RNG Tech Berhad (RESTNGO)

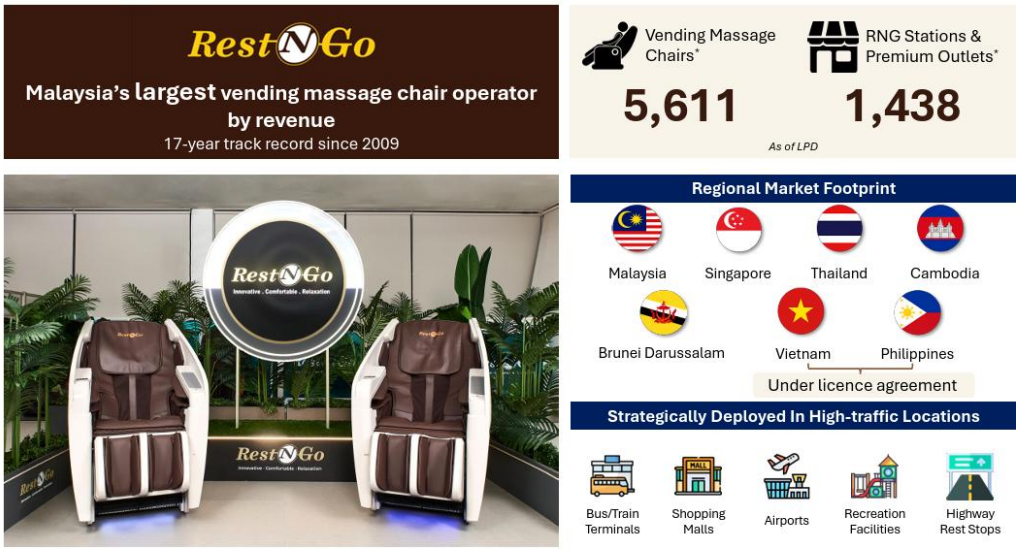
Scaling Locally and Regionally

- **RNG Tech Berhad is Malaysia's largest vending massage chair operator by revenue, principally involved in (i) the provision of on-the-go vending massage services, (ii) the provision of vending massage chair rental plans, and (iii) the licensing of vending massage services business.**
- **We project 3-year earnings CAGR of 30.8%, with core PATMI expected to reach RM11.5m-RM13.3m over the next three years, supported by (i) the opening of new RNG stations and RNG premium outlets moving forward, (ii) positive turnaround from Thailand, Cambodia and Brunei expansions in FY25 and (iii) royalty fees from the Philippines and Vietnam licenses.**
- **We assign a fair value of RM0.17 per share for RESTNGO, indicating an 30.8% upside from the IPO price of RM0.13. This valuation is based on a PE multiple of 11.0x, pegged to FY27f EPS of 1.57 sen.**

Investment highlights

Malaysia's largest vending massage operator. RESTNGO has built an extensive network of 5,611 vending massage chairs across 5 countries (excluding Vietnam and Philippines), with 3,276 chairs in Malaysia alone, placed at strategic high-traffic locations including shopping malls, airports and highway rest stops. According to the IMR report, the Group captured a market share of 66.2% in the vending massage chair services industry in Malaysia in 2025, computed based on its FY25 revenue of RM34.9m against the vending massage chair services industry size of RM52.7m.

Fig #1 Business overview



Source: RNG Tech Berhad

Upcoming expansion pipeline of 1,120 new chairs. We like RESTNGO's business model as its vending massage chairs are highly scalable across multiple formats, including stations, capsules and premium outlets formats. Post-IPO, the Group plans to deploy 1,120 new vending massage chairs across Malaysia over 36 months (360 in Year 1, 380 each in Years 2 and 3), representing a 34% expansion in the domestic fleet. An estimated total of RM15.2m needed to set-up all 1,120 new chairs, with RM4.9m (29.9% of IPO proceeds) has been allocated for Year 1 expansion, while remaining Year 2 and Year 3 will be funded through internal generated funds and/or bank borrowings.

IPO Note – Not rated

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Non-Rated

Share price	**RM0.13**
Target price	**RM0.17**
Previous TP	**-**
Capital upside	30.8%
Dividend return	3.4%
Total return	34.2%

Company profile

Started since 2009 and incorporated in 2024, RNG Tech Berhad is Malaysia's largest vending massage chair operator by revenue, operating 5,611 chairs across Malaysia, Singapore, Thailand, Cambodia and Brunei under the "Rest N Go" brand. The Group also licenses its brand in the Philippines and Vietnam.

Stock information

Bursa Code	0465
Bloomberg ticker	RESTNGO MK
Listing market	ACE
Share issued (m)	788.0
Market Cap (m)	102.4
Shariah compliant	Yes
MITI allocation	Yes

Major shareholders %

Dato Goh Cheh Yak	73.7
Datin Tan Sok Fei	0.7
Chang Kai Ren	0.4
Shin Kok Leong	0.4

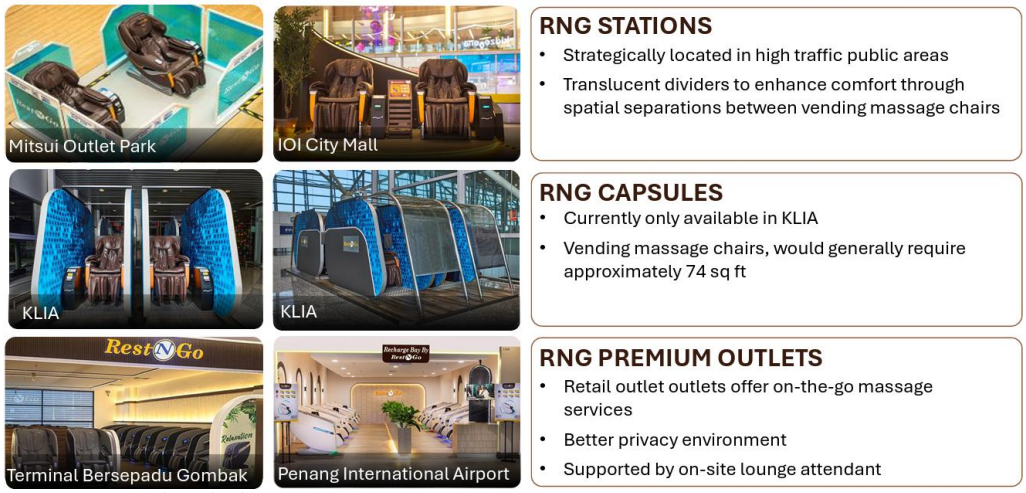
Earnings snapshot

FYE (Dec)	FY25	FY26f	FY27f
PATMI (m)	6.0	11.5	12.4
EPS (sen)	0.8	1.5	1.6
P/E (x)	17.2	8.9	8.3

Timetable of IPO

Opening of application	16 June
Closing of application	24 June
Balloting of application	26 June
Allotment of the IPO shares	3 July
Listing on the ACE market	7 July

Fig #2 Multiple formats of RESTNGO's vending massage chairs



Source: RNG Tech Berhad

Highly scalable through MRS platform. We view one of RESTNGO's economic moats is that all of its vending massage chairs are equipped with IoT boards and SIM cards connected to the Group's centralised Meter Reading System (MRS), enabling real-time monitoring, cashless payments and remote diagnostics. This MRS infrastructure allows the Group to scale its vending massage chairs nationwide and across the region with high operational efficiency due to its real-time monitoring and cashless payment feature, with digital payment mix risen from 7.5% in FY22 to 49.0% in FY25.

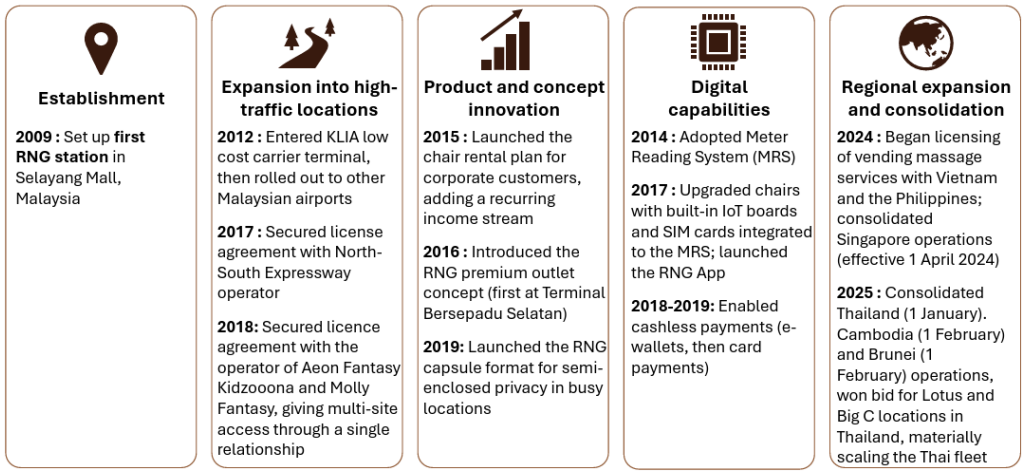
Licensing model to offer recurring royalty income. The Group's licensing arrangements in the Philippines and Vietnam contributed RM3.1m (6.3% of FY25 revenue) at effectively 100% GP margin, providing a recurring royalty stream without the cost burden of direct operations. The Group would collect a royalty fee between 11%-15% of total sales, with a royalty agreement duration of 3 years. We like this business model as it offers minimal capital investment and has the highest margin among its three business segments, and could also act as a replicable model for future market entries where direct presence may not be commercially viable.

Company background

RNG Tech Berhad is the investment holding company of the "Rest N Go" (RNG) brand, Malaysia's largest vending massage chair operator by revenue. The Group's business history dates back to 2009 when RNG MY was incorporated to undertake vending massage chair services. The Group provides automated, self-service on-the-go massage services through its network of vending massage chairs placed at strategic high-traffic locations such as shopping malls, airports, highway rest stops and bus/train terminals.

The Group operates through three principal service models, including (i) provision of vending massage services, (ii) provision of vending massage chair rental plans and (iii) licensing of vending massage services. As at LPD, the Group operates 5,611 vending massage chairs across Malaysia (3,276), Singapore (285), Thailand (1,818), Cambodia (122) and Brunei (110), and has licensing arrangements in the Philippines and Vietnam.

Fig #3 Corporate milestones



Source: RNG Tech Berhad

Substantial Shareholders and Key Management

1. Datin Tan Sok Fei – Managing Director

Datin Tan is the Promoter, substantial shareholder, and Managing Director responsible for planning, developing, and overseeing the Group's overall strategic initiatives and business direction. She holds an Engineering Diploma in Quantity Surveying from Federal Institute of Technology (1996) and has a distinct 13-year branch and area network management track record from her early career at Gintell (M). She acquired a 50.0% equity interest in RNG MY in 2010 and was responsible for planning and implementation of the Group's strategic decisions and also strengthening the Group's market presence. Datin Tan is the spouse of Dato Goh Cheh Yak.

2. Chang Kai Ren – Executive Director cum Chief Executive Officer

Mr Chang is a Promoter and Executive Director cum CEO responsible for developing sales and marketing strategies and overseeing daily operational matters. He completed his SPM in 2005 and built a background in account management, network distribution, and media advertising at Oriental Daily, Nature Environment Products, and Web Media Solutions. He joined the Group as Key Account Manager in 2010 and advanced internally through multiple senior promotions, including General Manager (2022), before assuming his current executive role in May 2024.

3. Shin Kok Leong – Executive Director cum Chief Financial Officer

Mr Shin is the Executive Director cum CFO responsible for managing the accounts and finance-related matters of the Group. He holds a Diploma in Business Studies (1990) from Systematic Business Training Centre, is a certified Chartered Accountant with the MIA, and was admitted as a Fellow of the ACCA in 2024. He brings extensive experience across corporate auditing, treasury, and commercial shared services from prior financial leadership roles at AirAsia Berhad, Kim Teck Cheong Consolidated Berhad, and Emerson Network Power. He initially joined Gintell (M) as CFO in December 2022 while concurrently managing RRNG MY's finances before transferring exclusively to RNG MY full-time in January 2024.

4. Dato' Goh Cheh Yak – Non-Independent Non-Executive Director

Dato' Goh is a co-founder, Promoter, substantial shareholder, and Non-Independent Non-Executive Director responsible for providing corporate advice and guidance to the Group's Board and senior management. He completed his secondary education in 1986 and has served as the Vice President of the ASEAN Retail-Chains & Franchise

Federation since 2022. He possesses a deep corporate track record in commercial franchise expansions and asset trading from co-founding family business Goh Brothers Enterprise (1991) and Gintell (M) (1996). He co-founded RNG MY in 2009 and retains a 73.3% direct equity interest in the Company post-IPO.

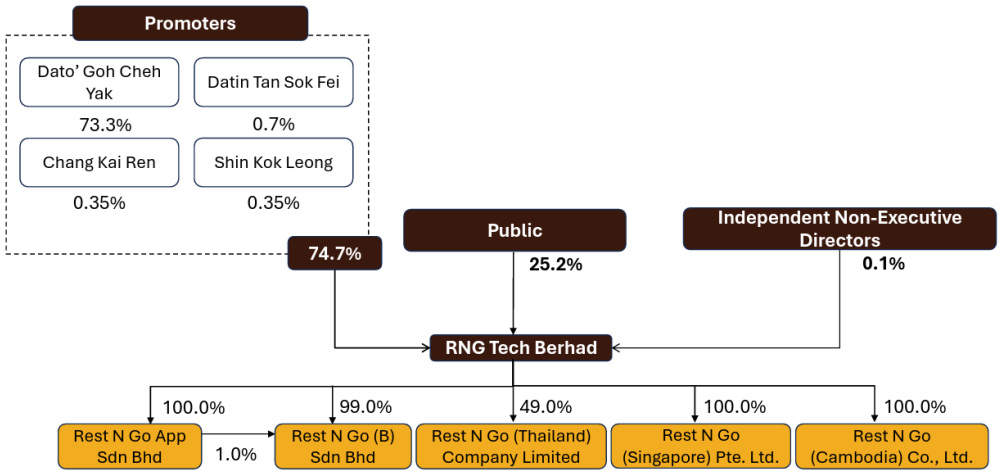
5. Lee Suk Voon – Group Human Resource Manager

Ms Lee is the Group Human Resource Manager responsible for human resource initiatives, employee relations, recruitment tracking, and payroll compliance. She holds a Diploma in Business Studies (2004) from Tunku Abdul Rahman College, a Professional Post Graduate Diploma in HR Management (2017), and is a Certified Advanced HR Manager. She brings a 19-year human resources track record from corporate placements at Everyday Brush Industries, Lein Hing Holdings, and Malaysia Steel Works. She joined the Group in April 2019, transitioned to dual HR management with Gintell (M) from July 2019, and returned exclusively to RNG MY full-time in February 2024.

6. Gan Jenn Yih – Senior Operation Manager

Mr Gan is the Senior Operation Manager responsible for the deployment and maintenance of vending massage chairs across Malaysia. He obtained his Unified Examination Certificate in 2001 and brings a 25-year track record in corporate retail network operations and logistical coordination from appointments at FFM Feedmills, Perniagaan Ayam Segar, and Eu Yan Sang. He initially joined the Group as an Area Executive for Sarawak in 2012 , re-joined as Operations Manager in 2019, and advanced through Regional Operation Manager (2022) to his current position in 2024.

Fig #4 Post-IPO Structure



Source: RNG Tech Berhad

Fig #5 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Set-up of new RNG stations and RNG premium outlets	4.9	29.9	Within 12 months
Upgrade and refurbish existing RNG stations and RNG premium outlets	2.2	13.3	Within 18 months
Repayment of bank borrowings	3.0	18.3	Within 6 months
Marketing expenses	1.0	6.1	Within 36 months
General working capital	1.1	6.8	Within 12 months
Estimated listing expenses	4.2	25.6	Immediately
Total	16.4	100.0	

Source: RNG Tech Berhad

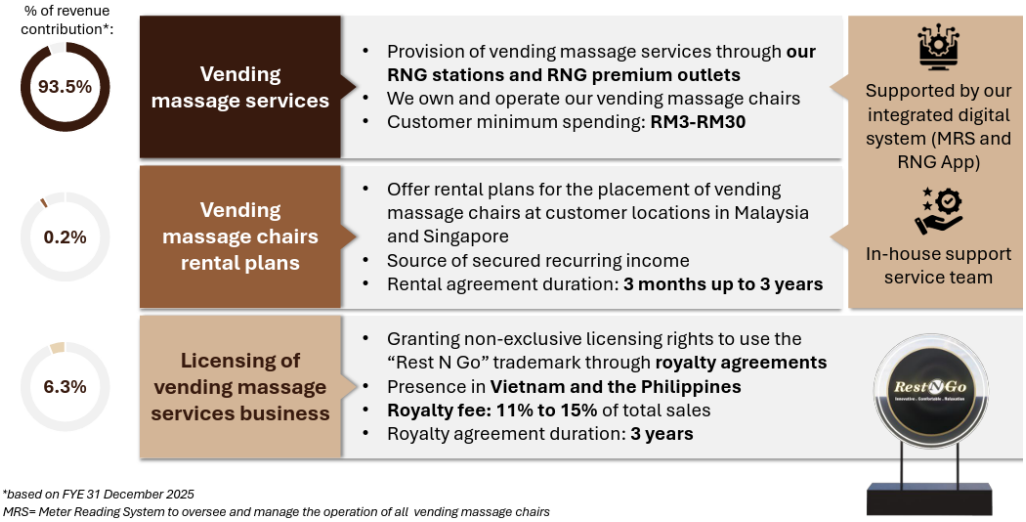
Business overview

Provision of vending massage services (93.5% of FY25 revenue). This segment features IoT-enabled automated massage chairs located at RNG stations (open-area setups) and RNG premium outlets (enclosed retail outlets with lounge attendants). All chairs are connected to the Group's proprietary Meter Reading System (MRS), enabling real-time monitoring, cashless payments and remote diagnostics.

Provision of vending massage chair rental plans (0.2% of FY25 revenue). This segment offers rental plans to corporate customers who place vending massage chairs at their preferred locations, providing the Group with a source of recurring rental income. As at LPD, 77 chairs are under rental arrangements.

Licensing of vending massage services (6.3% of FY25 revenue). The Group grants non-exclusive licences to operate RNG stations and premium outlets in overseas markets, charging a royalty of 11–15% of collected revenue. The Philippines (Odyssey World) and Vietnam (Health Land Viet Nam) are active licensee markets.

Fig #6 Principal business activities and services provided



*based on FYE 31 December 2025
MRS= Meter Reading System to oversee and manage the operation of all vending massage chairs

Source: RNG Tech Berhad

Fig #7 SWOT analysis of RESTNGO

Strength	Weakness
• Largest vending massage chair operator in Malaysia by revenue • 5,611 chairs across 5 countries • IOT-enabled MRS platform for real-time monitoring	• Sole dependency on Gintell (M) and Gintell (Thailand) for massage chair supply
Opportunity	**Threat**
• Deployment of 1,120 new vending massage chairs in Malaysia over next 36 months • Refurbishment of existing stations and RNG capsule concept expansion	• Competition from other wellness services and massage operators • Digital system failure risk disrupting MRS and payment processing

Source: M+ Research

Financials

Revenue and income highlights. The Group posted revenue of RM49.3m in FY25, an increase of RM9.0m (22.3% YoY) from RM40.3m in FY24, driven primarily by the vending massage services segment which grew RM9.4m (+25.5% YoY) to RM46.2m, boosted by the commencement of operations in Thailand (RM2.7m), Cambodia (RM0.8m) and Brunei (RM0.2m), as well as higher revenue from Singapore which grew to RM7.7m (FY24: RM5.9m). Nevertheless, the growth was partially offset by the licensing segment eased, which eased 7.6% YoY or RM0.3m to RM3.1m as Vietnam royalty income softened. Despite the strong topline growth, PAT attributable to owners declined 58.3% YoY to RM6.0m, dragged by the GP margin compression to 38.5% (FY24: 55.3%) as newer overseas markets incurred higher start-up costs and depreciation from the 1,882 new chairs acquired in FY25 roughly doubled to RM10.4m (FY24: RM4.9m).

Balance sheet. Total assets stood at RM67.5m as at FY25, up from RM57.5m in FY24, reflecting significant capex on vending massage chairs and higher right-of-use assets from new rental locations across six countries. Total equity strengthened from RM24.3m to RM30.4m, boosted by stronger retained earnings. Total borrowings (excluding lease liabilities) stood at RM16.8m, resulting in a pre-IPO gearing of 0.6x. Post-IPO, the repayment of RM3.0m in borrowings from IPO proceeds and the injection of new equity will reduce gearing ratio to approximately 0.3x.

Cash flow. Following a lower PBT, net cash from operating activities also moderated from RM15.1m in FY24 to RM8.8m in FY25. Investing cash outflow was RM10.9m in FY25 (FY24: RM7.5m), reflecting the acquisition of 1,882 new vending massage chairs and significant decline in proceeds received from disposal of property, plant and equipment. Net cash from financing was RM2.3m, compared to an outflow of RM4.9m in FY24, mainly from the increase in both drawdown of revolving credit and bankers' acceptance and also higher net change in amount owing to related parties.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 30.8%, with core PATMI expected to reach RM11.5m, RM12.4m and RM13.3m over the next three years. This growth is underpinned by (i) the opening of new RNG stations and RNG premium outlets moving forward, (ii) positive turnaround from Thailand, Cambodia and Brunei expansions in FY25 and (iii) royalty fees from the Philippines and Vietnam licenses.

Fig #8 Financial Highlights

FYE Dec (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	40.3	49.3	62.2	64.3	66.3
EBITDA	21.6	20.3	27.9	29.4	31.7
EBIT	16.5	9.9	16.1	17.3	19.0
PBT	15.1	8.3	14.5	15.9	17.6
PAT	12.0	6.0	11.5	12.4	13.3
PATMI – Core	12.0	6.0	11.5	12.4	13.3
PATMI – Reported	14.5	6.0	11.5	12.4	13.3
% change YoY – Core PATMI	64%	-50%	93%	8%	8%
Core EPS (sen)	1.5	0.8	1.5	1.6	1.7
P/E (x)	8.5	17.2	8.9	8.3	7.7
EV/EBITDA (x)	4.1	4.4	3.2	3.0	2.8
DPS (sen)	-	-	0.4	0.5	0.5
Yield (%)	0%	0%	3%	4%	4%
BVPS (RM/share)	0.0	0.0	0.1	0.1	0.1
P/B (x)	4.2	3.4	1.9	1.6	1.4
ROE (%)	78%	22%	27%	21%	20%
Net Gearing (x)	0.9	0.9	CASH	CASH	CASH

M+ Research

Valuations

We assign a fair value of RM0.17 per share for RESTNGO, representing an 30.8% upside from the IPO price of RM0.13. This valuation is based on a P/E ratio of 11.0x, pegged to the FY27f EPS of 1.57 sen.

Although RESTNGO's peers in the hotels, restaurants and leisure industry are trading at average historical and forward P/E multiples of 12.8x–14.0x, we believe the ascribed P/E multiple of 11.0x is fair, reflecting RESTNGO's smaller market capitalization of RM102.4m, compared to the peers' average of RM2.7bn.

Fig #9 Peers comparison

	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
RNG Tech Berhad	**ACE**	**Dec**	**0.13**	**102.4**	***17.2**	****8.3**	***21.8**	***12.1**
Genting Malaysia Bhd	MAIN	Dec	1.91	10,825.4	16.0	21.2	5.9	6.4
Magnum Bhd	MAIN	Dec	1.25	1,796.5	11.2	10.4	6.4	7.2
Sports Toto Bhd	MAIN	Jun	1.30	1,712.9	10.5	10.6	14.4	3.6
Exsim Hospitality Bhd	MAIN	Jun	0.38	882.4	12.5	22.4	22.7	12.3
Shangri-La Hotels Malaysia Bhd	MAIN	Dec	1.68	739.2	16.5	N/A	5.6	7.6
RGB International Bhd	MAIN	Dec	0.22	336.8	10.2	5.5	12.3	10.5
Avg ex-RNG Tech Berhad				**2,715.5**	**12.8**	**14.0**	**11.2**	**7.9**

Source: M+ Research (*FY25, **FY27f)

Investment risks

Digital system failure. As the Group's operation relies on its proprietary MRS and IoT-enabled chairs for payment processing, remote monitoring and data collection, any failure of its MRS, IoT boards or third-party payment platforms could interrupt revenue collection across the its network.

Inability to secure or renew strategic locations. RNG stations and premium outlets are operated under rented premises with tenancy periods ranging from 3 months to 3

years. Non-renewal of key locations at airports, highway rest stops or high-traffic malls could reduce the Group's revenue-generating capacity.

Sole supplier dependency on Gintell. As the Group sources all vending massage chairs exclusively from Gintell (M) and Gintell (Thailand), any disruption in supply, pricing change or deterioration in the relationship could constrain the Group's ongoing expansion plans and operational continuity.

Environmental, Social and Governance (ESG) Practices

Environmental:

- Optimises logistics for transporting and installing massage chairs by scheduling multiple installations within the same area to minimise trips
- Utilises IoT-enabled remote diagnostics to reduce unnecessary technician visits, lowering carbon footprint
- Retired massage chairs are disposed of responsibly or repurposed
- LED lighting and auto-sleep modes on vending massage chairs to reduce power consumption at selected locations
- Promotes paperless practices through Google Sheets and online shared folders

Social:

- Comprehensive SOPs aligned with occupational safety and health regulatory guidelines
- Fair recruitment practices aligned with ILO's Fair Recruitment Initiative, promoting gender equality
- Anti-Sexual Harassment Policy and zero-tolerance discrimination policy in place
- Employee development programmes through various training programmes
- Community contributions including donations and sponsorships with charitable organisations

Governance:

- Anti-Bribery and Corruption Policy and Whistleblowing Policy enforced, with zero-tolerance stance on fraud and bribery
- Personal Data Protection Policy in compliance with PDPA 2010 for all stakeholder data handling
- Conflict of Interest Policy with clear disclosure obligations
- Audit and Risk Management Committee oversight
- Regular internal audits to identify areas for improvement and strengthen risk management

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Stock recommendation guide	
BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned