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LUM CHANG CREATIONS

BUY

Share Price:	S$0.475
Target Price:	S$0.70
Upside:	+47.4%

COMPANY DESCRIPTION

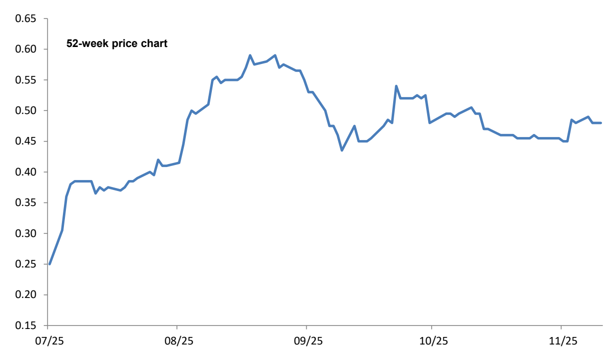
Lum Chang Creations is a leading urban revitalisation specialist in Singapore. The company provides niche conservation and restoration works complementary with interior fit-out works as well as A&A works.

Name	LUM CHANG CREATIONS LTD
Bloomberg Code	LUCC SP Equity
3M Avg Daily Trading Vol (k)	979.6
3M Avg Daily Trading Val (S$'000)	523.7
Major Shareholder / Holdings	Lum Chang Holdings (71.1%) Lim Thiam Hooi (13.3%)
Shares Outstanding (m)	315.0
Market Capitalisation (S$m)	149.6
52 week Share Price High/Low	0.64 / 0.30

STOCK PRICE PERFORMANCE

	1M	3M	12M
Absolute Return (%)	3.3	-13.6	—

PRICE CHART



Source : Bloomberg

Make Old Buildings Great Again

Lum Chang Creations (LCC) continues to see strong demand for its conservation and restoration expertise with the recent award of two contracts worth $63.4mln, boosting order book to $160mln. The awards span both public and private sectors and will provide revenue visibility extending into 2028. This comes on the back of a robust FY25, where the Group delivered 173% growth in profits from project recognition and improvement in margins. LCC is supported by an asset-light model that provides high ROEs of >35%. The Group is set to benefit from a promising urban revitalisation specialist (URS) industry and healthy projects pipeline. Our FY26F profit forecasts are raised by 35% to derive earnings of S$17.9mln, translating to an attractive 8.4x forward P/E. We are adding LCC as one of our top picks to our Nov'25 Client Portfolio, joining Tiong Woon and KSH Holdings in the Construction Category. Maintain BUY with a higher target price of S$0.70/share (Initiation TP: S$0.38), pegged to 11.7x blended FY26F/27F P/E (peers average).

Conservation project worth S$31.5mln from Orchard Road Presbyterian Church. The contract was awarded Nov'25 and spans 24 months, with expected completion in Nov'27. Deliverables include a new erection of a 5-storey annex block (Dunman Hall) with basement, and A&A and conservation works to the existing Sanctuary. Orchard Road Presbyterian Church was constructed in 1878 and is one of the oldest churches in Singapore.

S$31.9mln project for redevelopment of Registries of Civil and Muslim Marriages Building. The 30-month contract awarded by the Ministry of Social and Family Development will commence Dec'25 and is scheduled for completion in Jun'28. As a cherished venue for couples embarking on their marital journeys, this project reinforces LCC's strong reputation for undertaking sophisticated and sensitive public-facing infrastructural assignments.

KEY FINANCIALS

Jun YE	FY23	FY24	FY25	FY26F	FY27F
Revenue (S$m)	39.4	59.0	113.6	140.8	154.9
EBITDA (S$m)	5.9	7.1	16.8	22.7	25.1
EBITDA Margin (%)	15.1	12.0	14.8	16.1	16.2
PATMI (S$m)	4.5	4.7	12.9	17.9	19.8
P/E (x)	33.0	31.7	11.6	8.4	7.5
P/B (x)	15.1	11.2	7.0	3.8	2.9
ROE (%)	45.9	35.4	60.7	45.6	38.7
EPS (S¢)	1.44	1.50	4.10	5.68	6.30
EPS Growth (%)	801.8	4.1	173.4	38.6	10.9
DPS (S¢)	—	—	2.2	2.6	2.8
Dividend Yield (%)	—	—	4.6	5.5	5.9

Source: Lum Chang Creations, Lim & Tan Research

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LUM CHANG CREATIONS

We understand that the redevelopment project for ROMM Building at 7 Canning Rise was awarded to LCC, despite them not being among the lowest project bidders. Bids range from S$23.2mln to S$50.6mln, with LCC being the midpoint of bidders at S$31.9mln. Government contract tenders are evaluated based on a price-quality method. Contracts are awarded to companies who are best able to meet the tender requirements and offer the best value. Quality benchmarks include past performance, safety-related attributes, specific competencies and productivity efforts. We believe LCC's strong track record of providing customized solutions for different type of heritage buildings places them in a strong position for current and future project wins.

Exhibit 1: Bidders For The ROMM Contract

Invitation to Tender for the Proposed Redevelopment of Registries of Civil and Muslim Marriages (ROMM) Building at 7 Canning Rise

Invitation to Tender for the Proposed Redevelopment of Registries of Civil and Muslim Marriages (ROMM) Building at 7 Canning Rise

Overview | **Respondents (16)** | Award (1) | Print Respondents' Bids

16 suppliers responded.

Expand All Collapse All

ANCHORAGE CONSTRUCTION CO PTE LTD	23,235,864.50 (SGD)
BOON TIAN CONTRACTOR PTE LTD	27,960,303.00 (SGD)
CHIU TENG CONSTRUCTION CO. PTE. LTD.	39,800,000.00 (SGD)
GENNAL INDUSTRIES PTE LTD	37,968,000.00 (SGD)
H P CONSTRUCTION & ENGINEERING PTE LTD	30,500,000.00 (SGD)
HONG SHIN BUILDERS PTE LTD	27,878,694.00 (SGD)
HPC BUILDERS PTE. LTD.	26,820,000.00 (SGD)
KEN-PAL (S) PTE. LTD.	31,380,000.00 (SGD)
LUM CHANG INTERIOR PTE. LTD.	31,888,888.00 (SGD)
MEGABUILDERS & DEVELOPMENT PTE. LTD.	50,550,000.00 (SGD)
NIPPON BUILDERS PTE. LTD.	29,977,000.00 (SGD)
PT-G BUILDERS PTE. LTD.	31,298,000.00 (SGD)
QING FENG CONSTRUCTION PTE LTD	25,500,000.00 (SGD)
SATO KOGYO (S) PTE. LTD.	38,977,000.00 (SGD)
SHIN KHAI CONSTRUCTION PTE. LTD.	38,908,320.00 (SGD)
VIGCON CONSTRUCTION PTE LTD	44,000,000.00 (SGD)

Source: Government Electronic Business System (GeBIZ)

Exhibit 2: Comparison Of Peers In The Interior Fit-Out Space

Name	Market Cap (S$M)	Gross Margin (%)	Net Margin (%)
Lum Chang Creations	149.6	19.7%	11.4%
Lincotrade & Associates	35.3	12.5%	3.6%
Attika Group	40.8	15.1%	5.1%

Source: Lim & Tan Research

LUM CHANG CREATIONS

FY25 top-and-bottom line growth. LCC delivered robust FY25 results with strong growth in both revenue and profits. Revenue rose 93% yoy to S$113.6mln from continued recognition of ongoing projects. Net profit surged 173% yoy to S$12.9mln, underscoring LCC's focus on operational efficiency and bottom-line growth. Final dividend of 2.2 S cts is based on a 53.7% payout ratio, higher than the Group's IPO commitment to providing at least 30% of profits as dividends for FY25 and FY26. Going forward, our 2.6 S cts dividend forecast for the upcoming year represents a decent 5.5% yield.

LCC's core capabilities in conservation and restoration works will benefit from the rising demand for such specialised services as more modernist icons and non-designated heritage sites are identified for conservation. According to Mr. Lim Thiam Hooi, Managing Director: "As we continue to execute our projects and expand our order book, our priority remains on delivering sustainable growth and creating long-term value for our shareholders. The successful IPO has further strengthened our financial position, enabling us well to seize new opportunities with confidence."

Exhibit 3: FY25 Financial Results

	FY25 (S$'000)	FY24 (S$'000)	+ / (-) %
Revenue	113,550	58,973	92.5%
Gross Profit	22,381	10,652	110.1%
Gross Profit Margin	19.7%	18.1%	1.6 pp
Profit Before Tax	16,504	6,783	143.3%
Net Profit to Equity Holders	12,911	4,723	173.4%

Source: Lum Chang Creations, Lim & Tan Research

Addition Of Lum Chang Creations To Our Nov'25 Portfolio

	Name (As At 18 Nov 2025)	Price	Market Cap (S$mln)	Trailing PE	Forward PE	Current PB	Dividend Yield	52 Week Low	52 Week High	Net Gearing	Net Cash to Market Cap	Target Px	Potential upside
Property	Far East Hospitality Trust	$0.60	1,251	34.7x	19.7x	0.7x	6.2%	0.50	0.63	33%	na	0.73	22%
	Capitaland Ascott Trust	$0.94	3,620	16.0x	20.1x	0.8x	6.4%	0.77	0.97	40%	na	1.13	21%
	Hong Kong Land	$6.29	18,117	21x	22.7x	0.5x	3.6%	3.81	7.45	17%	na	7.30	15%
	Capitaland Invest	$2.64	13,367	30.5x	20.5x	1.1x	4.5%	2.31	2.87	39%	na	3.39	28%
	UOL	$8.57	7,315	16.9x	19.2x	0.6x	2.1%	5.01	8.84	25%	na	9.90	15%
Conglomerate	ST Engineering	$8.59	26,500	37.7x	29.9x	9.8x	2.7%	4.44	9.07	190%	na	9.69	12%
Technology / Telco	Venture Corp	$14.82	4,209	17.1x	16.0x	1.5x	5.5%	10.13	15.15	cash	30%	16.67	12%
	Innotek	$0.70	167	54.9x	40.0x	1.0x	2.8%	0.34	0.79	cash	37%	1.00	39%
	SingTel	$4.86	80,195	20.0x	17.8x	2.9x	4.1%	3.00	4.92	31%	na	5.49	13%
Transport/ Logistics	China Aviation Oil	$1.47	1,290	12.7x	9.6x	1.0x	3.1%	0.75	1.61	cash	52%	1.80	20%
Construction	KSH Holdings	$0.37	234	N.A	12.5x	0.8x	3.9%	0.19	0.43	cash	25%	0.51	34%
	Tiong Woon Corporation	$0.78	184	9.6x	8.7x	0.6x	2.2%	0.53	0.86	20%	na	1.06	36%
	Lum Chang Creations (1 Dec)	$0.475	150	11.6x	8.4x	4.9x	4.6%	0.30	0.64	cash	22%	0.70	47%
Shipbuilders	Grand Banks	$0.77	147	8.1x	7.6x	1.4x	1.9%	0.41	0.81	cash	29%	1.12	45%
Finance	DBS	$53.70	153,230	13.7x	13.7x	2.2x	6.0%	36.30	55.59	na	na	60.00	12%
Gold	SPDR Gold (USD)	$369.00	na	na	na	na	na	na	na	na	na	450	21%
	STI	4,543.59											

Lum Chang Creations

Trading Member of SGX since 1973

- Lum Chang Creations is a leading urban revitalisation specialist in Singapore. The company provides niche conservation and restoration works complementary with interior fit-out works as well as A&A works.
- Investment Merits
  1. Conservation of heritage buildings on an uptrend
  2. Order book provides visibility
  3. Cheap valuations, dividends upside
- Key Statistics
  - Market Cap: S$150mln
  - Price Close: S$0.475 (Target Price = S$0.70)
  - P/B Ratio: 4.9x
  - P/E Ratio: 8.4x
  - Dividend Yield: 5.5%
  - Net Gearing: Net Cash (22% of market cap)
  - 52 week low/high: S$0.30/S$0.64
  - Major Shareholder(s):
    - Lum Chang Holdings (71.1%)
    - Lim Thiam Hooi (13.3%)

- **Source: LTS Research, LCC**

1

NOTABLE PAST PROJECTS

National Monument at Sentosa Gateway
(Year completed 2021)

Conservation and restoration, interior fit-out and A&A works

Conservation Building at 15 Penang Lane
(Year completed 2023)

Conservation and restoration, interior fit-out and A&A works

Luxury Hotel at Orchard Road
(Year completed 2023)

Interior fit-out and A&A works

Community Hospital at Bedok South Avenue 1
(Year completed 2025)

Interior fit-out and A&A works

NOTABLE ONGOING PROJECTS *Expected Year of Completion

2025*			2026*	
Project Conserved Shophouses at Orchard Road	**Project** Conserved Shophouses at Club Street	**Project** Hotel at Cavan Road	**Project** National Museum of Singapore	**Project** Commercial Building at New Bridge Road
Type of works Conservation and restoration, interior fit-out and A&A works	**Type of works** Conservation and restoration, interior fit-out and A&A works	**Type of works** Conservation and restoration, interior fit-out and A&A works	**Type of works** Conservation and restoration works	**Type of works** Interior fit-out and A&A works

2

LUM CHANG CREATIONS

1. Conservation of heritage buildings on an uptrend

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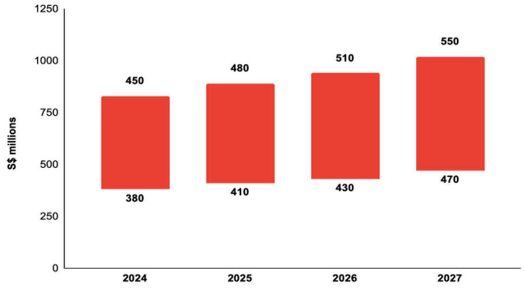

Project - Commercial and Institutional only	Estimated Completion
Restoration and renovation of Sun Yat Sen Nanyang Memorial Hall	2027
The Golden Mile (former Golden Mile Complex)	2029
Conversion of 5 restored heritage houses into an arts hub, a co-working, and F&B space at Kampong Java	Upcoming
Refurbishment and transformation of selected shophouses from 11 to 27 Smith Street	Upcoming
Redevelopment of Teochew Building at 97 Tank Road*	Upcoming
Refurbishment of The Substation at 45 Armenian Street	Upcoming
Feasibility studies on the old St Joseph's Institution building at Bras Basah for the possibility of housing the new Singapore Design Museum	Pending

- Robust outlook in the Urban Revitalisation Specialist (URS) industry
  - Government's commitment towards heritage preservation of buildings
  - Strong pipeline of upcoming heritage projects
- The industry to grow at a 6.8% CAGR from 2024 to 2027
- Lum Chang Creations is one of the five major players in this industry and the only listed company.

2. Order book provides visibility

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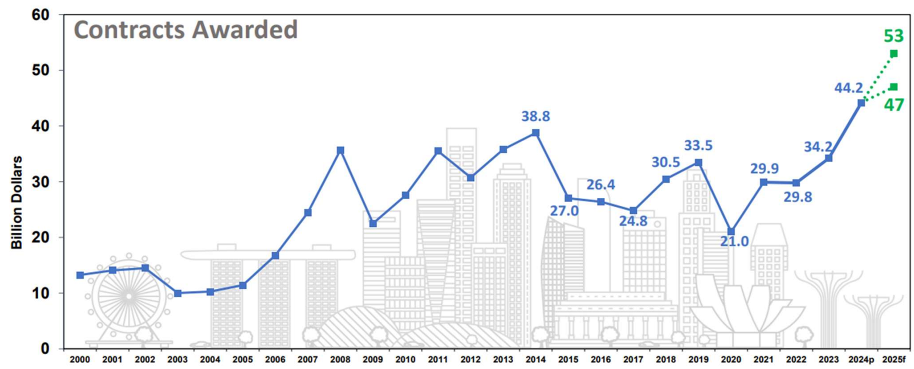

- Total **construction demand** between S$47bln-S$53bln in 2025, and S$39bln-S$46bln per year from 2026 to 2029.
- Demand for conservation, interior fit-out and A&A works expected to remain resilient
- S$160mln **order book** provides at least a year of revenue visibility
- The contracts will be fulfilled within 3 months to 2.5 years
- Portfolio spans across various sectors including public, infrastructural, institutional, commercial, retail, food & beverage and hospitality sectors.

LUM CHANG CREATIONS

3. Cheap valuations, dividends upside

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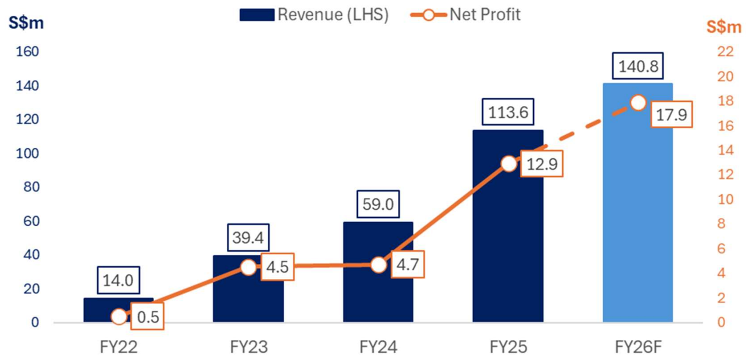

- Top-and-bottom-line growth is underpinned by healthy demand across all segments.
- Healthy ~20% gross margins + asset-light model
- Recent FY25 numbers saw a 173% increase in profits
  - 2.2 S cts dividends at 53% payout ratio
  - Decent **4.6%** yield
- Founder Mr Lim Thiam Hooi (13.3% stake) has a voluntary moratorium not to transfer or dispose his shares for a 10-year period.

Historical Operating Statistics

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FYE June	FY22	FY23	FY24	FY25	FY26F
Revenue (S$mln)	14.0	39.4	59.0	113.6	140.8
Growth		*181%*	*50%*	*93%*	*24%*
EBITDA (S$mln)	0.8	5.9	7.1	16.8	22.7
Growth		*684%*	*19%*	*138%*	*35%*
Net Profit (S$mln)	0.5	4.5	4.7	12.9	17.9
Growth		*802%*	*4%*	*173%*	*39%*
EBITDA Margins	5%	15%	12%	15%	16%
Net Margins	4%	12%	8%	11%	13%
Dividend Per Share (S cts)	—	—	—	2.2	2.6
Dividend Yield	—	—	—	4.6	5.5
Earnings Per Share (S cts)	0.16	1.44	1.50	4.10	5.68
Price-Earnings Ratio	297.5	33.0	31.7	11.6	8.4

Risks

Trading Member of SGX since 1973

- **Projects awarded are generally non-recurring and one-off.**
  - Projects done as part of LCC's conservation and restoration, interior fit-out and A&A services are non-recurring due to their specialized and unique nature. To maintain revenue and profitability, LCC needs to consistently secure new customers and projects.

- **Cost overruns may affect profitability.**
  - LCC's revenue is primarily derived from fixed lump sum project-based contracts. Prices of materials such as steel, timber, building materials and electrical cables may fluctuate and affect profitability.

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As of the date of this report, the research analysts primarily responsible for the content of this research report do have a financial interest* in Lum Chang Creations as recommended in this report.

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