,780.6  | 4,370.5        |
| Commercial             | 134.8    | 132.3    | 144.3    | 293.3    | 186.1          |
| Industrial             | 1,004.0  | 1,120.4  | 1,544.6  | 1,146.8  | 719.6          |
| Institutional & Others | 3,178.3  | 3,840.2  | 4,264.8  | 5,542.8  | 3,900.4        |
| Civil Engineering      | 6,862.3  | 7,246.1  | 8,572.4  | 9,000.9  | 5,355.7        |
| <b>Private</b>         | 15,137.1 | 17,679.9 | 17,529.8 | 19,008.3 | 12,095.1       |
| Building Work          | 14,156.6 | 16,669.7 | 16,273.4 | 17,684.3 | 11,189.1       |
| Residential            | 4,797.9  | 5,326.3  | 5,462.5  | 6,169.3  | 3,591.2        |
| Commercial             | 1,882.3  | 2,610.6  | 2,474.4  | 2,459.9  | 1,582.6        |
| Industrial             | 6,016.1  | 7,246.2  | 6,801.7  | 7,141.0  | 4,741.5        |
| Institutional & Others | 1,460.3  | 1,486.4  | 1,534.9  | 1,914.5  | 1,273.8        |
| Civil Engineering      | 980.6    | 1,010.2  | 1,256.4  | 1,327.0  | 906.0          |
| <b>% yoy</b>           |          |          |          |          |                |
| <b>Total</b>           | 15.8     | 15.4     | 10.0     | 8.7      | 13.6           |
| Building Work          | 19.8     | 18.9     | 7.2      | 9.9      | 15.5           |
| Residential            | 33.4     | 16.9     | 15.6     | 9.3      | 10.4           |
| Commercial             | 33.1     | 36.0     | -4.5     | 5.1      | 20.4           |
| Industrial             | 6.7      | 19.2     | -0.2     | -0.7     | 16.8           |
| Institutional & Others | 14.0     | 14.8     | 8.9      | 28.6     | 21.1           |
| Civil Engineering      | 5.7      | 5.3      | 19.0     | 5.1      | 7.7            |
| <b>Public</b>          | 15.8     | 13.9     | 21.2     | 8.9      | 13.9           |
| Building Work          | 22.5     | 20.8     | 23.2     | 11.6     | 19.4           |
| Residential            | 45.5     | 24.0     | 29.7     | 6.2      | 17.2           |
| Commercial             | 31.0     | -1.9     | 9.1      | 103.3    | 44.0           |
| Industrial             | -3.0     | 11.6     | 37.9     | 25.8     | 10.2           |
| Institutional & Others | 9.6      | 20.8     | 11.1     | 30.0     | 22.7           |
| Civil Engineering      | 8.7      | 5.6      | 18.3     | 5.0      | 5.6            |
| <b>Private</b>         | 15.8     | 16.8     | -0.8     | 8.5      | 13.2           |
| Building Work          | 18.3     | 17.8     | -2.4     | 8.7      | 12.5           |
| Residential            | 24.8     | 11.0     | 2.6      | 12.9     | 3.1            |
| Commercial             | 33.3     | 38.7     | -5.2     | -0.6     | 18.1           |
| Industrial             | 8.6      | 20.4     | -6.1     | 5.0      | 17.8           |
| Institutional & Others | 24.7     | 1.8      | 3.3      | 24.7     | 16.4           |
| Civil Engineering      | -11.6    | 3.0      | 24.4     | 5.6      | 21.4           |

Source: Dept of Statistics.

**Figure 3-7: Certified Payments by Sector and Development Type, 2026**

| \$ mil                 | 1Q       | 2Q       | July    |
|------------------------|----------|----------|---------|
| <b>Total</b>           | 11,415.0 | 11,127.0 | 4,085.0 |
| Building Work          | 8,718.7  | 8,472.0  | 3,175.0 |
| Residential            | 3,272.0  | 3,500.0  | 1,190.0 |
| Commercial             | 842.0    | 707.0    | 220.0   |
| Industrial             | 2,526.0  | 2,195.0  | 1,010.0 |
| Institutional & Others | 2,349.0  | 2,070.0  | 755.0   |
| Civil Engineering      | 2,697.0  | 2,655.0  | 910.0   |
| <b>Public</b>          | 6,255.0  | 6,122.0  | 2,155.0 |
| Building Work          | 3,924.6  | 3,877.0  | 1,375.0 |
| Residential            | 1,761.0  | 1,940.0  | 670.0   |
| Commercial             | 94.0     | 72.0     | 20.0    |
| Industrial             | 155.0    | 355.0    | 110.0   |
| Institutional & Others | 1,815.0  | 1,510.0  | 575.0   |
| Civil Engineering      | 2,331.0  | 2,245.0  | 780.0   |
| <b>Private</b>         | 5,160.0  | 5,005.0  | 1,930.0 |
| Building Work          | 4,794.1  | 4,595.0  | 1,800.0 |
| Residential            | 1,511.0  | 1,560.0  | 520.0   |
| Commercial             | 748.0    | 635.0    | 200.0   |
| Industrial             | 2,002.0  | 1,840.0  | 900.0   |
| Institutional & Others | 534.0    | 560.0    | 180.0   |
| Civil Engineering      | 366.0    | 410.0    | 130.0   |
| <b>% yoy</b>           |          |          |         |
| <b>Total</b>           | 20.6     | 7.5      | 12.5    |
| Building Work          | 23.1     | 9.1      | 13.9    |
| Residential            | 12.4     | 8.6      | 10.5    |
| Commercial             | 21.6     | 28.3     | -2.3    |
| Industrial             | 26.2     | 6.9      | 20.7    |
| Institutional & Others | 39.1     | 7.0      | 16.4    |
| Civil Engineering      | 13.0     | 2.7      | 7.7     |
| <b>Public</b>          | 22.0     | 6.8      | 13.4    |
| Building Work          | 28.5     | 11.9     | 17.4    |
| Residential            | 25.7     | 10.3     | 17.7    |
| Commercial             | 100.6    | 35.3     | -31.3   |
| Industrial             | -13.1    | 30.3     | 25.6    |
| Institutional & Others | 38.3     | 9.4      | 18.4    |
| Civil Engineering      | 12.4     | -1.0     | 7.0     |
| <b>Private</b>         | 18.9     | 8.4      | 11.4    |
| Building Work          | 19.0     | 6.9      | 11.4    |
| Residential            | 0.0      | 6.5      | 2.4     |
| Commercial             | 15.8     | 27.5     | 2.0     |
| Industrial             | 33.9     | 3.4      | 20.1    |
| Institutional & Others | 41.8     | 1.0      | 10.2    |
| Civil Engineering      | 17.2     | 29.0     | 12.2    |

Source: Dept of Statistics.

### 3-3 Cost Pressures – Small Direct Risk

Labour cost inflation is a small direct risk for LCC. Construction unit labour cost (ULC) has swung sharply in 2026, but the bigger threats are skilled-trade scarcity and imported input costs, which flow in through subcontract pricing. Costs beyond ULC are also more relevant to contractors like LCC. Construction cost inflation was 1% in 2025 and is projected at about 4% in 2026 and 5% in 2027, though tender prices stayed stable in 1H26.

The Singapore Contractors Association Limited says material prices are up 5–15% or more in 2026, and skilled manpower is the main bottleneck for contractors. Diesel was also up 104% yoy, which hits earthworks more than fit-out.

Foreign workers dominate construction headcount, with 2026 levies of S\$450–750 a month per worker. However, the direct exposure is small, 1H employee compensation was about S\$4.7m, under 9% of revenue, since LCC subcontracts most work. Labour inflation reaches it through subcontract rates and materials.

LCC's accounts say a 1% change in contract sums moves pre-tax profit by about S\$2.25m, so cost overruns matter more than wage inflation. A nominated subcontractor adjudication also went against LCC in September. Admin expenses rose 37% to S\$8.5mil in FY26 on higher performance bonuses and listing costs. Bonuses are profit-linked, so they partly self-correct if profit falls.

LCC manages the elevated construction costs and constrained labour supply, through an asset-light model and selective tendering. In 1H 26 management credited cost management, resource utilisation and procurement scale for margin gains.

**Figure 3-8: Construction Unit Labour Costs, Productivity and Employment, 2022-2026**

|                                               | 2022   | 2023   | 2024   | 2025   | 1Q 2026 | 2Q 2026      |
|-----------------------------------------------|--------|--------|--------|--------|---------|--------------|
| <b>% yoy</b>                                  |        |        |        |        |         |              |
| Unit Labour Costs                             | 11.6   | 4.9    | 3.0    | 2.9    | -3.0    | <b>4.0</b>   |
| Productivity*                                 | -1.9   | 1.8    | 3.8    | 2.6    | 6.7     | <b>-0.1</b>  |
| <b>Change compared to the previous period</b> |        |        |        |        |         |              |
| Employment                                    | 91,000 | 29,200 | 11,500 | 27,300 | 2,500   | <b>7,100</b> |

\*Productivity based on actual hours worked.

Source: Dept of Statistics.

### 3-4 Gross Margin Risk

The biggest single risk to our FY27 and FY28 forecasts is LCC's gross margin. FY26 net profit rose 72% to S\$22.3 mil, led by a 15.8pp expansion in gross margin from 19.7% to 35.5%—about double the roughly 18%–21% range recorded in FY23–25.

This expansion occurred despite an 11% decline in revenue. It was therefore not driven by higher volume, higher revenue or a broad fall in material prices. Instead, it reflected the projects recognised during the period—notably a shift toward high-margin conservation work—together with management's claimed cost discipline.

Under percentage-of-completion accounting, such mix effects are inherently lumpy and tend to mean-revert. In 2H26, revenue fell 34% yoy, while gross margin increased from 33.5% in 1H to 37.7%.

**Figure 3-9: The Gross-Margin Bridge**

| S\$'000                  | FY2026  | FY2025  | Change |
|--------------------------|---------|---------|--------|
| Revenue                  | 101,573 | 113,550 | -10.5% |
| Cost of Works (derived)  | 65,531  | 91,169  | -28.1% |
| Gross Profit             | 36,042  | 22,381  | +61.0% |
| Gross Margin             | 35.5%   | 19.7%   | +15.8% |
| Admin & general expenses | ~8,500  | ~6,200  | +37%   |
| Net Profits (PATMI)      | 22,262  | 12,911  | +72.4% |
| Net Margin               | 21.9%   | 11.4%   | +10.5% |
| EPS (S\$ cents, adj)     | 3.55    | 2.31    | +54%   |

Source: LCC, RHTC estimates.

#### Sustainable margin

We believe only a few percentage points of the FY27 gross-margin increase are structural; most of the improvement is temporary. Our best estimate of a sustainable margin is in the mid-20s, assuming the order book remains weighted toward skilled, specialised work.

A high-20s margin is possible. A low-30s margin would require recurring close-out gains similar to those recorded in FY26. We use a 24% long-run margin, above the 13% recorded in FY22, 21% in FY23, 18% in FY24 and 20% in FY25.

#### Drivers of the FY26 increase

Scale was not the driver: FY26 margin increased despite lower revenue. Gross margin reached 33% in 1H and about 37.7% in 2H, even as revenue fell by roughly one-third. This suggests that settlements and catch-up gains were recognised against a smaller revenue base.

Management attributed the improvement to procurement and utilisation. These factors may explain a few percentage points, but not the full 16-point increase. Close-outs and the conservation-work mix were partly one-off, although selective, specialised projects with less price competition could support margins above FY23–25 levels.

## Earnings sensitivity

**Figure 3-10: Earnings Sensitivity**

| Gross Margin % | FY2027      | FY2028      |
|----------------|-------------|-------------|
| 35%            | S\$22.6 mil | S\$21.5 mil |
| 31%            | S\$19.3 mil | S\$18.2 mil |
| 28%            | S\$16.7 mil | S\$15.8 mil |
| 24%            | S\$13.3 mil | S\$12.5 mil |

Source: RHTC estimates.

Mainstream contractors earn much lower margins. Each margin point represents about S\$0.85 mil of profit.

Our FY28 attributable-profit estimate is approximately S\$12 mil at a 24% margin and S\$19 mil at 32%, versus S\$15.6 mil in our base case, which assumes a 28.1% margin.

### Order-book mix and reversion risk

The new large order wins are Teck Ghee (public works), the Registries of Marriage Building and a church conservation project. Their margins are not disclosed, and infrastructure and competitive public tenders probably earn less. Public institutional awards fell 61.7% in 2Q, which likely means more bidders per tender. The record points to reversion.

A mid-30s margin could be sustained by a high mix of conservation works, which would have fewer competitors, selective tendering and a shorter-dated backlog.

## 4. EXECUTIVE MANAGEMENT TEAM

LCC has a technically deep founder-led operating core and credible independent directors. The board has five members: an independent chairman, one other independent director, the managing director, and two non-executive and non-independent directors. That makes independents 40% of the board, above the one-third benchmark that applies when the chair is independent.

Both non-executive and non-independent directors come from the parent. Adrian Lum is Director of Property Development at Lum Chang Holdings, and Yap Lay Hoon is its Finance Director. Lum Chang Holdings is therefore represented on the board through the Lum family and its finance function. Yeo Gek Leong is a retired senior public servant who sits on two other SGX boards and brings governance and public-sector leadership. Lim Ho Heng brings audit and CFO experience.

Lim Thiam Hooi (MD, co-founder) has over 35 years in the building industry, with 20+ years in conservation, interior fit-out and A&A. He holds a civil engineering degree from NUS and co-founded the group in 2018. He is the strongest asset in the team. Strategy, client relationships and the conservation niche rest heavily on Lim.

**Figure 4-1: LCC's Directors as of June 2026**

| Name                          | Position                                   | Year First Appointed |
|-------------------------------|--------------------------------------------|----------------------|
| <b>Yeo Gek Leong Clarence</b> | Independent Chairman                       | 2025                 |
| <b>Lim Ho Heng</b>            | Independent Director                       | 2025                 |
| <b>Lim Thiam Hooi</b>         | Managing Director                          | 2025                 |
| <b>Adrian Lum Wen Hong</b>    | Non-Executive and Non-Independent Director | 2025                 |
| <b>Yap Lay Hoon</b>           | Non-Executive and Non-Independent Director | 2025                 |

Source: LCC AR.

### 4-1 Leadership Composition

**Yeo Gek Leong Clarence:** Group Independent Chairman since June 2025. Mr Yeo retired from the Singapore public sector in July 2024 after a distinguished career spanning more than three decades, serving as Commissioner of the Immigration and Checkpoints Authority from 2010, chief executive in the Home Team Academy from 2018, and senior adviser at the Ministry of Home Affairs from 2021. Mr Yeo holds a Bachelor of Science in Economics from University of London and a Master in Public Policy from the National University of Singapore. He is also an alumnus of INSEAD.

**Lim Ho Heng:** Independent Director since June 2025. Mr Lim began his career in external audit, subsequently moving on to senior management roles, including Financial Controller of PSL Holdings Ltd, Chief Financial Officer of Yangzijiang Shipbuilding (Holdings) Ltd, and Independent Director of Pavillon Holdings Ltd. He has more than 30 years of experience in finance, audit, and corporate management. Mr Lim is a member of the Institute of Singapore Chartered Accountants, and the Singapore Institute of Directors. He holds a Bachelor of Commerce from Murdoch University, Western Australia.

**Lim Thiam Hooi:** Managing Director since April 2025. Mr Lim oversees the overall business, operations and performance of the Group, and leads the formulation and execution of its strategic direction. With more than 35 years of experience in the building industry, including more than two decades specialising in conservation, restoration, interior fit-out and A&A works. Mr Lim brings deep sector expertise and entrepreneurial vision. Mr Lim graduated with a Bachelor of Engineering from the National University of Singapore in 1988.

**Adrian Lum Wen Hong:** Non-Executive and Non-Independent Director since April 2025. Mr Lum is currently the Director of Property Development at Lum Chang Holdings, where he oversees the Property Division. Prior to joining Lum Chang Holdings, Mr Lum held management positions locally and abroad. Mr Lum holds a Master's Degree in Engineering with First Class Honours from the Imperial College of London, United Kingdom, and was awarded the Governor's MEng Prize for academic excellence. In 2025, Mr Lum was conferred the Public Service Medal (Pingat Bakti Masyarakat) at the Singapore National Day Awards.

**Yap Lay Hoon:** Non-Executive and Non-Independent Director since June 2025. Ms Yap is currently the Finance Director of Lum Chang Holdings where she oversees finance and accounting operations. She has over 20 years of financial and accounting experience. Ms Yap holds a Bachelor of Accountancy from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

## 5. LCC FINANCIALS

### 5-1 LCC Financials

Forecasts for FY27 and FY28 use LCC's order book, BCA demand outlook for the construction industry in 2026, 2027 and 2028, 1Q26 and 2Q26 construction industry data for certified payments, contracts awarded and unit labour cost trends. Gross margins of 35.5% in FY26 are assumed to revert toward a long run level of 24% over ~3 years starting at 30.9% in FY27.

**Figure 5-1: Key Assumptions for LCC in FY27 and FY28**

| Indicator (%yoy)                                            | 1Q26        | 2Q26         | Jan-Jul      |              |
|-------------------------------------------------------------|-------------|--------------|--------------|--------------|
| Certified progress payments                                 | 20.6%       | 7.5%         | 13.6%        |              |
| Public                                                      | 22.0%       | 6.8%         | 13.9%        |              |
| Private                                                     | 18.9%       | 8.4%         | 13.2%        |              |
| Contracts awarded                                           | -13.4%      | 37.8%        | 2.5%         |              |
| Public                                                      | -12.1%      | -20.5%       | -20.8%       |              |
| Private (large industrial/commercial)                       | 121.8%      | 119.0%       | 208.9%       |              |
| Public institutional & others                               | 63.9%       | -61.7%       | -18.5%       |              |
| Public commercial                                           | -7.2%       | -90.3%       | -21.8%       |              |
| Construction unit labour costs                              | -3.0%       | 4.0%         |              |              |
| Construction labour productivity                            | 6.7%        | -0.1%        |              |              |
| <b>BCA Outlook (\$\$bn)</b>                                 | <b>2025</b> | <b>2026F</b> | <b>2027F</b> | <b>2028F</b> |
| Construction demand (contracts awarded) - low               |             | 47.0         | 39.0         | 39.0         |
| Construction demand - high                                  |             | 53.0         | 46.0         | 46.0         |
| <b>Construction demand – mid point*</b>                     | 50.5        | <b>50.0</b>  | <b>42.5</b>  | <b>42.5</b>  |
| Construction output (certified payments) - low              |             | 43.0         |              |              |
| Construction output - high                                  |             | 46.0         |              |              |
| <b>Construction output – mid point / actual^</b>            | 41.7        | 44.5         |              |              |
| Output growth, 2026F vs 2025                                |             | 6.7          |              |              |
| <b>Fiscal Year (Jul-Jun) demand index</b>                   |             | <b>FY26</b>  | <b>FY27F</b> | <b>FY28</b>  |
| Demand index, \$\$bn (average of 2 calendar yr mid points)# |             | 50.3         | 46.3         | 42.5         |
| Growth in demand index %yoy                                 |             |              | -8.0%        | -8.1%        |

\*2027-28 = BCA 2027-30 average range S\$39-46bn. ^ 2026F = S\$43-46bn.

#LCC's Fiscal Year ends June so each fiscal year straddles two calendar years.

Source: MTI, BCA, Dept of Statistics.

**Figure 5-2: Income Statement**

| Jun yr end ('000)       | FY2024   | FY2025   | FY2026   | FY2027F  | FY2028F  | 25/24% | 26/25% | 27F/26% | 28F/27F% |
|-------------------------|----------|----------|----------|----------|----------|--------|--------|---------|----------|
| Revenue                 | 58,973   | 113,550  | 101,573  | 105,453  | 101,886  | 92.5   | (10.5) | 3.8     | (3.4)    |
| Cost of goods sold      | (48,321) | (91,169) | (65,531) | (72,851) | (73,290) | 88.7   | (28.1) | 11.2    | 0.6      |
| Gross profit            | 10,652   | 22,381   | 36,042   | 32,602   | 28,596   | 110.1  | 61.0   | (9.5)   | (12.3)   |
| SG&A                    | (4,003)  | (6,205)  | (8,464)  | (9,141)  | (9,690)  | 55.0   | 36.4   | 8.0     | 6.0      |
| EBIT                    | 6,649    | 16,176   | 27,578   | 23,461   | 18,906   | 143.3  | 70.5   | (14.9)  | (19.4)   |
| Interest expense        | (12)     | (58)     | (153)    | (161)    | (169)    | 383.3  | 163.8  | 5.0     | 5.0      |
| Others                  | 146      | 386      | 659      | 718      | 783      | 164.4  | 70.7   | 9.0     | 9.0      |
| Pre-tax profit          | 6,783    | 16,504   | 28,084   | 24,019   | 19,521   | 143.3  | 70.2   | (14.5)  | (18.7)   |
| Tax                     | (1,150)  | (3,012)  | (5,194)  | (4,323)  | (3,514)  | 161.9  | 72.4   | (16.8)  | (18.7)   |
| Tax rate (%)            | 17.0     | 18.3     | 18.5     | 18.0     | 18.0     |        |        |         |          |
| Net profit              | 5,633    | 13,492   | 22,890   | 19,695   | 16,007   | 139.5  | 69.7   | (14.0)  | (18.7)   |
| Minority Interests      | (910)    | (581)    | (628)    | (540)    | (439)    | (36.2) | 8.1    | (14.0)  | (18.7)   |
| Net Attributable Profit | 4,723    | 12,911   | 22,262   | 19,155   | 15,568   | 173.4  | 72.4   | (14.0)  | (18.7)   |
| less dividends paid     | (1,255)  | (5,000)  | (14,805) | (12,451) | (10,119) | 298.4  | 196.1  | (15.9)  | (18.7)   |
| Retained Earnings       | 3,468    | 7,911    | 7,457    | 6,704    | 5,449    | 128.1  | (5.7)  | (10.1)  | (18.7)   |

Source: LCC ARs, RHTC estimates.

In Fig 5-2 we forecast higher revenue of S\$105.5 mil in FY27 (vs S\$101.6 mil in FY26) and S\$101.9 mil in FY28, and attributable profit of S\$19.2 mil and S\$15.6 mil.

**Figure 5-3: Ratios and Valuations**

| Jun-yr end         | FY2024 | FY2025 | FY2026 | FY2027F | FY2028F |
|--------------------|--------|--------|--------|---------|---------|
| PE(x)              | 35.7   | 13.0   | 8.5    | 10.3    | 12.7    |
| PE/G               | n.a.   | 0.1    | 0.2    | n.m.    | n.m.    |
| Intrinsic value    |        |        |        | \$0.36  |         |
| (potential upside) |        |        |        | 20%     |         |
| Mkt Cap/Sales (x)  | 3.36   | 1.74   | 1.95   | 1.88    | 1.94    |
| Div Yield (%)      | 0.7%   | 3.7%   | 7.5%   | 6.3%    | 5.1%    |
| FCF Yield (%)      | 4.8%   | 10.4%  | 5.6%   | 12.1%   | 8.4%    |
| P/BVPS             | n.a.   | 7.89   | 4.12   | 3.68    | 3.42    |
| ROAE (%)           | 37.2%  | 68.0%  | 60.4%  | 35.7%   | 26.4%   |
| ROAA (%)           | 16.2%  | 26.8%  | 29.8%  | 22.0%   | 16.6%   |

Source: LCC ARs, RHTC estimates.

Fig 5-3 shows LCC trades at a FY27F PE ratio of 10.3x with expected dividend yield of 6.3% FY27F. RHTC's intrinsic value of S\$0.36, 20% upside, is based on LCC's order book of S\$141.7 mil as of 25 August 2026 with margins staying > 30% for FY27 on a shorter-dated order book.

Fig 5-4 shows an increase in equity from S\$50.5 mil in FY26 to S\$56.7 mil in FY27F, while Fig 5-5 shows cash rising from S\$33.6 mil to a healthy S\$52.8 mil.

**Figure 5-4: Balance Sheet**

| Jun yr end ('000)                     | FY2024        | FY2025        | FY2026        | FY2027F       | FY2028F       | 25/24%       | 26/25%        | 27F/26%     | 28F/27F%      |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|-------------|---------------|
| Cash & ST investments                 | 11,483        | 27,045        | 33,605        | 52,756        | 57,001        | 135.5        | 24.3          | 57.0        | 8.0           |
| Accounts receivable                   | 8,225         | 20,840        | 24,267        | 18,982        | 18,340        | 153.4        | 16.4          | (21.8)      | (3.4)         |
| Contract assets                       | 5,035         | 9,369         | 15,539        | 8,964         | 8,660         | 86.1         | 65.9          | (42.3)      | (3.4)         |
| Other current assets                  | 206           | 360           | 306           | 240           | 200           | 74.8         | (15.0)        | (21.6)      | (16.7)        |
| <b>Total current assets</b>           | <b>24,949</b> | <b>57,614</b> | <b>73,717</b> | <b>80,941</b> | <b>84,201</b> | <b>130.9</b> | <b>27.9</b>   | <b>9.8</b>  | <b>4.0</b>    |
| Net PP&E                              | 1,168         | 4,521         | 3,981         | 5,661         | 6,344         | 287.1        | (11.9)        | 42.2        | 12.1          |
| Deferred income tax assets            | 107           | 632           | 632           | 632           | 632           | 490.7        | 0             | 0           | 0             |
| Trade & other receivables (NC)        | 3,014         | 4,386         | 3,803         | 4,640         | 4,483         | 45.5         | (13.3)        | 22.0        | (3.4)         |
| Other LT assets                       | 0             | 28            | 28            | 28            | 28            | 0            | 0             | 0           | 0             |
| <b>Total non-current assets</b>       | <b>4,289</b>  | <b>9,567</b>  | <b>8,444</b>  | <b>10,961</b> | <b>11,487</b> | <b>123.1</b> | <b>(11.7)</b> | <b>29.8</b> | <b>4.8</b>    |
| <b>Total assets</b>                   | <b>29,238</b> | <b>67,181</b> | <b>82,161</b> | <b>91,902</b> | <b>95,688</b> | <b>129.8</b> | <b>22.3</b>   | <b>11.9</b> | <b>4.1</b>    |
| Accounts payable                      | 7,905         | 22,642        | 16,721        | 13,113        | 13,192        | 186.4        | (26.2)        | (21.6)      | 0.6           |
| ST debt & current lease               | 220           | 329           | 393           | 440           | 400           | 49.5         | 19.5          | 12.0        | (9.1)         |
| Contract liab., provisions & tax      | 4,966         | 17,721        | 11,879        | 16,970        | 16,691        | 256.8        | (33.0)        | 42.9        | (1.6)         |
| <b>Total current liabilities</b>      | <b>13,091</b> | <b>40,692</b> | <b>28,993</b> | <b>30,524</b> | <b>30,284</b> | <b>210.8</b> | <b>(28.8)</b> | <b>5.3</b>  | <b>(0.8)</b>  |
| LT debt & lease                       | 574           | 952           | 1,191         | 1,330         | 770           | 65.9         | 25.1          | 11.7        | (42.1)        |
| Trade & other payables (NC)           | 821           | 2,296         | 1,487         | 3,351         | 3,371         | 179.7        | (35.2)        | 125.4       | 0.6           |
| <b>Total non-current liabilities</b>  | <b>1,395</b>  | <b>3,248</b>  | <b>2,678</b>  | <b>4,681</b>  | <b>4,141</b>  | <b>132.8</b> | <b>(17.5)</b> | <b>74.8</b> | <b>(11.5)</b> |
| <b>Equity</b>                         | <b>14,752</b> | <b>23,241</b> | <b>50,490</b> | <b>56,697</b> | <b>61,263</b> | <b>57.5</b>  | <b>117.2</b>  | <b>12.3</b> | <b>8.1</b>    |
| <b>Total liabilities &amp; equity</b> | <b>29,238</b> | <b>67,181</b> | <b>82,161</b> | <b>91,902</b> | <b>95,688</b> | <b>129.8</b> | <b>22.3</b>   | <b>11.9</b> | <b>4.1</b>    |

Source: LCC ARs, RHTC estimates

**Figure 5-5: Cash Flow Statement**

| Jun yr end ('000)          | FY2024         | FY2025         | FY2026         | FY2027F        | FY2028F         | 25/24%       | 26/25%         | 27F/26%        | 28F/27F%      |
|----------------------------|----------------|----------------|----------------|----------------|-----------------|--------------|----------------|----------------|---------------|
| CF operating               | 7,057          | 16,837         | 28,956         | 25,219         | 20,661          | 138.6        | 72.0           | (12.9)         | (18.1)        |
| Net change working capital | 3,482          | 6,798          | (12,181)       | 4,581          | 962             | 95.2         | (279.2)        | (137.6)        | (79.0)        |
| Others                     | (1,024)        | (1,029)        | (3,591)        | (4,323)        | (3,514)         | 0.5          | 249.0          | 20.4           | (18.7)        |
| <b>CF from operations</b>  | <b>9,515</b>   | <b>22,606</b>  | <b>13,184</b>  | <b>25,476</b>  | <b>18,109</b>   | <b>137.6</b> | <b>(41.7)</b>  | <b>93.2</b>    | <b>(28.9)</b> |
| Capital expenditure        | (83)           | (2,005)        | (2,026)        | (1,582)        | (1,528)         | 2,315.7      | 1.0            | (21.9)         | (3.4)         |
| Acquisitions/(divestures)  | 0              | (39)           | 0              | 0              | 0               |              | (100.0)        |                |               |
| Others                     | 83             | 318            | 2,476          | 0              | 0               | 283.1        | 678.6          | (100.0)        |               |
| <b>CF from investing</b>   | <b>0</b>       | <b>(1,726)</b> | <b>450</b>     | <b>(1,582)</b> | <b>(1,528)</b>  |              | <b>(126.1)</b> | <b>(451.5)</b> | <b>(3.4)</b>  |
| Dividends paid             | (1,255)        | (5,000)        | (14,805)       | (13,488)       | (11,262)        | 298.4        | 196.1          | (8.9)          | (16.5)        |
| Share issue/(repurchased)  | (245)          | 18             | 9,370          | 9,857          | (179)           | (107.3)      | 51,955.6       | 5.2            | (101.8)       |
| Debt & lease changes       | (244)          | (354)          | (1,703)        | (1,112)        | (895)           | 45.1         | 381.1          | (34.7)         | (19.5)        |
| <b>CF from financing</b>   | <b>(1,744)</b> | <b>(5,336)</b> | <b>(7,138)</b> | <b>(4,743)</b> | <b>(12,336)</b> | <b>206.0</b> | <b>33.8</b>    | <b>(33.6)</b>  | <b>160.1</b>  |
| <b>Net CF</b>              | <b>7,771</b>   | <b>15,544</b>  | <b>6,496</b>   | <b>19,151</b>  | <b>4,245</b>    | <b>100.0</b> | <b>(58.2)</b>  | <b>194.8</b>   | <b>(77.8)</b> |
| <b>Free CF</b>             | <b>9,432</b>   | <b>20,601</b>  | <b>11,158</b>  | <b>23,894</b>  | <b>16,581</b>   | <b>118.4</b> | <b>(45.8)</b>  | <b>114.1</b>   | <b>(30.6)</b> |
| Beginning cash             | 3,713          | 11,483         | 27,045         | 33,605         | 52,756          | 209.3        | 135.5          | 24.3           | 57.0          |
| FX impact                  | (1)            | 18             | 64             | -              | -               | (1,900.0)    | 255.6          | (100.0)        |               |
| <b>End cash</b>            | <b>11,483</b>  | <b>27,045</b>  | <b>33,605</b>  | <b>52,756</b>  | <b>57,001</b>   | <b>135.5</b> | <b>24.3</b>    | <b>57.0</b>    | <b>8.0</b>    |

Source: LCC ARs, RHTC estimates.

## 5-2 Industry Comparables

Figure 5-6: Industry Valuation

| 20 October                   | Price | FY27F PE   | FY27F PEG | FY27F Div Yield | FY28F PE  |
|------------------------------|-------|------------|-----------|-----------------|-----------|
| LCC                          | 0.30  | 10.3       | n.m.      | 6.3%            | 12.7      |
| <b>Peer Group</b>            |       |            |           |                 |           |
| Huatong Global               | 0.55  | 4.6        | na        | 2.2%            | na        |
| Soilbuild Construction Group | 0.51  | 4.2        | na        | 6.4%            | na        |
| <b>Avg. Peer</b>             |       | <b>4.4</b> | <b>na</b> | <b>4.3%</b>     | <b>na</b> |
| % LCC/Avg.                   | na    | +135%      | na        | +2.0ppt         | na        |
| STI                          | 5,680 | 18.0       | 1.74      | 4.1%            | 16.0      |
| % LCC/STI                    | na    | -43%       | n.m.      | +2.2ppt         | -21%      |

Source: RHTC estimates, Bloomberg.

Fig 5-6 shows LCC has an attractive dividend yield versus its comparably sized industry peers in Singapore, but trades at a 135% premium to them on FY27F PE. LCC trades at a 43% discount to the STI on FY27F PE.

## 5-3 Target Price

**Initiate coverage on LCC with a BUY recommendation and target price of S\$0.36 (potential +20% upside).** Our exit strategy of 36cts implies exit dividend yield at 5.3% or in PE terms at 12.4x (FY27F) to 15.2x (FY28F). LCC remains a good medium-term trade with limited downside due to its high current dividend yield of 6.3% (FY27F).

**Risks to LCC's assumptions.** The biggest risk is gross margin normalisation leading to substantial earnings contraction in FY28F and potential downside on dividends. Gross margin in FY26 was 35.5% up from 19.7% in FY25 and 18.1% in FY24. We assume 30.9% in FY27. Each one percentage point of margin is worth about S\$0.85 mil of profit in FY27.

Figure 5-7: LCC TP Relative to STI

|                  |                           | FY27F PEx | FY27F EPS %yoy | FY27F PEG | FY27F PB | Implied ROE | FY27F D/Y |
|------------------|---------------------------|-----------|----------------|-----------|----------|-------------|-----------|
| <b>A</b>         | <b>STI@5,680</b>          | 18.0      | 10%            | 1.74      | 1.63     | 10.3%       | 4.1%      |
| <b>B</b>         | <b>LCC @ \$0.30</b>       | 10.3      | -18.2%         | n.m.      | 3.68     | 35.7%       | 6.3%      |
| <b>C=B/A-1</b>   | <b>(Disc/t) / Premium</b> | -43%      | -28.2ppt       | n.m.      | +126%    | +25.4ppt    | +2.2ppt   |
|                  | <b>LCC /TP</b>            |           |                |           |          |             |           |
| <b>D</b>         | <b>\$0.36</b>             | 12.4      | -18.2%         | n.m.      | 4.42     | 35.7%       | 5.3%      |
| <b>E = D/A-1</b> | <b>(Disc/t) / Premium</b> | -31%      | -28.2ppt       | n.m.      | +171%    | +25.4ppt    | +1.2ppt   |

Source: Bloomberg, RHTC estimates.

At our Target Price of S\$0.36 (fig 5-7), LCC's implied FY27F PE of 12.4x (row D) is still at a 31% discount (row E) to the STI. PEG is not meaningful because FY27F EPS falls.

## Valuation Key Risks

### Risks to RHT Capital views and intrinsic value/price target:

1. The biggest risk is gross margin normalisation. Gross margin in FY26 was 35.5% up from 19.7% in FY25 and 18.1% in FY24. We assume 30.9% in FY27 and 28.1% in FY28. Each percentage point of margin is worth about S\$0.85 mil of profit in FY27.
2. The second biggest risk is new order intake. Public institutional awards fell 61.7% in 2Q and LCC's wins come in ~S\$30 mil contracts – so one lost tender moves a year's intake by about a quarter. Longer multi-year contracts spread revenue more thinly.
3. The third risk is cost inflation and pass-through. Contracts are fixed price. If broader subcontract, materials and energy inflation hit with weak pass-through, the hit to margins could be significant.

## 5-4 Sustainability/ESG

LCC has yet to produce a standalone sustainability report, so the ESG record is thin and mostly inherited from its parent, Lum Chang Holdings (LCH). The best evidence is LCH's FY25 sustainability report, which covered LCC's businesses, so the numbers are group wide. LCH says that after LCC's July 2025 listing, LCC reports its own sustainability performance separately, starting with FY26. The split will probably reset baselines, which makes year-on-year comparison with the FY23–25 group data hard.

### Environment

Group Scope 1 emissions fell 18.3% in FY25, but Scope 2 rose 43.1%, partly from moving site equipment from diesel to electricity and partly from a wider reporting scope. Intensity was 12.9 tCO<sub>2</sub>e per S\$ mil of revenue.

Climate work is TCFD-aligned, with a climate risk register and two scenarios. The report says these risks aren't yet fully built into the formal risk matrix, and Scope 3 isn't reported yet. LCC's own data is early. FY25 was the first year interior contracting waste was disclosed, and one conservation project (Temasek Shophouse) diverted 60.3% of its waste from disposal.

The business model suits the ESG theme. LCC's reports note that URA promotes adaptive reuse of heritage buildings as an alternative to demolition, which fits its core capabilities.

**Social**

The group recorded zero fatal or major injuries in FY25, and Temasek Shophouse won a WSH SHARP award. But employee turnover was 40.5% (up from 37.5%), against 14.6 hours of training per employee on average. Women were 18.6% of staff, typical for construction. Subcontractor safety data is only partly tracked, and no gender pay ratio is disclosed.

**Governance**

Zero corruption and zero privacy-breach incidents were reported. There is a whistleblowing channel handled by two independent directors, and a Sustainability Committee reporting to the board. Assurance is internal only. The group has not sought external assurance, and it plans to move toward ISSB alignment later.

LCC's own board has two independent directors out of five, and its chair is independent.

## APPENDIX

### A-1 SWOT Analysis

| SWOT                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strengths</b>     | <ul style="list-style-type: none"> <li>Niche expertise in conservation, A&amp;A and interior fit-out, led by a managing director with 35+ years in the industry.</li> <li>Visible pipeline: S\$141.7 mil order book at 25 August 2026 (1.4x FY26 revenue).</li> <li>Cohesive operating team.</li> <li>Business model fits ESG themes, since adaptive reuse avoids demolition and URA promotes it.</li> </ul>                       |
| <b>Weaknesses</b>    | <ul style="list-style-type: none"> <li>Key-person risk: strategy and client relationships rest heavily on Lim Thiam Hooi, the only executive director.</li> <li>Lean executive layer, with several recent hires and promotions.</li> </ul>                                                                                                                                                                                         |
| <b>Opportunities</b> | <ul style="list-style-type: none"> <li>Industry certified payments are rising (+7.5% in 2Q26), and BCA sees 2026 demand at S\$47–53 bn, supporting FY27 revenue conversion.</li> <li>Private commercial awards surged in 2Q26 (+457%), which could feed fit-out and refurbishment work.</li> <li>A larger order book and track record as a listed company could help win bigger conservation and institutional tenders.</li> </ul> |
| <b>Threats</b>       | <ul style="list-style-type: none"> <li>BCA expects demand to average S\$39–46 billion a year from 2027 to 2030, with a possible post-T5 reversion toward pre-COVID levels.</li> <li>Cost pressure: construction unit labour cost rose 4.0%, productivity slipped, and input prices are expected to stay elevated, squeezing margins on fixed-price contracts.</li> </ul>                                                           |

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| Name of subject Company     | Nature of Business Relation                 |
|-----------------------------|---------------------------------------------|
| Lum Chang Creations Limited | Continuing Sponsor (July 2025 to July 2026) |
|                             | Financial Adviser (January to July 2026)    |
|                             | Compliance Adviser (ongoing)                |

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