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**FINANCIAL PERFORMANCE OF ENTREPRENEURS
(CASE STUDY ON RANGOON TEA HOUSE
RESTAURANT GROUP LTD)**

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(MBF - 4th BATCH)**

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**FINANCIAL PERFORMANCE OF ENTREPRENEURS
(CASE STUDY ON RANGOON TEA HOUSE
RESTAURANT GROUP LTD)**

A thesis submitted as a partial fulfillment towards the requirements for
the degree of Master of Banking and Finance (MBF)

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ABSTRACT

The objective is to study the financial performance analysis of 'Rangoon Tea House' Group Ltd. The founders of RTH Group Ltd are one of the successful entrepreneurs in Myanmar. The financial management of RTH Group Ltd is studied through the financial performance of 'Rangoon Tea House' from April 2016 to September 2018 with five periods and each period included six-months. The study used various tools for analysis such as situational analysis, horizontal and vertical analysis, ratio analysis etc. The comparison and evaluation of financial statement of different periods with horizontal and vertical analysis help in reducing costs, financial ratios analysis support to improve company focus and situational analysis assist in improving the business capability. This study is aim to examine the financial performance of successful entrepreneurs for providing the supportive way of financial information in decision making of business to become a successful entrepreneur. It is found that the format of financial information is a great support and basic foundation for the business and people who would like to become an entrepreneur need to aware of financial knowledge and role of financial professions.

As conclusion, the result shows the successful entrepreneurs, owners of Rangoon Tea House need to improve the financial development and search for further investors for business extension for the organization's sustainability.

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LIST OF ABBREVIATIONS

RTH	Rangoon Tea House
MRA	Myanmar Restaurant Association
EBIT	Earnings Before Interest and Tax
OCI	Other Comprehensive Income
CA	Current Assets
CL	Current Liabilities
ROA	Return on Assets
ROE	Return on Equity
ROI	Return on Investment
EPS	Earning Per Share
PE	Price Earning

CHAPTER I

INTRODUCTION

Myanmar has begun taking the first steps towards a series of political and economic reforms to accelerate the recovery from its long-term isolation. These reforms towards democracy, including the setting up of legal and regulatory infrastructure to facilitate business and trade, have spurred foreign governments to lift long-standing trade sanctions with Myanmar. For decades, the economy was dominated by a small elite, which benefited from close ties with members of the junta, which often awarded them contracts for big projects. It was not an environment in which there were many opportunities for small-scale businesses to prosper. However, the space for entrepreneurs has started to widen in recent years. Although there are still many barriers for small companies, there is much optimism that the sector will flourish. Myanmar is undergoing phenomenal sociopolitical changes. In July, the government released a 12-point economic policy that it said would focus on inclusive sustainable growth. If the light focus on detail, the policy includes developing an economy that creates opportunities to “nurture the young generation” and to establish a system where “all citizens can cooperate to always get good results by innovation and effort”. A business environment that encourages entrepreneurs would help the government achieve these goals. All entrepreneurs hope these will lead progressively towards greater democratic governance, whereby changes in the government gradually evolve into a system based on democratic principles and practices. All elements of society outside the government and business spheres – will also with time take on a more democratic shape including economic growth. One of them is Myanmar Restaurant Association (MRA) that is formed by 24 Restaurateurs on May 5, 2011 in Yangon to be the leading and supportive organization for the development all Restaurants in Myanmar through education, professional developments and positive exchange of ideas and views.

For Myanmar Economic Growth, there are requirements for out coming entrepreneurs and supporting methods for being strategic entrepreneurs. Especially, supporting to investment of entrepreneurs is from various loans such bank loans, SME loans and microfinance loans. The role of the entrepreneur is the common issue in the economic development of a country. By investing their own resources, entrepreneurs

attract the capital from investors, lenders and the public in the form of debt, equity etc. Therefore, the successes of entrepreneur create and share public wealth by allowing people to get benefit. GDP and per capita income are one of the important goals of a country's economic development. The job creation of entrepreneur helps to develop the productivity of the country, add the national income and per capita income of the country. Changes in attitudes and tastes among young entrepreneurs inspired to launch startups are contributing towards a transformation of Myanmar's economy. Improved connectivity, especially in Yangon, has helped to nurture a new wave of entrepreneurs. On the other hand, the performance of successful entrepreneur should be analyzed to know whether the achievement is actual or not.

1.1. Rationale of the Study

The entrepreneur can also define as job creators. The development of new business gives more positions for job seekers. Also, the new business and industrial units reduce the less develop and backward areas, therefore it is help for regional development. Entrepreneur Bring not only new jobs, but also higher living standard. The innovation of the entrepreneurship leads higher quality of life of the stakeholders, including customers, suppliers, employees etc. When connecting with the foreign market it leads to currency inflow, latest cutting-edge technologies and business revenue to the local economy. All those benefits of entrepreneur lead to community development by creating new jobs, local development, regional innovations, countrywide productivity and national incomes.

There are many characteristics of successful entrepreneur. Some of the common traits are passion and motivation, self-belief, hard work and disciplined dedication, adaptable and flexible. Entrepreneurs can also be called risk takers because they are always willing to dive deep to the uncertain future. However not all risk taker can become successful entrepreneur. For setting the business direction and managing risk, the budgets and cash flow projections are the most necessary tools for businesses. Financial information is the business language that entrepreneurs of emerging businesses need to understand. The entrepreneurs are required to understand the way to define and use such information as powerful tools for budget and cash flow

projections. Therefore, the most important trait for successful entrepreneur is strong money management.

Financial performance can be defined by measuring the result of a firm's policies and operations in monetary terms. These results are reflected in the return of the firm on investment, return on assets, value added, etc. Financial information is the vital information to analyze the financial management of the entrepreneurs. The reason is it will lead to the progress of the effectiveness of future financial condition, safeguarding the development of the business and strengthen the market position of the businesses. According to Atrill & McLaney, in measuring financial performance, the main basic is on a given period of time and similar firm across the same industry or used to compare industries or sectors in aggregation. Also stated that the basic document that delivers information and recommendation about the financial position, performance and changes in financial position.

In this study, the saturation and financial analysis of performance of the successful entrepreneurs in Myanmar is studied through the performance of 'Yangon Tea House' within two years. As well as the study aimed to financial education for the people to increase awareness about the country's economic and financial opportunities, capability to use such opportunities and ability to manage cash well by using acquires financial opportunities. This study is also intended for the improvement of national productivity, to have interesting of entrepreneur life.

1.2. Objectives of the Study

The main objective of this thesis is to study the financial performance of successful entrepreneurs in Rangoon Tea House Restaurant. There are two objectives for this study.

1. To analyze the financial situation of the company of entrepreneurs with a set of methods of horizontal and vertical analysis and ratio analysis.
2. To examine the financial performance of successful entrepreneurs

1.3. Scope and Method of the Study

This thesis studies the performance of successful entrepreneurs of Rangoon Tea House restaurant, who were the winner of the prestigious KBZ Entrepreneur of the Year Award. The financial performance of the business from April 2016 to September 2018 with five periods of six-month were analyzed. The analysis will make thorough the Statements of Financial Position, Common size analysis with horizontal and vertical, and Financial Analysis Ratios.

Statement of Financial Performance includes the examination of require subtotals in the statement of financial performance – earnings before interest and tax (EBIT) and/or profit, the exploration of removing some of the option for presentation of income and expenses, the investigation of provided guidance on the use of performance measure including separate presentation of non-recurring, unusual or infrequently occurring items and the examination of the better ways to communicate information about other comprehensive income (OCI). Statement of Financial Position includes exploring the elimination of option. Statement of Cash Flows includes the exploration of the elimination of options for the classification of the cash effects of interest and dividends in the statement of cash flows, the analysis of the alignment of the operating section across the statement of cash flows and the statement of financial performance; the financial statement of the ‘Rangoon Tea House’ from April 2016 to September 2018 with five periods of six months, the exploration of the requiring a consistent starting point for the indirect reconciliation of cash flows in the statement of cash flows.

The common size analysis involved Horizontal Analysis and Vertical Analysis to measure the improvement, credibility, prospect, value and worthiness of the organization. The financial ratio analysis included mainly five types such as liquidity ratio, profitability analysis ratios, activity analysis ratios, capital structure analysis ratios and capital market analysis ratios.

The limitations of the study are the results for indications derived from analysis of financial statements may be differently interpreted by different users, the financial information availability is limited, there are various tools of analysis available for the financial performance analyst. Different tools may produce different results.

1.4. Organization of the Study

This thesis is organized with five chapters. Chapter I is consisting of introduction that include rationale for the study, the objectives for the study, the methods used in the study and sources of data for the study, the scope and limitation of the study and organization of the study. Chapter II is theoretical background of the study. Besides, the chapter explains horizontal and vertical analysis and financial ratio analysis. It also included the information of how financial performance impact the business, previous studies about the financial performance analysis and Conceptual Framework for the study. Chapter III presents the information of Rangoon Tea House restaurant including the history, vision, mission, products, organization structure and Entrepreneur Awards. In Chapter IV the horizontal and vertical analysis and financial ratio analysis are included in the data analysis. Chapter V includes three main parts such as findings and discussions, suggestions and recommendations and needs for further study.

CHAPTER II

THEORETICAL BACKGROUND

This chapter is the literature review of Myanmar Restaurant industry including the shifting setting, nature and challenges of Myanmar restaurant business. Besides, the chapter explains about financial performance together with types of analysis. It also included the information of how financial performance impact the business and previous studies about the financial performance analysis. And it explained that ratio analysis in the financial performance mainly focuses on liquidity ratio that includes current ratio, quick ratio and net working capital ratio, profitability analysis ratios, activity analysis ratios, capital structure analysis ratios and capital market analysis ratios. In financial analysis, various types are available and the differentiation can be made according to the nature of the analysis –Horizontal and Vertical analysis, according to the purpose of the analysis – Long term analysis and Short-term analysis, according to Nature of Analysis.

2.1. Horizontal Analysis

An essential tool for financial analysis is a set of methods that analyze the financial situation of the company. These methods also include horizontal and vertical analysis to determine financial health of a business.

Horizontal analysis is a basic technique to see relations of a specific items or group of items in a different time period. It is also known as an analysis “by the lines” or also “analysis of the time periods”. The main output of an analysis is a time frame that is used to a prediction of a future progress of a company. Future development however not necessarily depends on the past so this method of future planning is a target of many questions. Many economists are in agreement that today’s development follows so called Markow process. That is, economic results of a company do not depend on the past development and they are completely random. It can be calculated with this formula:

Horizontal Analysis formula = [(Amount in comparison year – Amount in base year)/ Amount in base year] x 100

2.2. Vertical Analysis

Another way how to analyze items of the financial statements is “by the columns”. This analysis is called vertical analysis. A vertical analysis is used to show the relative sizes of the different accounts on a financial statement. For example, when a vertical analysis is done on an income statement, it will show the top-line sales number as 100%, and every other account will show as a percentage of the total sales number. For the balance sheet, the total assets of the company will show as 100%, with all the other accounts on both the assets and liabilities sides showing as a percentage of the total assets number. The main purpose of this analysis is to derive the specific relations between the items or groups of items of the basic financial statements in one specific time. Vertical analysis is also used to the comparison of the data of analyzed business with another data in the sector because these indicators are shown in percentages. Another advantage of the vertical analysis is that is not influenced by inflation, thus it is possible to compare these data within different years. Because of this effect it is necessary to combine vertical and horizontal analysis together to receive better results.

The analysis of financial performance of a business can provide the advice and financial products to any organization such as family business, SME, government, investment, real estate, insurance and so on. The business activities all over the world is changing according to the regulatory and economic environment variations. At the same time people who work in the financial field face with complexity and the role of finance career become vital. Also, the financial management function becomes higher demanding. In every business a group of people are working in the organization together to fulfill the organization goal. The goal of every business is acquiring revenue. In the traditional organization, the goal is to maximize income. However, the goal of modern organization is raising capitals by issue of equity share to maximize shareholders' wealth. The expansion of the wealth is possible when the business has an ability to enlarge net profit.

According to Modus Operandi of Analysis is analyzing and reviewing the number of the financial statement of years carry out with horizontal analysis. The analysis is based on the financial data of different years instead of one date or period

of time as a whole. Therefore, it is also known as 'dynamic analysis'. The horizontal analysis is helpful for long-term trend analysis and planning. Vertical analysis is the analysis that refers to the ratios of one date or for one accounting period. To make the comparisons the study conducted over the number of years that the company can be affected.

2.3. Financial Ratio Analysis

The financial ratio analysis includes the study of relationship and trends to decide whether the financial position and operational results and the improvement of the business's financial are satisfactory or not

The study used a number of analytical methods or devices to determine as well as to make measurement between the financial statements' items of a single set of statement and the changes in these items. This relationship illustrates in successive financial statement.

The basic purpose of analytical method is to review the data in more understandable form with simplification. The methods and devices used in analytical methods for financial statements analyzing are comparative statements, common size statements, trend ratios, cash flow statements, fund flow statements and ratio analysis.

Ratio analysis is vital for measuring the profitability, liquidity and leverage the company's operation mergers and acquisitions. It is also useful study for evaluating the relationships between the financial statement items. Another application of ratio analysis is to classify trends in different time for a business or to compare different business at one point in time. Ration analysis focuses on three key factors such as liquidity, profitability, and solvency and is very useful and important tool for businesses. The calculation of ratios helps to make comparison of firm in different sizes. It is also can be used to compare a firm's financial performance in industry averages. Ratio analysis can also perform as trend analysis to identify areas where the performance has increased or disease in different years.

Accounting rations used as a tool for understanding the messages of financial statements. Ratios simply apply to the figures that are related to each other, and apply on the basis of figures included in the financial statement. Ratios provide clues to

understand the underlying conditions. It can also be seen as the indicators of financial security, strength, position and status of the business.

In discussing the uses of Ratio Analysis, it is the study of comparing the relationship among the different items of financial statements is made by ratios. It shows the overall financial position of the enterprise together with the profitability, liquidity and solvency. Some of the application of ratio analysis are to analyze and understand the financial health and trend of the business, to forecast about future state of affairs of the business, to compare inter firm and intra firm, to review past performance and future projections, to exercise control in various areas including budgetary control, inventory control, financial control etc. and to fix the accountability and responsibility of different department heads for accelerated and planned performance

Ratio analysis is useful for all constituents of the business. Management – got help ratio analysis for constructing the policies, decision-making and evaluating the performance and trends of the business. Shareholders – ratio analysis is useful in understanding both the working and operational efficiency of the business and the impact of efficiency and consequences. Investors – ratio analysis is helpful in understanding the efficiency, earning capacities and financial health of the business. Also help to realize the profitability, debt-equity, fixed assets to net worth and assets turnover etc. Investor can make the decision based on such information. Creditors - ratio analysis support in making decision to ensure the solvency and liquidity position of the business. It helps to highlight the repayment policy and capability of the business. Government – ratio analysis reveals the policy management and its consistency or otherwise with the overall regional and national economies policies to summarize the ‘financial health’ of the business. Analyst – ratio analysis is very useful technique for financial analysis. The analysis is intended to conduct to compare the progress and position of various firms with each other.

a. Liquidity Ratios

Current Ratio	=	Current Assets / Current Liabilities
Quick Ratio	=	(Current Assets – Inventories) / Current Liabilities
Net Working Capital Ratio	=	(Current Assets – Current Liabilities) / Total Assets

b. Profitability Analysis Ratios

Return on Assets (ROA)	=	Net Income / Average Total Assets
Return on Equity (ROE)	=	Net Income / Average Stockholders' Equity
Return on Investment (ROI)	=	Net Profit After Taxes / Total Assets
Net Profit Margin	=	Net Profit After Taxes / Net Sales
Gross Profit Margin	=	Gross Profit / Sales
Earnings Per Share (EPS)	=	Earnings After Taxes / Number of Shares

c. Activity Analysis Ratios

Asset Turnover Ratio	=	Net Sales / Total Assets
Inventory Turnover Ratio	=	Cost of Goods Sold / Inventory

d. Capital Structure Analysis Ratios

Debt to Equity Ratio	=	Total Liabilities / Total Stockholders' Equity
Debt to Asset Ratio	=	Total Debt/ Total Assets
Interest Coverage Ratio	=	Income Before Interest and Income Tax Expenses /Interest Expense

The current ratio, also known as working capital ratio, is used to measure a company's short-term liquidity position and initiate a relationship between current assets (CA) and current liabilities (CL) (Vaidya). This ratio is very popular among business. It is the ratio of total current assets to current liabilities and is calculated by dividing the current assets by current liabilities. Current ratio indicates the firms' commitment to meet its short-term obligations. It is a measure of testing short-term solvency or in other words, it is an index of the short-term financial stability of an enterprise because it shows the margin available after paying off current liabilities.

The quick ratio, also known as the acid test ratio, is equal to liquid current assets, divided by current liabilities. Relating liquid or quick assets to current liabilities can make calculation. Quick ratio tells us about a company's short-term liquidity and how much of the company's short-term debt can be met by selling all the company's liquid assets at very short notice (Ready Ratios). It shows the extent to which current liabilities can be paid off through liquid current assets such as cash, marketable securities, and accounts receivables. Liquid assets are those assets, which

are immediately converted into cash without much loss. A higher quick ratio means a more liquid current position. Liquidity ratio can be calculated by substituting liquid liabilities in place of current liabilities. Liquid liabilities are those liabilities, which are easy to pay within a short time. If bank overdraft and cash credit facilities become a permanent mode of financing, they are to be excluded from current liabilities to arrive at liquid liabilities. Thus, quick ratio also calculated by dividing quick asset with quick liability.

Net working capital is the difference between a company's current assets and current liabilities. A positive net working capital indicates a company has sufficient funds to meet its current financial obligations and invest in other activities. It is calculated by subtracting current liabilities from current asset, and then divided by total assets.

The profitability analysis ratios included the analysis of return on assets (ROA), return on equity (ROE), return on investment (ROI), net profit margin, gross profit margin and earning per share (EPS).

Return on assets (ROA) measures the profitability of a business in relation to its total assets and it indicates how well a company is performing by comparing the capital's profit. The higher the return, the more effective business is in managing economic resources. This ratio is important because it helps in analyzing the profitability of a business. It can be used to compare the performance of the two companies of similar size and industry. The measurement of profitability is made by means of the relationship between net profits and assets. The resulting ratio is the measurement of the profitability of the total fund or investment of the organization. It is calculated by dividing net income by average total assets.

Return on equity (ROE) can be calculated by dividing net income with average stockholders' equity. Besides, return on investment (ROI) can be calculated by dividing net profit after tax with total assets. Also, Net profit ratio shows the remaining profit after deducting production, administration, and financing costs from sales and it is the ratio of after-tax profits to net sales. It is said to be one of the best measures for a firm to get the overall results. It is one of the components of return on capital employed.

Gross profit ratio illustrates the relationship of the gross profit to the net sales or turnover. The gross profit is the excess of the proceeds of goods sold and services rendered during a period over their cost, before accounting administration, selling and distribution and financing charges. It is a tool to assess the operational performance of the business. The ratio can be calculated by dividing gross profit with sale. There are many levels of profitability that analyzes the performance of a company such as gross profit, operating profit and net income. Each level gives the information about a company's profitability. The first level of profitability, gross profit, tells analysts how effectively a business is good at creating a product or providing a service compared to its competitors (Kenton, Gross profit margin, 2018). The gross profit ratio is important in deciding the general profitability since it is expected that the ratio would be quite high so as to cover both the remaining costs and to allow the proper returns to owners. The earning per share (EPS) can be calculated by dividing earnings after taxes by number of shares.

Capital structure analysis ratio included debt to equity ratio, debt to asset ratio and interest coverage ratio. The debt to equity ratio is a financial, liquidity ratio that compares a company's total debt to total equity. The debt to equity ratio shows the percentage of company financing that comes from creditors and investors. A higher debt to equity ratio indicates that more creditor financing (bank loans) is used than investor financing (shareholders). The debt to equity ratio is calculated by dividing total liabilities by total stockholders' equity. Debt to asset ratio measures the amount of total assets that are financed by creditors instead of investors. The debt to assets ratio formula is calculated by dividing total liabilities by total assets. Interest coverage ratio measures a company's ability to make interest payments on its debt in a timely manner. The interest coverage ratio formula is calculated by dividing the EBIT, or earnings before interest and taxes, by the interest expense.

Finally, capital market analysis ratio analyzes the price earning (PE) ratio. The price earnings ratio, often called the P/E ratio or price to earnings ratio, is a market prospect ratio that calculates the market value of a stock relative to its earnings by comparing the market price per share by the earnings per share. In other words, the price earnings ratio shows what the market is willing to pay for a stock based on its current earnings. The price earnings ratio formula is calculated by dividing the market value price per share by the earnings per share.

In according to the Purpose of the Analysis, the long-term analysis is used to study financial stability, solvency and liquidity of the business in long-term. The purpose of the analysis is to recognize whether the long-term concern will be available to earn reasonable amount. It needs to provide required fund in innovation, development and progress of the business, it is necessary to ensure to sustain a reasonable rate of the adequate return. The short-term analysis conducts to access the short-term solvency, stability, liquidity and earning capacity of the business. The business needs to have sufficient funds to meet its short-term requirements and enough borrowing capacity for near future. The purpose of the study is to know whether the business have enough fund for that issues.

After analyzing of financial statement is the interpretation step. This purpose of interpretation is to reach to logical conclusion regarding position and progress of the business on the basis of analysis. Therefore, analysis and interpretation of financial statements are assumed as the complimentary to each other.

In this study, the analysis of Rangoon Tea House is analyzing to helps the business for accessing to world-class capability such as access to invention and innovation, availability of specialist and latest and high efficiency tech. Then, the common size analysis involved Horizontal Analysis and Vertical Analysis helps to measure the Improvement, credibility, prospect, value and worthiness of the 'Rangoon Tea House' Ltd from April 2016 to September 2018 with five periods of six months. The data from analysis provide the basis for decision for reducing operation costs in capital investment, overhead and fixed cost. Finally, Ratio analysis conducts for realizing the figures for improving company focus in whether exploring in new market segment, quality improvement and increase flexibility.

2.4. Previous Study

On 1st June 1992, the paper of Roozebeh Kangari, Foad Farid and Hesham M. Eligharib, The Financial Performance Analysis for Construction was published. This paper analyzed the major financial ratios to predict performance of a company. It provided a quantitative model based on financial ratios to assess the financial performance and grade of a construction company, and its chances of business survival. Current ratio, total liabilities to net worth, total assets to revenues, revenues

to net working capital, return on total assets, and return on net worth are used to develop the model. The model also considers characteristics of various trades in the construction industry and the impact of the company size. The model is developed for general contractors, operative builders, heavy construction, plumbing, heating and air-conditioning, electrical works, and other specialty trades. On January 1995, Shaker A. Zahra, Jeffrey and G. Covin published their research paper which is Contextual influences on the corporate entrepreneurship-performance relationship: A longitudinal analysis. This article describes a study of corporate entrepreneurship and its impact on company financial performance. Data were collected from three different samples over a seven-year period to assess the longitudinal impact of corporate entrepreneurship on firm performance. The results suggest that corporate entrepreneurship has a positive impact on financial measures of company performance. This effect on performance, which tends to be modest over the first few years, increases over time, suggesting that corporate entrepreneurship may, indeed, be a generally effective means for improving long-term company financial performance. Moreover, the results indicate that corporate entrepreneurship is a particularly effective practice among companies operating in hostile environments.

On June 21, 2002, the paper of Joseph C. Paradi and Peter Pille, which is 'Financial performance analysis of Ontario (Canada) Credit Union: An application of DEA in the regulatory environment'. The purpose of the paper is to develop the model to detect the weakness in Credit Unions in Ontario, Canada, to predict the potential financial failures. The best DEA model provides results comparable to the equity/asset ratio when a slack adjusted efficiency score is used to measure efficiency, particularly for Credit Unions with larger asset sizes. DEA also provides indications of where opportunities lie for improvements by weak units by providing specific information, relevant to managers. Hence, for each Credit Union, comparison is made with a peer group of efficient entities that the inefficient institution's management can emulate to improve their performance.

On 2008, the article of the two professors Bora Aktan, Assistant Professor of Finance, Faculty of Economics and Administrative Sciences, Yasar University, Izmir, Turkey and Cagri Bulut, Assistant Professor of Management, Faculty of Economics and Administrative Sciences, Yasar University, Izmir, Turkey was published. The name of the research paper is 'Financial Performance Impacts of Corporate

Entrepreneurship in Emerging Markets: A Case Study of Turkey. The objective of the study is to examine the effects of four sub-dimensions of corporate entrepreneurship (hereafter CE) on firms' financial performance in Turkey. The results of this research gave guidelines to help investors, managers, and also academicians to comprehend the importance of CE well on the way to create financially successful firm performance and sustain it in developing countries. On February 2016, the article of Simone Nieuwoudt, which is Entrepreneurial Characteristics and Financial Performance, was published for the partial fulfillment of Master of Science in Agricultural Economics, University of the Free State Bloemfontein, South Africa. This paper studies the relationship between entrepreneurial competencies of a farmer and the financial performance of said farm to determine whether entrepreneurial competencies contribute towards financial performance. The result illustrated that each of entrepreneurial competencies have a positive relationship with the operating efficiency of a farm.

CHAPTER III

PROFILE OF RANGOON TEA HOUSE RESTAURANT

This chapter presents the information of Rangoon Tea House restaurant including the history, organization design and services of the business.

3.1. The Profile of 'Rangoon Tea House' Group Ltd

The history of Myanmar and teashop culture has bound together since last hundred years. The history and complexity of Myanmar people is shaped with the tea, the food and the ambience. The teashop is also involved as a part of individual life as a fond and nostalgic memory. As Rangoon Tea House was famed as one of the foremost cultural melting pots in the world during 1900's, the Rangoon Tea House named to pay homage to what exist. Also, the Rangoon Teahouse is open to take inspiration from all those people who come in and out of the shop.

Rangoon Tea House is a huge favorite of both locals and travelers in the city. The restaurant has a nice atmosphere and a variety of dishes that will delight your taste buds. A few favorites dishes include the samosas, salads, and grilled butterfish. It is also a favorite of travelers and expats, you can find a great variety of Burmese cuisine. It is also deal spot for lunch. Rangoon Tea House is a modern recreation of an old, colonial-era restaurant set in the heart of downtown Yangon. The cuisine is inspired from that of local tea shops, whose traditions stretch back to when Burma was a part of British India when Rangoon was the second largest migration port in the world. That translates to the menu where you can find Mohinga, biryani, and chocolate samosas! The mezzanine of Rangoon Tea House is The Toddy Bar, a modern Burmese cocktail bar with cocktails designed by award-winning and internationally renowned mixologist, Hideyuki Saito.

Rangoon Tea House' is a famous and successful traditional restaurant operated by two leaders. It is opened in November, 2014 and located in ground floor, 77-79 Pansodan Street (Lower Middle Block), between Maha Bandoola and Merchant Road, Yangon. Vision statement of the business preserves and supports the traditions of local farmers. Mission Statement is 'We have sourced as many of the ingredients as possible from local farms.' This means that the sizes of some free-range items may

vary from time to time but we have worked hard to ensure every visit should provide consistency and hygiene.

Rangoon Tea House draws inspiration from the heritage and tradition of the old city, the wonder food and vibrant atmosphere of downtown. ‘The Greasy Chopstick’ states that Rangoon Tea House is one of our favorites all round restaurant in Yangon. The Cofounder of RTH said, “We’re trying to refine Burmese cuisine and raise the bar on tea shop dinning,” Products of Rangoon Tea House are Street Snacks such as Bao Si, Soup and Noodles, Roti Wrap, Rice and Biryani, Salads, Off the Grill, Village Curries, Rice and Bread. Various types of drinks are also available such as Red Wine, White Wine, Sparkling Wine, Signature Cocktails, Draught Beer, Bottled Beers, Coconut and Other Drinks, Smoothies. Coffee and desserts such as Shan Fusion Coffee, Traditional Tea, Naked Cakes and Signature Desserts are also available in Rangoon Tea House.

[Products of RTH Group Ltd can be seen in Appendix.]

3.2. Organization Structure of ‘Rangoon Tea House’ Group Ltd

The organization structure of ‘Rangoon Teahouse’ Group Ltd is not too long and not too flat. The Boards of Directors are at the topmost role of the organization. Board members are the fiduciaries who steer the organization towards a sustainable future by adopting sound, ethical, and legal governance and financial management policies, as well as by making sure the nonprofit has adequate resources to advance its mission. The duty and responsibility of BOD are to establish policies, to make significant and strategic decisions, and to oversee the organization's activity. Managing Director is under BOD. The Managing Director (MD) is the most senior role in any company. With ultimate responsibility for the company's performance the Managing Director will report in to BOD.

The Managing Director is responsible for the performance of the company, as dictated by the board's overall strategy. Responsibilities include formulating and successfully implementing company policy, determining and implementing policies and making decisions, calling meetings, including an annual meeting of shareholders. After Managing Director, the director is the most responsible person in top management. The reason is that the managers of all departments such as food and

beverage, Human Resources, Sale and Marketing, Operation and Finance, are directly under the control of director. Thus the responsibility of the Director includes the likely consequences of any decision in the long term, the interests of the company's employees, the need to foster the company's business relationships with suppliers, customers and others, the impact of the company's operations on the community and the environment, the desirability of the company maintaining a reputation for high standards of business conduct, the need to act fairly as between members of the company.

Restaurant Manager who taking care of service, bar and coffee as well as Executive Chief who manage Preparation, bakery & pastry and kitchen are work under the management of Food and Beverage Manager. Food and beverage manager responsible for overall operation for the restaurant such as hire staff, purchase food and stock, and make sure everyone is trained on proper food preparation, proper and legal alcoholic beverage service kitchen safety techniques and understand health standards. Staff works for Payroll and Training are under the control of HR Manger. HR managers can perform a variety of tasks in fulfilling their main responsibility, which is leading an organization's HR programs and policies as they apply to employee relations, compensation, benefits, safety, performance and staffing levels.

Sale and Marketing Manager taking care of Public Relation and Sale. Sale and Marketing Manager assure to accomplish marketing and sales objectives by planning, developing, implementing, and evaluating advertising, merchandising, and trade promotion programs; developing field sales action plans. Operation Manager controls the staffs of Admin, Purchase, Receiving and Store. Operations managers play a leading role in managing both raw materials and personnel. Oversight of inventory, purchasing and supplies is central to the job. Human resources tasks include determining needs, hiring employees, overseeing assignment of employees and planning staff development. Chief Accountant, Senior Accountant, Payable Accountant, Receivable Accountant, Inventory controller and Junior Account are work under the management of Finance Manager. Financial managers are responsible for the financial health of an organization. They produce financial reports, direct investment activities, and develop strategies and plans for the long-term financial goals of their organization. Financial managers work in many places, including banks and insurance companies.

The organization structure of RTH Group Ltd can be seen in APPENDIX.

3.3. Awards of the Entrepreneurs of Rangoon Tea House

The award-winning Rangoon Tea House becomes a 'must-visit' dining among local and foreign customers. On September 24, 2016 the Anthem Asia, an independent investment and advisory group, announces a partnership with Rangoon Tea House to support the expansion of the iconic Yangon-based restaurant and lifestyle group. This partnership allows Rangoon Tea House to expand location and to develop new concepts and brands. Concerning with the partnership, the co-founder and managing director of Anthem Asia, Josephine Price said 'We are delighted to back founder Htet Myat Oo, co-owners such as Isabella Sway-Tin and Simon Sao and the Rangoon Tea House team and their ambitious plan to create a flagship Myanmar brand'.

The MYANMORE Dining & Nightlife Awards are given out to recognize, celebrate and promote quality dining & nightlife industry in Yangon. The Myanmar Awards celebrating hold every year with Dining and Nightlife with the best in food and drink in Yangon. Many of the country's top chefs, restaurateurs, business people, artists, musicians, media and more attended the lauded event. The evening was the culmination of weeks of the public voting for their favorite restaurants, bars and cafes online. Over five thousand votes were cast for 549 different venues in the five categories in 2018. The task of whittling that down to just five winners and two runners up in each award was incredibly difficult. But this does demonstrate the extent to which standards are increasing in the industry across the board. Six new and innovative awards that celebrate special contributions to excellence by individuals and teams were also presented. Nominations for these awards came from both the public and industry and were again judged by an independent panel of industry experts. Rangoon Tea House received Best Myanmar Restaurant award winner in 2016, the Best Casual Dining Experience Award 2017 and the founders of Rangoon Tea House got winner for MYANMORE Awards KBZ Entrepreneur of the Year 2018. They success the competition in the prestigious KBZ Entrepreneur of the Year Award sponsored for the third time by KBZ Bank.

KBZ Entrepreneur of the Year is presented to an individual entrepreneur in the dining and nightlife industry that has demonstrated a drive and determination to

succeed. They will have made an impact in the industry through their commitment, vision and values to achieving excellence. The nominee will have a great ability to communicate their ideas, influence others and will be respected by their peers within the industry.

Likewise, one of the founders was officially inaugurated as a member of Forbes 30 Under 30 Asia 2016. Forbes 30 under 30 has truly gone global in 2016 from the U.S, Europe to Asia to highlight the young talents emerging all around the world. For months the correspondents from around the region have been looking for the 300 best and brightest millennial who are disrupting and changing the faces of their industries. To make it happen, *Forbes* assembled over a dozen reporters from China to Australia, India and about as many countries in the region to research and come up with thousands of nominations covering all industries. Then looked through and cut the list down to a few hundred names that were sent to our panel of 30 judges, who helped decide who made the final cut. The outcome was a group of 300 young and driven entrepreneurs and game-changers that are contributing to their industries in a significant way. With 10 categories in total, the initial 30 Under 30 Asia list highlights inspiring young leaders in various fields covering consumer technology, enterprise technology, the arts, health care & science, media, social entrepreneurship, finance, industry and retail.

CHAPTER IV

PERFORMANCE ANALYSIS ON RAGOON TEA HOUSE

This chapter represents the data analysis of the study. Financial ratio analysis has been used to assess company performance for almost as long as modern share markets have been around. It is the powerful tools to measure the performance of the business. Ratio analysis concentrate on the inter relationship among the figures appearing in the financial statement. By this way, ratio analysis allows the business to see valuable insight in the decision making for improving company focus in whether exploring in new market segment, quality improvement and increase flexibility.

4.1. Horizontal Analysis

In this study was made with horizontal analysis of a balance sheet and income statement. These data were compared to the values of five periods chosen from three years financial statements of RTH Group Ltd. It was provided an analysis of a balance sheet firstly in the horizontal point of view.

**Table 4.1 Horizontal Analysis of Assets of Rangoon Tea House Group Ltd
[Based on Period 1] with the amount of MMK Million**

Type of Assets	Period 1	Period 2	Period 3	Period 4	Period 5
Total Assets [Million Kyats]	921.03	1,104.46	1,164.41	1,222.64	1,472.39
Growth Rate	100%	19.92%	26.42%	32.75%	59.86%
Tangible Fixed Assets	350.92	468.80	490.30	555.68	786.85
Growth Rate	100%	33.59%	39.72%	58.35%	124.23%
Intangible Fixed Asset (Goodwill)	424.36	424.36	424.36	424.36	424.36
Growth Rate	100%	0.00%	0.00%	0.00%	0.00%
Receivable	78.47	109.30	156.67	164.16	151.61
Growth Rate	100%	39.30%	99.67%	109.21%	93.22%
Cash & Cash Equivalent	45.91	77.37	25.05	13.44	67.51
Growth Rate	100%	68.52%	-45.43%	-70.73%	47.03%
Inventories	21.38	24.62	68.02	65.01	42.06
Growth Rate	100%	15.20%	218.22%	204.12%	96.78%

Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

The above table are shown horizontal analysis of assets of a company in relative numbers. Perhaps most important item of balance sheet is its total balance sheet sum which is in Table displayed as Total assets. It can be seen that this sum is varies from year to year, doesn't show any kind of trend in the company and years of decline in total assets are changing with years of growth by comparing with based period 1. However, it is important to look at the total balance sheet sum in a point of view of absolute numbers. In this table is shown, that absolute sum of total assets increased from period 1 to 5 and the highest percentage is in period 5 as 59.86%. This shows more than 5% growth of the company per period. For the fixed assets, the increasing percentage rate is highest in period 5 and after every six months, it is increasing with extension of company. Good Will amount remains unchanged. Receivable amount is increasing up to period 4 and in period 5, it decreases again. It means that credit sales to debtors is lower in period 5 than period 4. With comparing cash and cash equivalent amounts during periods based on horizontal view, it can be seen cash in hand and cash at bank amount are less during 2017. For the inventories amount, in 2017, the balance is the highest one among five period. Generally, total assets value is increasing from period 1 to period 4 and decrease again at period 5.

Table 4.2 Horizontal Analysis of Equity and Liabilities of Rangoon Tea House Group Ltd [Based on Period 1] with the amount of MMK Million

Type of Equity & Liabilities	Period 1	Period 2	Period 3	Period 4	Period 5
Total Liabilities	901.25	1,048.78	1,095.98	1,046.46	1,335.56
Growth Rate	100%	16.37%	21.61%	16.11%	48.19%
Current Liabilities	9.60	25.77	20.09	34.49	139.03
Growth Rate	100%	168.42%	109.25%	259.28%	1348.07%
Long-term Liabilities	891.65	1,023.01	1,075.89	1,011.96	1,196.53
Growth Rate	100%	14.73%	20.66%	13.49%	34.19%
Equity	35.83	72.29	72.29	72.29	72.29
Growth Rate	100%	101.77%	101.77%	101.77%	101.77%

Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

The table is displayed horizontal analysis of equity and liabilities in relative numbers. If it is looked at the equity of the company, it is noticeable that its growth is

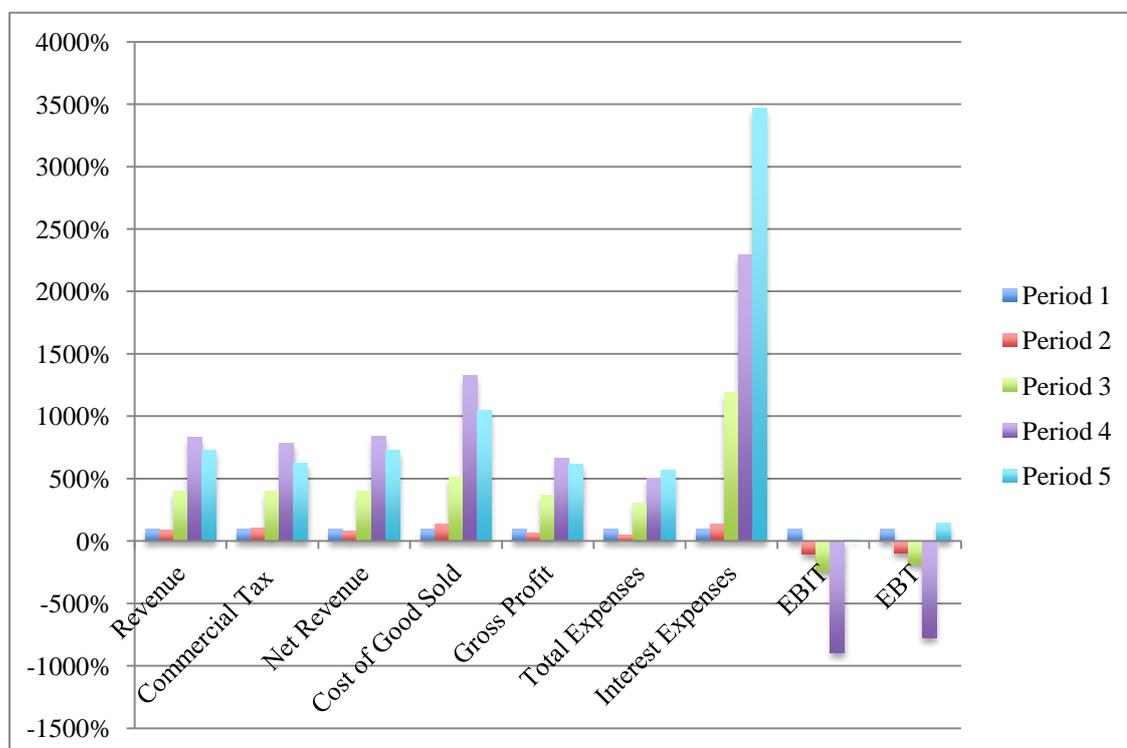
unstable during past five period. More important part are liabilities, that are considered as the main source of capital for assets. Total sum of liabilities therefore balances the sum of receivables on the side of assets. Other items that are important in the view of horizontal analysis are analyzed in the following text. Biggest growth of the current liabilities was registered in period 5, when its magnitude highly grew by more than 1000 %. It means that company is running with loan amount as investment is silent since period 2. It causes the overdue of payable amounts. Long-term loan also increases from period 1 to 3, decrease from period 3 to 4 and increase again from period 4 to 5. Therefore, total liabilities process also same with long-term loan.

Table 4.3 Horizontal Analysis of Income Statement of Rangoon Tea House Group Ltd with the amount of MMK Million

	Period 1	Period 2	Period 3	Period 4	Period 5
Revenue	183.16	340.16	921.63	1,711.60	1,511.00
Commercial Tax	8.24	16.68	41.47	73.00	59.45
Net Revenue	174.92	323.48	880.16	1,638.60	1,451.55
Cost of Goods Sold	45.11	105.26	275.70	643.29	519.53
Gross Profit	129.81	218.22	604.46	995.32	932.02
Total Expenses	145.86	218.79	591.71	887.56	971.37
Interest Expenses	0.63	1.46	8.09	15.03	22.42
EBIT	(15.42)	0.90	20.85	122.78	(16.93)
Revenue	100%	85.71%	403.18%	834.47%	724.95%
Commercial Tax	100%	102.34%	403.18%	785.62%	621.31%
Net Revenue	100%	84.93%	403.18%	836.77%	729.84%
Cost of Goods Sold	100%	133.33%	511.15%	1326.01%	1051.66%
Gross Profit	100%	68.11%	365.66%	666.76%	618.00%
Total Expenses	100%	50.00%	305.67%	508.50%	565.96%
Interest Expenses	100%	133.33%	1188.90%	2293.67%	3470.74%
EBIT	100%	-105.81%	-235.16%	-896.07%	9.78%

Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

Figure 4.1 Horizontal Analysis of Income Statement of Rangoon Tea House Group Ltd



Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

During horizontal analysis of income statement are discussed how the items were moving during the examined five periods. Again, was made horizontal analysis in absolute and also relative numbers. Whole analysis is shown in above tables and figure. Vertical analysis shows, that important items for further analysis are Sales from goods and services, output consumption and personal expenses thus these items have my focus during horizontal analysis and they are displayed as following. As it may be expected, sales and output consumption are moving together. Output consumption also reacts more dynamically on the increase or decrease of Sales. It can be seen that from period one to four there were increase in total sales and output consumption and it decreases again sales in period 5 as it may be selling in low seasons. Consequently, cost of goods sold and gross profit rates are same with revenues.

But total expenses and interest rates are increasing from period to period dramatically. And then for profit, based period one is loss rate; it can be shown inversely from period 1 to 4. The situation is good for decreased loss and period 5 is

increasing 10% loss rate. In order the stat, that a selected company is growing more dramatically up to period 4 and loss again in period 5 for extension. Thus, for clear result, a longer period of time would be needed for evaluation.

4.2. Vertical Analysis

In this study was also made with vertical analysis of a balance sheet and income statement. These data were compared to the values of five periods chosen from three years financial statements of RTH Group Ltd. It was provided an analysis of a balance sheet firstly in the vertical point of view.

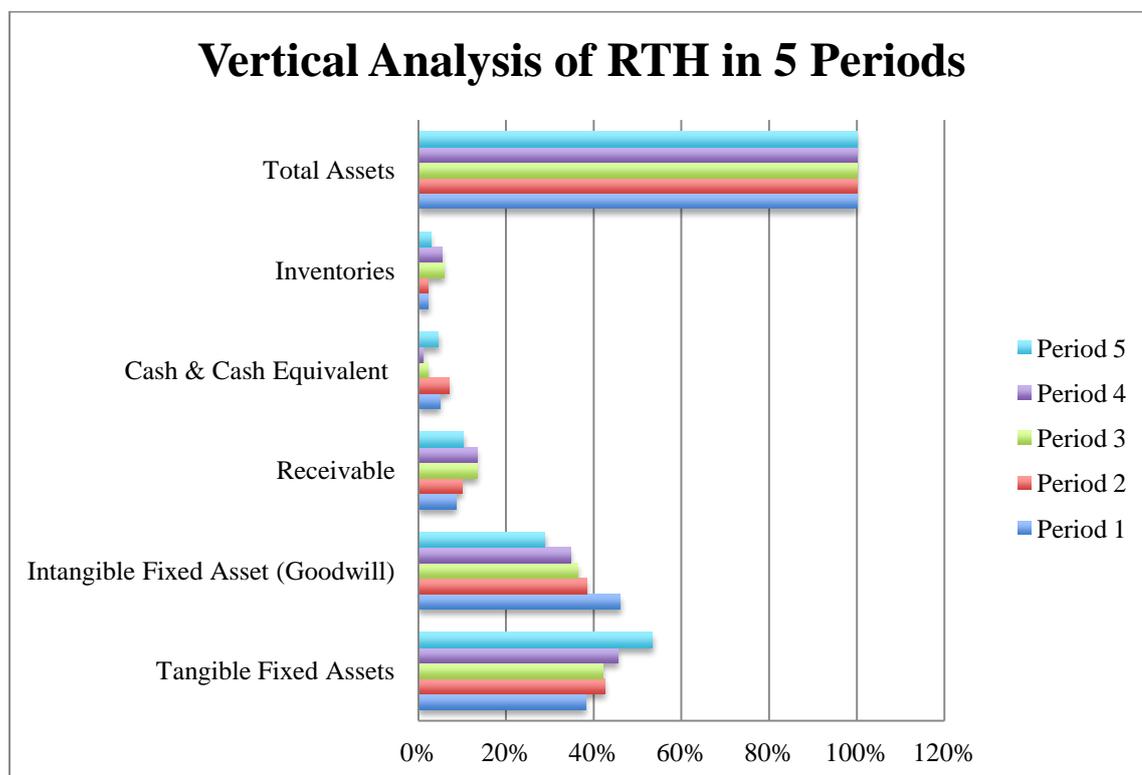
Table 4.4 Vertical Analysis of Assets of Rangoon Tea House Group Ltd with the amount of MMK Million

Type of Assets	Period 1	Period 2	Period 3	Period 4	Period 5
Tangible Fixed Assets	350.92	468.80	490.30	555.68	786.85
Intangible Fixed Asset (Goodwill)	424.36	424.36	424.36	424.36	424.36
Receivable	78.47	109.30	156.67	164.16	151.61
Cash & Cash Equivalent	45.91	77.37	25.05	13.44	67.51
Inventories	21.38	24.62	68.02	65.01	42.06
Total Assets	921.03	1,104.46	1,164.41	1,222.64	1,472.39

Tangible Fixed Assets	38%	42%	42%	45%	53%
Intangible Fixed Asset (Goodwill)	46%	38%	36%	35%	29%
Receivable	9%	10%	13%	13%	10%
Cash & Cash Equivalent	5%	7%	2%	1%	5%
Inventories	2%	2%	6%	5%	3%
Total Assets	100%	100%	100%	100%	100%

Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

Figure 4.2 Vertical Analysis of Assets of Rangoon Tea House Group Ltd



Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

The Vertical analysis of Assets of Rangoon Tea House Group Ltd provides a better understanding of a financial structure of assets in the company from April 2016 to September 2018 with five periods of six-month. Tangible Fixed Assets increases from April 2016 to September 2018 with five periods of six-month 38% to 53% that was highest value at period 5. Intangible Fixed Asset (Goodwill) value decreases 46% to 29% from period 1 to 5 based on total assets 100%. It means that goodwill value is smallest at period 5. The receivable amount increases from period 1 to 4 and decrease again in period 5. It means its value is higher in period 3 & 4 as 13%. Cash & cash equivalent portion based on total asset is smallest at period 4. Inventories portions is highest one in period 3. Thus, it can be seen that the amounts of individual items are relatively unstable across five periods.

Table 4.5 Vertical Analysis of Equity and Liabilities of Rangoon Tea House Group Ltd with the amount of MMK Million

Types of Equity and Liabilities	Period 1	Period 2	Period 3	Period 4	Period 5
Accounts Payable	9.60	25.77	20.09	34.49	139.03
Long Term Liabilities	891.65	1,023.01	1,075.89	1,011.96	1,196.53
Equity	35.83	72.29	72.29	72.29	72.29
Retained Earning	(16.05)	(16.62)	(3.87)	103.89	64.54
Total Equity and Liabilities	921.03	1,104.46	1,164.41	1,222.64	1,472.39
Accounts Payable	1%	2%	2%	3%	9%
Long Term Liabilities	97%	93%	92%	83%	81%
Equity	4%	7%	6%	6%	5%
Retained Earning	-2%	-2%	0%	8%	4%
Total Equity and Liabilities	100%	100%	100%	100%	100%

Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

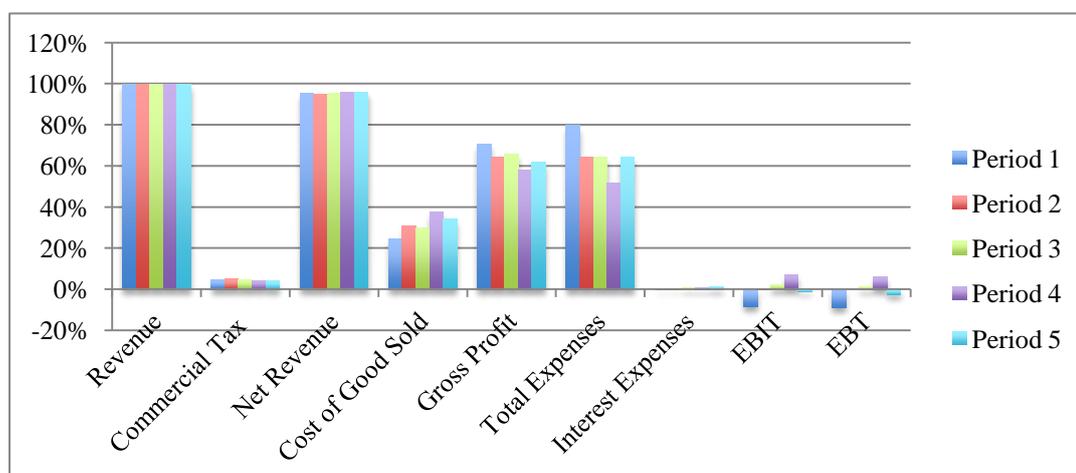
The vertical analysis of Equity and Liabilities displays vertical analysis of Equity and liabilities of Rangoon Tea House Group Ltd. Accounts Payable increases from April 2016 to September 2018 with five periods of six-month 1% to 9% that was highest value at period 5. Long Term Liabilities decreases 97% to 81% from period 1 to 5 based on total assets 100%. It means that long term loan amount portion is decreasing. The equity amount increases from period 1 to 4 – 4% to 6% and decrease again in period 5 as 5%. It means its value is highest in period 2 as 7%. Retained Earnings portion based on total asset increase from 1 to 4 as -2% to 8% and decreases again at period 5 as 4%. This means that although company gets loss in beginning and is profitable in period 4 and decrease profit amount in period 5. Thus, it can be seen that the amounts of individual items are relatively unstable across five periods and in first two period company stands with investment amount and next periods, company is running with loan amount and payable amounts.

Table 4.6 Vertical Analysis of Income Statement of Rangoon Tea House Group Ltd with the amount of MMK Million

	Period 1	Period 2	Period 3	Period 4	Period 5
Revenue	183.16	340.16	921.63	1,711.60	1,511.00
Commercial Tax	8.24	16.68	41.47	73.00	59.45
Net Revenue	174.92	323.48	880.16	1,638.60	1,451.55
Cost of Goods Sold	45.11	105.26	275.70	643.29	519.53
Gross Profit	129.81	218.22	604.46	995.32	932.02
Total Expenses	145.86	218.79	591.71	887.56	971.37
Interest Expenses	0.63	1.46	8.09	15.03	22.42
EBIT	(15.42)	0.90	20.85	122.78	(16.93)
Revenue	100%	100%	100%	100%	100%
Commercial Tax	5%	5%	5%	4%	4%
Net Revenue	96%	95%	96%	96%	96%
Cost of Goods Sold	25%	31%	30%	38%	34%
Gross Profit	71%	64%	66%	58%	62%
Total Expenses	80%	64%	64%	52%	64%
Interest Expenses	0%	0%	1%	1%	1%
EBIT	-8%	0%	2%	7%	-1%

Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

Figure 4.3 Vertical Analysis of Income Statement of Rangoon Tea House Group Ltd



Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

Vertical analysis of an income statement shows percentage share of individual items on total revenues in individual periods based on each period revenue amount. As shown in the figure, net sale amount is nearly stable with around 96% and cost of goods sold varies in different periods and 38% is the highest one in period 4. Based on COGS, Gross profit rate is also changing between 58% and 71%. Although profit in period 5 is the best one, gross profit rate is best in period 1. It means that as revenues increase highly, profit is high. But RTH can't control the COGS increasing rate above 30%. For total expenses, in period 4, its rate is smallest as 52% so profit 6% is highest rate. Thus, its economic result is deviating really dynamically from its average value to positive as well to negative numbers.

4.3. Financial Ratio Analysis

Financial Ratios Analysis of RTH Group Ltd includes the analysis of liquidity ratio, profitability analysis ratios, activity analysis ratios, capital structure analysis ratios and capital market analysis ratios.

Table 4.7 Ratio Analysis of Financial Statements from April 2016 to September 2018 with the Six-Month Periods

RATIO ANALYSIS	Period 1	Period 2	Period 3	Period 4	Period 5
<u>a. Liquidity Ratios</u>					
Current Ratio	15.18	8.20	12.43	7.03	1.88
Quick Ratio	12.95	7.24	9.05	5.15	1.58
Net Working Capital Ratio	0.15	0.17	0.20	0.17	0.08
<u>b. Profitability Analysis Ratios</u>					
Return on Assets (ROA)	-0.02	0.00	0.01	0.09	-0.03
Return on Equity (ROE)	-0.45	-0.01	0.18	1.49	-0.54
Return on Investment (ROI)	-0.02	0.00	0.01	0.07	-0.03
Net Profit Margin	-0.09	0.00	0.01	0.05	-0.03
Gross Profit Margin	0.71	0.64	0.66	0.58	0.62
<u>c. Activity Analysis Ratios</u>					
Asset Turnover Ratio	0.19	0.29	0.76	1.34	0.99
Inventory Turnover Ratio	2.11	4.27	4.05	9.90	12.35
<u>d. Capital Structure Analysis Ratios</u>					
Debt to Equity Ratio	25.15	14.51	15.16	14.47	18.47
Debt to Asset Ratio	0.97	0.93	0.92	0.83	0.81
Interest Coverage Ratio	-24.57	0.61	2.58	8.17	-0.76

Source: Survey Data of Rangoon Tea House (April 2016-September 2018)

The analysis of current ratio, quick ratio and net working capital ratio analysis are involved in liquidity ratio analysis. By calculating the Current Ratio in the industry's short-term liquidity (solvency) and the money in the short term can learn the relationship between (obligations) liability. The obligation to pay in the period 5 is the highest amount with rate 1.88. Therefore, the period 1 has better rate for ability to repay. This information indicated that the period 5 has more ability to repay its short-term obligation.

Quick Ratio is an indicator of company's short-term liquidity. It measures the ability to use its quick assets (cash and cash equivalents, marketable securities and accounts receivable) to pay its current liabilities. Quick Ratio also tells the firm's ability to pay off short-term obligations without relying on the sale of inventory. Quick ratio specifies whether the assets that can be quickly converted into cash are sufficient to cover current liabilities. Ideally, quick ratio should be 1:1. If quick ratio is higher, company may keep too much cash on hand or have a problem collecting its accounts receivable. Higher quick ratio is needed when the company has difficulty borrowing on short-term notes. A quick ratio higher than 1:1 indicates that the business can meet its current financial obligations with the available quick funds on hand. A quick ratio lower than 1:1 may indicate that the company relies too much on inventory or other assets to pay its short-term liabilities. Many lenders are interested in this ratio because it does not include inventory, which may or may not be easily converted into cash. In this study the period 1 has the quick ratio of 12.95, period 5 has 1.58 chances of paying off its short-term obligations without relying on the level or sales of inventor that was closing balance at the end of respective years. Thus, the higher payable amount can be seen in period 5.

A company's net working capital is the amount of money it has available to spend on its day-to-day business operations, such as paying short-term bills and buying inventory. Thus, it means the result is better in period 3.

The profitability analysis ratios included the analysis of return on assets (ROA), return on equity (ROE), and return on investment (ROI), net profit margin, gross profit margin and earning per share. The return on assets ratio, often called the return on total assets, is a profitability ratio that measures the net income produced by total assets during a period by comparing net income to the average total assets. In

other words, the return on assets ratio or ROA measures how efficiently a company can manage its assets to produce profits during a period.

Since company assets' sole purpose is to generate revenues and produce profits, this ratio helps both management and investors see how well the company can convert its investments in assets into profits. You can look at ROA as a return on investment for the company since capital assets are often the biggest investment for most companies. In this case, the period 4 has 0.09 and this figure can be said as good result. It shows that the company is more effectively managing its assets to produce greater amounts of net income. A positive ROA ratio usually indicates an upward profit trend as well. The higher the return, the more effective business is in managing economic resources in period 4.

Return on equity is a measure of how well a company uses investment dollars to generate profits. Return on equity is more important to a shareholder than return on investment ROI because it tells investors how effectively their capital is being invested. Therefore, a company with high return on equity is more successful to generate cash internally. In this study, ROE result is similar with ROA. Return on investment (ROI) measures the gain or loss generated on an investment relative to the amount of money invested. ROI is usually expressed as a percentage and is typically used for personal financial decisions, to compare a company's profitability or to compare the efficiency of different investments. In this study, ROI result rate is good at period 4 again and is similar with ROA as investment is same in period 2, 3, 4 & 5.

Net Profit Margin is equal to net income or profits divided by total revenue, and represent how much profit each dollar of sales generates. Net profit margin is the ratio of net profits or net income to revenues for a company, business segment or product. Net profit margin is typically expressed as a percentage but can also be represented in decimal form. Net profit margin is calculated by dividing the net profit after taxes by the sales. It shows the remaining profit after deducting production, administration, and financing costs from sales. It is the ratio of after-tax profits to net sales. Thus, it means that RTH firm is doing its business well within two years.

Gross profit margin is a financial metric used to assess a company's financial health and business model by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. In period 1, RTH has 0.71 gross

profit margin ratio as best one. So, in this case, conversely with other ratios, RTH gross profit ratio has worse result in other four periods. The reason is that RTH has fund management with loan and credit. It gives high prices for cost of goods sold in Year 2 in spite of having high revenues to cover both the remaining costs and to allow the proper returns to owners.

Earnings per share (EPS) are the portions of a company's profit allocated to each share of common stock. Earnings per share serves as an indicator of a company's profitability. It is common for a company to report EPS that are adjusted for extraordinary items, potential share dilution. In this study, with total shares 1000 of RTH, in period 4, EPS amount is increased 103,888.45 kyats as there is best profit in Period 4.

Analysis of activity analysis ratio included asset turnover ratio and inventory turnover ratio. Asset turnover ratio shows the turnover of the entire firm's asset. It can be calculated by dividing the sales by total assets of the firm. There are 1.34 chances of asset turnover in Period 4 against every \$ 1. Thus, RTH with a higher total asset turnover ratio in Period 4 can be considered better at making money through the intelligent and efficient use of its assets.

The inventory turnover ratio is an efficiency ratio that shows how effectively inventory is managed by comparing cost of goods sold with average inventory for a period. This measures how many times average inventory is "turned" or sold during a period. In other words, it measures how many times a company sold its total average inventory dollar amount during the year. Inventory Turnover Ratio is calculated by dividing the cost of goods sold by inventory. The inventory turnover of Period 5 is 12.35 times as best rate. Thus, we can assume that RTH sells its products effectively and manages the costs after passing two years.

The capital structure analysis ratios included debt to equity ratio, debt to assets ratio and Interest coverage ratio. The debt to capital ratio is a liquidity ratio that calculates a company's use of financial leverage by comparing its total obligations to total capital. In other words, this metric measures the proportion of debt a company uses to finance its operations as compared with its capital. Debt to capital ratio shows the comparison to equity. This ratio tells that how much firm has ability to pay its debt. If the equity is more than the total debt of the firm, the firm will face low risk. In

Period 1, the firm has 25.15 against \$ 1 to pay debt as worst rate. For business extension, the loan and debt payable amount is high. Thus, the ability to pay debt is slightly decreases in period after period.

The debt to asset ratio is a leverage ratio that measures the amount of total assets that are financed by creditors instead of investors. In other words, it shows what percentage of assets is funded by borrowing compared with the percentage of resources that are funded by the investors. In this case, Debt to Asset Ratio decreases in Period 5 with 0.81 and it is best one. The stable equity and payable amounts are extremely higher though asset amount is higher in Period 5.

Interest Coverage Ratio measures a company's ability to make interest payments on its debt in a timely manner. This liquidity ratio really has nothing to do with being able to make principle payments on the debt itself. Instead, it calculates the firm's ability to afford the interest on the debt. By matching year 1 and year 2 with interest coverage ratio, it is better in Year 2 with 6.21 than -6.94 in Year 1 as there is lost in Year 1 and profit in Year 2. Thus, RTH is able to meet its annual interest cost and fewer chances of failure and facing bankruptcy in Year 2.

Capital Market is a market for debt (bond market) and equity securities (stock market) where companies and governments raise long term funds for their various requirements. Capital Market Analysis Ratios deal with the equity securities portion of the capital market. These ratios indicate the relationship between the elements of company's financial statements and the market price of the shares of the company. In this case capital market analysis ratios is study through price earning (PE) ratio. The price earnings ratio, often called the P/E ratio or price to earnings ratio, is a market prospect ratio that calculates the market value of a stock relative to its earnings by comparing the market price per share by the earnings per share. In other words, the price earnings ratio shows what the market is willing to pay for a stock based on its current earnings. In the analysis, it shows that market price per share is greater than earning per share with 1.12 at Period 5. This figure can be concluded that there is good result in Period 5 with successful entrepreneur management.

CHAPTER V

CONCLUSIONS

This chapter illustrates finding and discussion based on the result of data analysis. The main aim of the study is to study and examine the performance of successful entrepreneur by comparing the financial statements of different years. The financial performance of the business 'Rangoon Tea House' from April 2016 to September 2018 with five periods of six-month was chosen to analyzes for the study.

Common size financial statement analysis reported in financial statement under the analysis of horizontal and vertical are converted into percentages to some common base specifically, in analyzing a balance sheet; it is common to express total assets (or liabilities plus equity) as 100 percent. Moreover, cost reduction initiative goes beyond the statistic of money saved. The comparisons of a company's common-size statement are useful in revealing any proportionate changes in accounts within groups of assets, liabilities, expenses, and others categories. Common-size statements are especially useful for intercompany comparison because financial statements of different companies are recast in common –size format. Comparison of a company's common size statements with those of competitors, or with industry averages, can highlight differences in account make up and distribution.

5.1. Findings

This study consists of the analysis of performance Rangoon Tea House restaurant, from April 2016 to September 2018 with five periods of six-month is analyzed. The analysis makes thorough the common size analysis with horizontal and vertical and Financial Analysis Ratio.

According to analysis, the internal strengths of the business are being the very first traditional fine dining with unique idea and success with high quality and various products. The strategy of focus on health and decent decoration is the main factors to attract the customers including both local and foreigners. The best strength of the business is being Goodwill Company. Goodwill is an intangible and invisible asset. In the statutory form of Balance Sheet of a Company, goodwill is shown as the first item amongst fixed assets. Being a fixed asset, it is attached to the business. It is an

attractive force that distinguishes and old business-firm from a new one, and brings in more customers. Thus, goodwill may be understood as the reputation of a firm and enables to earn profits. Goodwill and profits go together. It is a valuable asset if the concern is profitable; on the other hand, it is valueless if the concern is a losing one. It represents the value of a firm's reputation. It can be sold, though a sale will be possible only along-with the sale of business itself. Meanwhile, as Myanmar people are resistance to change, the new idea of combining traditional food with fining dining get very low customers interest in the early stage. As the product of the business, the traditional food, are available in other shop with cheap price, to get market share is not easy task for the new starter. The external environment shifting such as growing market of restaurant industry and the trending of popularity of traditional food bring the opportunities for the business. The growing of niche market is bigger than the past and it is the big prospect for RTH to develop tea house retail line. However, nowadays, there are many new brands and shops that produce traditional snacks, cuisine, drinks and selling both online and offline. This revolution of Myanmar consumers' craving leads the main threat for the business.

The horizontal and vertical analysis illustrate that the amounts of individual items are relatively unstable across five periods. Passing the data of vertical analysis of assets, when total asset is based, tangible fixed assets are increasing period after period. Goodwill amount is stable but value is unstable. Receivable and inventories are sound situation in period 3 and 4. Cash and cash equivalent balance percentage is better in beginning period and it shows company has suitable cash in hand in beginning. But in company's success time, it has no adequate money and it is facing with credit problem. With the data of vertical analysis of Equity and liabilities of Rangoon Tea House Group Ltd, it shows that company has high short term and long-term payable amount with the business extension although revenues are better in period 3,4 and 5. The horizontal analysis of balance sheet items of Rangoon Tea House Group Ltd based on the period one express that fixed assets are increasing with company's growing. The current assets are growing in period 3 and 4 and little decrease again in period 5. Although the capital investment of the business is stable since second period and revenue is high up to period four and decrease again in period 5, short-term and long-term payable amount are increasing dramatically and RTH is starting to be sunk with the loan in the business transaction. With the data horizontal

and vertical analysis of an income statement, as revenues increase highly, profit is high. But RTH can't control the COGS increasing rate above 30% and it shows that its economic result is deviating really dynamically from its average value to positive as well to negative numbers in last period. With the entrepreneurs' good management, RTH company is growing more dramatically up to period 4 and loss again in period 5 for huge extension. Thus, for clear result, a longer period of time would be needed for evaluation.

One assumption is developing in this point that the ability of good planning on cash management of entrepreneur helps the business to enlarge without investment. However, the growing of business is based on loan and long-term credit. The rate of cost of goods sold is becoming higher as the rise of profit. Therefore, the success or the profit that the business achieves in Year 2 is becoming questionable. On the other hand, the cost of business such as office equipment, kitchen, bar, restaurant equipment, furniture, vehicles and the renovation and decoration of the building are as high as the expanding of the business.

The ratio analysis illustrate that the Period 5 has more ability to repay short-term and long-term obligation as the rate of current and quick ratio is worst in this period. The ratio results are better in period 4 and 5 of year 2017. The higher the return, the more effective business is in managing economic resources in the year 2017. Thus, it means that RTH firm is doing its business well within two years. Gross profit margin shows as RTH has fund management with loan and credit, it gives high prices for cost of goods sold more and more in spite of having high revenues to cover both the remaining costs. RTH may be difficult to allow the proper returns to the owners. With a higher total asset turnover ratio, RTH can be considered better at making money through the intelligent and efficient use of its assets. Thus, we can assume that RTH sells its products effectively and manages the costs after passing two years.

As the equity amount is stable since period 2, for business extension, the loan and debt payable amount is high and the ability to pay debt decreases more and more. According to this one, the condition of the business becomes questionable that whether the RTH is sinking in the loans with business transactions although the owners of RTH as well as entrepreneurs' performance is being assuming that it is successful. Thus, the stable equity and payable amounts are extremely higher though

asset amount is higher and RTH is able to meet its annual interest cost on short-term and long-term loan.

5.2. Suggestions & Recommendations

When a new company enters into the market, the variables that influence the performance of the business change and the business have to react to maintain the position. Therefore, RTH Group Ltd should prepare to react the new competitors.

When a new buyer enters a market, suppliers often can raise prices because of higher demand. The new entrant needs the same materials and components that RTH do to offer the same kinds of products in the market. If RTH can lock in the supplier costs with long-term contracts while the suppliers charge the new entrant higher prices, RTH can maintain the pricing structure and compete on quality and unique features. If the suppliers raise prices, RTH can reduce inventory and seek substitutes for the most expensive items. Thus, RTH should do the procurement management dealing with suppliers.

The entry of a new competitor in a market tends to reduce the market prices. When there are more companies competing for the same market share, customers choose those with lower pricing, and the general price level goes down. If RTH have inherent cost advantages because of factors such as location, product design or low labor costs can compete on price. If no competitor has inherent cost advantages, RTH can compete on price if the financial resources are higher than those of some competitors. In that case, RTH can accept losses until the competitors go out of business or RTH can purchase weaker competitors. If RTH have higher costs, RTH should compete on non-price factors such as quality, special features or customer service.

On the surface, a loan can seem like the answer to the dreams of a small business owner. A capital infusion offers relief from chronic operating cash shortfalls and opens up possibilities for expensive upgrades and new products. But small business loans can create as many problems as they solve, because loan amounts need to be repaid, and new projects often cost more than an entrepreneur anticipates. As RTH based the development of business on long-term loan, the impact of interest should take into account.

Good cash flow control is important for any business. For a growing business, it's crucial - cash constraints can be the biggest factor limiting growth and overtrading can be fatal. Making the best use of the finances should be a key element in business planning and assessing new opportunities. Every element of working capital should be carefully controlled to maximize RTH's free cash flow. Effective credit management and tight control of overdue debts are essential. Good stock control and effective supplier management tend to become increasingly important as businesses grow. The budgeting of additional requirement at RTH's management, ahead will helps to anticipate the financing needs and arrange suitable funding. For many growing businesses, a key decision is whether to bring in outside investors to provide the equity needed to underpin further expansion.

5.3 Needs for Further Study

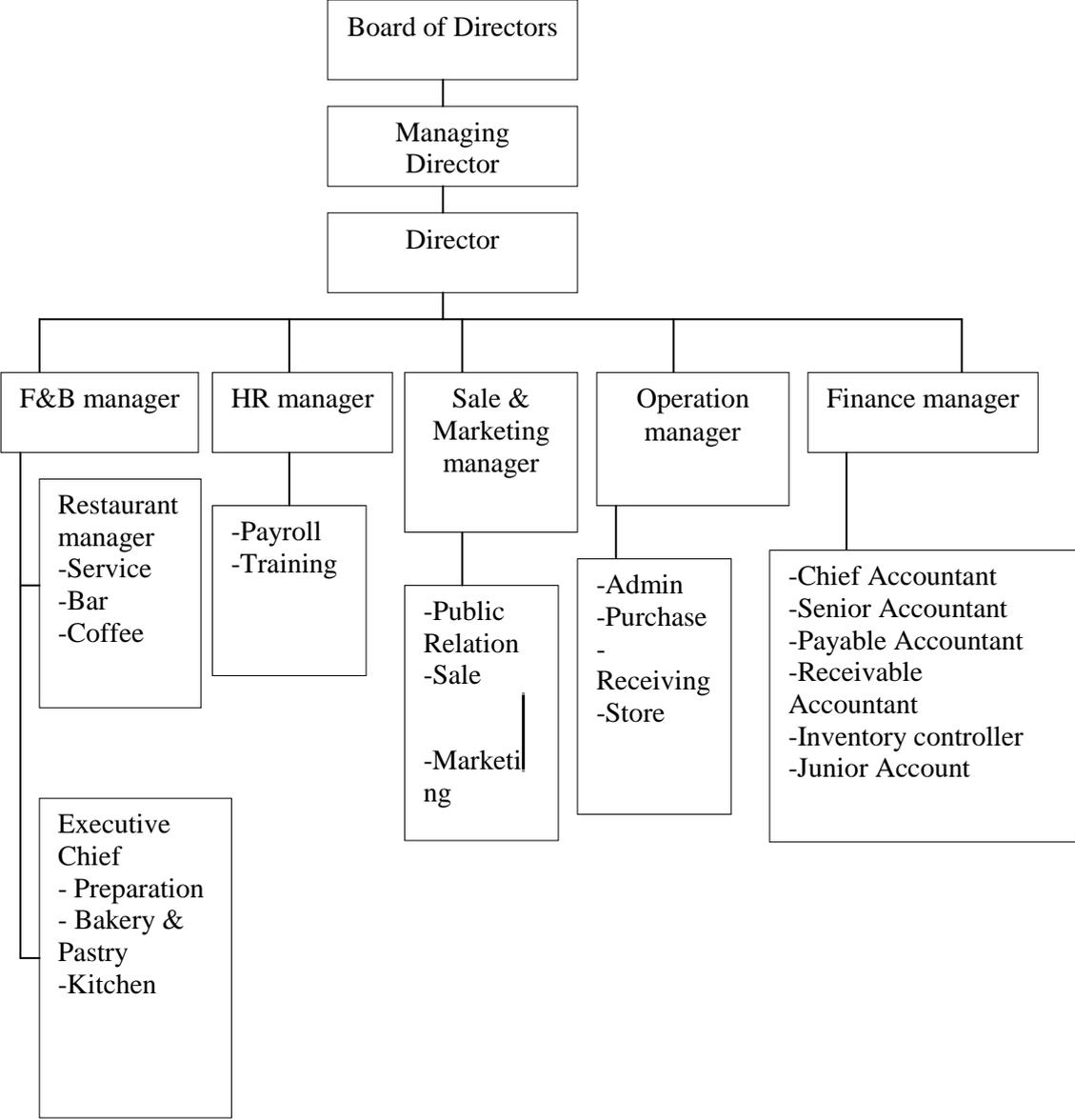
To continue with this research design, the extended period of analysis can also provide more insight on the financial management characteristic of entrepreneur with both strengths and weaknesses. Further analysis on comparison of the performance of different organizations in the same industry and within five years can help to see the organizational capabilities and competitor analysis.

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APPENDICES

Organization Structure of RTH Group Ltd



Products of RTH Group Ltd

TO PRESERVE AND SUPPORT THE TRADITIONS OF LOCAL FARMERS, WE'VE SOURCED AS MANY OF THE INGREDIENTS AS POSSIBLE FROM LOCAL FARMS. THIS MEANS THAT THE SIZES OF SOME FREE RANGE ITEMS MAY VARY FROM TIME TO TIME BUT WE HAVE WORKED HARD TO ENSURE THAT EVERY VISIT SHOULD PROVIDE CONSISTENCY AND HYGIENE

RANGOON tea house



OPENING HOURS MON - THURS/SUN 7AM - 10PM
FRI - SAT 7AM - 12AM

FOR CATERING ENQUIRIES, PLEASE CONTACT US AT CATERING@RTHGROUPMYANMAR.COM

STREET SNACKS

LOCAL STREET FOOD DISHES FROM OUR CHILDHOOD PAIRED WITH THE BEST LOCAL INGREDIENTS.

BANANA FLOWER CROQUETTES (V)
SHAN POTATO MIXED WITH BURMESE SPICES, GREEN CHILLI AND FRESHLY PICKED BANANA FLOWER.
4200KS

QUAIL EGGS AND TRUFFLE (MOTE LIMAYAR)

QUAIL EGG FRIED AND TOPPED WITH TRUFFLE PASTE CRISPY CUPS OF SPLUT PEA AND CORIANDER SERVED WITH TRUFFLE AIOLI.
7200KS

CRISPY PIG'S EAR

STRIPS OF PIG'S EAR PRESSURE COOKED FRIED COATED IN AN AIR-LIGHT BATTER.
7600KS

PRAWN PURI

SIX KING PRAWNS GRILLED AND SERVED OVER CRUNCHY MINI PURIS, DRIZZLE SHAN SALSA & SPICY MAYO.
9800KS

SPINACH EMPANADAS(V)

SPINACH KNEADED INTO HOMEMADE PASTRY, FILLED WITH POTATOES AND GREEN PEAS.
5PCS - 4400KS

POTATO (V) / MUTTON SAMOSA

WAFER-THIN PASTRY FILLED WITH SHAN POTATOES, TURMERIC, PEA, GROUND PEPPER.
3PCS - 1800I/2700KS
5PCS - 3000I/4500KS

SPICED PEPPER SQUID

BURMESE SQUID RINGS IN LIGHTLY SPICED HOMEMADE BATTER, SERVED WITH KAFFIR LIME MAYO.
7800KS

DUCK EMPANADAS

SHREDDED ROAST DUCK, SAUTEED ONION, GROUND PEPPER, PUFF PASTRY.
2PCS - 3800KS / 4PCS - 7600KS

PEA (V) / KEEMA (MUTTON) PARATHA

TRADITIONAL INDIAN PARATHA RECIPE MADE IN-HOUSE. PEA FOR THE VEGETARIAN OPTION, KEEMA FOR THE MEAT-LOVERS.
3000KS / 6000KS

EGG PARATHA (V)

FRIED WHOLEMEAL PARATHA DIPPED IN EGG SERVED WITH SUGAR.
2000KS

BAO SI

HOMEMADE TAIWANESE BAOS.

PORK BAO

ROASTED HOISIN PORK BELLY, SRIRACHA, CUCUMBER, CORIANDER.
3500KS

BUTTERFISH BAO

DEEP FRIED BUTTERFISH, SPICY MAYO, PICKLED CUCUMBER.
3000KS

CHICKEN BAO

FRIED CHICKEN, PICKLED CUCUMBER, COLESLAW, CONDENSED MILK.
3000KS

AUBERGINE BAO (V)

DEEP FRIED AUBERGINE, TOMATO, SPICY MAYO.
3000KS

SOUP & NOODLES

FOUR FISH MOHINGA BUTTER FISH, STURGEON, CATFISH & DAGGERTOOTH

FOUR-FISH-BASED BROTH MADE WITH LEMONGRASS, CORIANDER, FISH SAUCE & FRESH CHICK PEAS. *SET INCLUDES PEA FRITTERS, CLAYPOT DUCK EGG, FISH CAKE, GOURD, ONION FRITTER.
2000KS | 2500KS | 5000KS (SMALL | MEDIUM | *SET)

COCONUT NOODLES

CHICKEN THIGH COOKED IN COCONUT MILK, TURMERIC, FRESH PEA BROTH. *SET INCLUDES CLAYPOT DUCK EGG, FISH CAKE, CHICKEN LIVER + GIZZARD.
2200KS | 2700KS | 5700KS
SMALL | MEDIUM | SET

NAN PYAR (FLAT WHEAT) OR NAN GIY (ROUND FERMENTED)

HAND-TOSSED NOODLES WITH CHILLI OIL, PEA POWDER, CLAYPOT DUCK EGG, BEANSPOUNT AND CRISPY NOODLES *CHICKEN INCLUDES LIVER AND GIBLET.
4500KS | 5500KS | 5500KS
CHICKEN * | FISH CAKE | BOTH

EXTRA CONDIMENTS:

FRIED GOURD	500KS
PEA FRITTERS	500KS
DUCK EGG	800KS
FISH CAKE	1000KS
ONION FRITTER	700KS
CHICKEN LIVER + GIBLET	1500KS

BRAISED PORK RIB/DUCK HSEE KYAT (WHEAT NOODLES)

SPECIALLY MADE WHEAT NOODLES AND BRAISED PORK RIBS/IRI DUCK MEAT TOSSED IN GARLIC OIL AND CHIVES.
5100KS | 5800KS

PYAY PARATHA

A DELICIOUS CHICKEN, POTATO, LENTIL BROTH SERVED WITH A WHOLEMEAL PARATHA.
4900KS

PORK AND SHRIMP WONTON

HOMEMADE STEAMED WONTONS FILLED WITH GROUND PRAWNS AND MINCED PORK, STEAMED.
SOUP | DRY - 5100KS

ROTI WRAP

CHICKEN TANDOORI OR SPICY MUTTON WRAP

CHAPATI, SHREDDED CHICKEN OR SPICY MUTTON, TOMATO, CABBAGE, ONION, SPICY MAYO, TOFU FRIES.
7500KS | 8000KS (FRIED EGG)

RICE & BIRYANI

DAN PAUK (BIRYANI) IS DERIVED FROM DUM PUKHT (HINDI): A TECHNIQUE OF COOKING BY NOT ALLOWING THE STEAM TO PASS. BASMATI RICE, SERVED WITH RAITA, ACACIA LEAF SOUP.

CHICKEN BIRYANI

THIGH MARINATED OVERNIGHT IN YOGHURT, MASALA, CLOVES, CARDAMOM, BAY LEAVES, SAFFRON, POTATOES, CASHEWS AND RAISINS.
10,400KS

MUTTON SHANK BIRYANI

MUTTON SHANK MARINATED IN MASALA, CARDAMOM, CINNAMON, BAY LEAVES, YOGHURT SAFFRON, CASHEWS & RAISINS.
15,800KS

SEASONAL VEGE BIRYANI (V)

POTATO, CARROT, MUSHROOM, GREEN PEAS, CAULIFLOWER, LONG BEANS COOKED WITH A YOGURT SPICE-MIX.
9800KS

HAINANESE CHICKEN RICE

WHOLE POACHED CHICKEN IN GARLIC AND GINGER SERVED WITH CHICKEN FAT RICE SERVED WITH HOMEMADE SAMBAL SAUCE.
7200KS | 5200KS (ONLY CHICKEN)

BURMESE CHICKEN RICE

BURMESE FREE RANGE FRIED CHICKEN, WITH TURMERIC AND PEA FRIED-BASMATI MIXED RICE, LIGHTLY SEASONED.
5000KS | 5000KS (FRIED EGG)

RANGOON FRIED CHICKEN

TWO FREE RANGE CHICKEN THIGHS MARINATED OVERNIGHT, STEAMED THEN FRIED.
7000KS

SALADS

FRESH TRADITIONAL CRUNCHY EXPLOSIVE.

TEA LEAF SALAD (V)

HOUSE PICKLED TEA LEAVES, TOMATOES, CRISPY NUTS, SHREDDED CABBAGE.
PLAIN | SPICY - 2500KS

BANANA BLOSSOM W/ CHICKEN

CRUNCHY BANANA BLOSSOM, CRISPY FLOTTED CHICKEN, CILANTRO, FISH SAUCE.
6500KS | 4000KS (WITHOUT CHICKEN)

TOFU SALAD (V)

SOFT TOFU, LIME LEAVES, PEANUTS, RED ONIONS, GARLIC OIL AND SERVED WITH CRISPY SHALLOTS.
3000KS

POTATO (V) / MUTTON SAMOSA SALAD

A SPICY STREET-SIDE SALAD, CRISPY SAMOSA QUARTERS, WITH MINT, CHICK PEAS, LENTIL BROTH.
4200KS | 6500KS

AUBERGINE SALAD (V)

AUBERGINE CHARGRILLED THEN STRIPPED, CHOPPED AND TOSSED WITH ONION, SESAME, GARLIC OIL.
3500KS

ORGANIC PENNYWORT SALAD (V)

ORGANIC PENNYWORT LEAVES CHOPPED, HAND TOSSED WITH PEANUTS, SHALLOTS AND TOMATO.
3000KS

OFF THE GRILL

MARINATED IN UNIQUE, HOMEMADE SPICES AND GRILLED OVER CHARCOAL FIRE.

SATAY SKEWERS

PORK AND CHICKEN MARINATED FOR 24 HOURS, BRUSHED WITH GARLIC OIL, GRILLED OVER CHARCOAL.
6PCS - 4000KS
12PCS - 8000KS
20PCS - 13,000KS

NYAUNGNYAN CHILLI CHICKEN

OUR FREE-RANGE BURMESE CHICKENS MARINATED OVERNIGHT IN FRESH CHILLI, CHILLI OIL AND CHILLI POWDER.
HALF - 11,000KS | WHOLE - 18,500KS

GRILLED FRESHWATER PRAWNS

250G OF KING PRAWNS GRILLED OVER AN OPEN FIRE WITH A SLIGHT BRUSH OF OIL AND SPRINKLE OF SALT.
17,000KS

TEA LEAF PORK NECK

200G PORK NECK MARINATED OVERNIGHT IN TEA LEAF TAPENADE, GRILLED OVER CHARCOAL.
7500KS

SHAN BUTTERFISH

250G BUTTERFISH FILLETS MARINATED IN LEMONGRASS, CILANTRO AND LIME GRILLED OVER CHARCOAL.
7500KS

VILLAGE CURRIES

CHOICE OF BOWL (B) OR SET (S) (+2000KS)

*SET INCLUDES RICE, SOUP, VEGGIES AND SHAN SALSA AND BALACHALUNG

MANGO PICKLED PORK

TENDER PORK, MARINATED AND COOKED IN A DRY MANGO CHUTNEY.
7900KS (B) | 9900KS (S)

AMAY'S KING PRAWN CURRY

MOM'S RECIPE: WHOLE KING PRAWNS COOKED IN A TOMATO AND TURMERIC CURRY.
11,200KS (B) | 13,200KS (S)

VILLAGE BUTTERFISH CURRY

BUTTERFISH MARINATED IN TURMERIC, COOKED IN A MILD TOMATO CURRY.
8600KS (B) | 10,600KS (S)

RANGOON CHICKEN CURRY

SPICY CHICKEN CURRY COOKED WITH HOMEMADE MARSALA, TURMERIC, RED ONION.
7500KS (B) | 9500KS (S)

MUTTON SHANK CURRY

MUTTON SHANK COOKED UNTIL TENDER WITH RED ONIONS, GARLIC, YOGHURT, MARSALA, CHILLI OIL AND CHILLI PASTE.
11,500KS (B) | 13,500KS (S)

SPICED AUBERGINE CURRY (V)

AUBERGINE COOKED IN A MILD CURRY OF TURMERIC, MASALA AND CHILLI.
6500KS (B) | 8500KS (S)

OX TONGUE CURRY

OX TONGUE PRESSURIZED IN IT'S OWN BROTH, THEN COOKED INTO A CURRY WITH BURMESE SPICES.
9000KS (B) | 11,000KS (S)

RICE & BREAD

PLAIN PARATHA	1000KS
PLAIN CHAPATI	1000KS
WHITE RICE	1000KS
COCONUT RICE	1800KS
BASMATI BIRYANI RICE	1800KS
PEA RICE	1500KS

All of our recipes include no MSG, additives, palm oil or artificial colouring. Please do let us know if you have any allergies. All of our prices are subject to an optional 10% service charge which go directly to the staff and a 5% government tax which should be stuck onto your receipt. Please let a waiter know if we have forgotten to do so.

(V) = Vegetarian

Products of RTH Group Ltd

RED WINE

BARON DE ROTHSCHILD MAPU, MERLOT, CHILE, 2015
ELEGANT TANNINS WITH FLAVOURS OF MOCHA AND TOASTED NUTS.
BY THE GLASS - 7000KS | 33.000KS

COLOMBELLE, MERLOT - TANNAT - CABERNET SAUVIGNON, FRANCE, 2015
GENEROUS AROMAS OF BLACK CURRANT, PLUM, AND HINTS OF LICORICE.
BY THE GLASS - 9000KS | 42.000KS

CAMPO VIEJO, RIOJA, TEMPRANILLO, SPAIN, 2015
ELEGANT AND FRESH WITH AROMAS OF RIPE RED FRUITS, VANILLA AND SWEET SPICES VERY PERFECT WITH GRILLED MEATS, PASTAS AND CHEESES.
55.000KS

GEORGE WYNNDHAM BIN 555, SYIRAZ, AUSTRALIA, 2015
DEEP PURPLE COLOUR, DRY, NOSE OF PLUMS, DRIED BERRIES AND SPICES, BLUEBERRIES, AND BLACK PEPPER ON THE PLATE. THIS FULL-BODIED SHIRAZ WILL COMPLEMENT RED MEATS AND TOMATO-BASED DISHES AND PRODUCED BY AUSTRALIA'S BEST SHIRAZ REGIONS.
55.000KS

ARUMA, MALBEC, MENDOZA ARGENTINA, 2014
NOTES OF RIPE RED FRUIT AND PLUMS. A WELL-BALANCED WINE. DELICATE FINISH.
50.000KS

PAUL JABOULET, SYRAH, FRANCE, 2016
RICH AND INTENSE. GOES BEAUTIFULLY WITH LAMB.
37.000KS

WINERY OF GOOD HOPE, PINOTAGE, SOUTH AFRICA, 2015
RED CHERRIES, VIOLETS AND A JUICY PALATE WHICH FINISHES WITH BALANCE, LENGTH, A TOUCH OF FUNKY SPICE.
40.000KS

WHITE WINE

MAPU, SAUVIGNON BLANC, CHILE, 2015
BRIGHT FRUIT AND CONSISTENT, EASY DRINKING. PURE AND FRESH ON THE PALETTE.
BY THE GLASS - 7000KS | 33.000KS

CHATEAU CUVÉE SUPRÊME 888, SAUVIGNON & SEMILLION
THE FIRST CHOICE AND PERFECTLY RIPE GRAPES AND THE RESULTING WINE OF BRIGHT STRAW COLOUR, EXPLODES WITH AROMAS OF CITRUS FRUITS WITH HINTS OF PEACHES, EXCELLENT WITH SHELL FISH AND GRILLE FISH.
BY BOTTLE - 38.000KS
BY THE GLASS - 8000KS

CHATEAU MEZAIN BORDEAUX SAUVIGNON, FRANCE, 2013
AROMAS OF BERRIES AND GRAPEFRUIT. WELL-BALANCED PALATE.
BY BOTTLE - 43.000KS

COSTAL RIDGE
FRUIT FLAVOURS WITH HINTS OF FLOWER BEGIN TO DESCRIBE THE EXQUISITE WINE. APRICOT AND PEACH NUANCES INTERACT WITH ORANGE BLOSSOMS AND HEATHER HONEY. MUCH PERFECT WITH VEGETABLE SALAD.
56.000KS

AUSSIERES CHARDONNAY, FRENCH, 2016
EASY GOING FRESH AND CRISP. A TOUCH OF MINERAL-CITRUS AND SUMMER STONE FRUIT, MEDIUM BODY, FRESH ACIDITY AND A CRISP FINISH.
43.000KS

JELLICOE, RIESLING, EDEN VALLEY, SOUTH AUSTRALIA, 2013
THIS MEDIUM SWEET RIESLING HAS GRAPEFRUIT AND LIME AROMAS. PERFECT FOR BURMESE FOOD.
63.000KS

SPARKLING WINE

SOMERTON BRUT RESERVE, AUSTRALIA
A FULL-BODIED WINE WITH LOVELY FLAVOUR OF PEACH ON THE PLATE AND A CRISPY AND REFRESHING FRESH MATCH WITH CHICKEN AND SPICE FOOD
BY THE BOTTLE - 36.000KS
BY THE GLASS - 7500KS

CHANDON BRUT, AUSTRALIA
BRIT CLASSIC EXPRESSES THEIR SIGNATURE FLAVOR PROFILE OF APPLE, PEAR, CITRUS.
75.000KS

MOET & CHANDON IMPERIAL
AROMATICS ARE RADIANT, PALATE IS SEDUCTIVE, RICH, FLAVOURFUL AND SMOOTH
100.000KS

MOET ICE IMPERIAL
THE FIRST AND ONLY CHAMPAGNE ESPECIALLY CREATED TO BE ENJOYED OVER ICE.
115.000KS

ROSE WINE

CANTINE DUE PALME ROSALITA ROSE, SALENTO 2015
VERY FLORAL, SUPER LIGHT AND ROSY ON THE NOSE, EASY TO DRINK.
32.000KS

SIGNATURE COCKTAILS

JASMINE GIN & TONIC
JASMINE TEA INFUSED-GIN, MARTINI BIANCO, KAFFIR LIME, LIME LEAF, POMELO, TONIC
8000KS

WIN OO SOUR
CHIVAS WHISKY, GALLIANO LEMON JUICE, SUGAR, EGG WHITE, LEMONGRASS GARNISH
7000KS

COCO-COLADA (SHARED)
COCONUT FOG, COCONUT RUM, COCONUT WATER, ABSINTHE, WHITE WINE, PINEAPPLE
12.000KS (FOR 2), 20.000KS (FOR 4)

MANDALAY MULE
BACARDI, SAILOR JERRY RUM, GINGER CINNAMON-SYRUP, GINGER ALE, COCOA.
8000KS

LYCHEE BEER
LYCHEE SYRUP, LYCHEE, DRAUGHT BEER
5500KS

PYINMANA PIMM'S
PIMM'S, DRY GIN, LEMONADE, EXOTIC AND SEASONAL FRUITS
GLASS 8000KS | JAR 20.000KS

SPICY CAIPARINHA
CACHACA RUM, BROWN SUGAR, LIME WEDGES, CHILLI SUGAR SYRUP, CRUSHED ICE
8000KS

FERMENTED RICE SOUR
FERMENTED RICE-WATER, FERMENTED RICE SYRUP, BOURBON WHISKY, PEAR BITTERS.
8000KS

THE EASTERN
FRESH PEACH FROM EASTERN MYANMAR, ROAST CUMIN, BOURBON
8000KS

BELLA BELLINI
LYCHEE AND ROSE PUREE, CHAMPAGNE
8000KS

JAGGERY OLD FASHIONED
BOURBON WHISKY, THE OLD BURMESE HOMEMADE AROMATIC JAGGERY SYRUP, ANGASTURA BITTER & ORANGE PEEL GARNISH
7500KS



RANGOON BLONDE, 330ML, MYANMAR
LOW AND ROLLING BITTNESS WITH EARTHY TASTE FOLLOWED BY REFRESHING.
4500KS

ENGLISH BITTER, 330ML, MYANMAR
A VERY DRINKABLE MALT-DRIVEN STYLE, YET BOLD, EXPRESSIVE AND FLAVOURFUL.
4500KS

GERMAN WEIZEN BEER, 330ML, MYANMAR
REFRESHING WITH PLEASANT LOW BITTER TASTE, BANANA AND VANILLA FINISHING.
4500KS

DRAUGHT BEER

MYANMAR PREMIUM CRAFT BEER (DRAUGHT)
250ML, MYANMAR, 5.0%
3000KS

HEINEKEN (DRAUGHT)
MYANMAR, 5.0%
SMALL (250ML) - 3000KS
LARGE (500ML) - 5000KS

BOTTLED BEERS

HOEGAARDEN - 4.9%, 330ML 5000KS
HOEGAARDEN ROSE - 3.0%, 250ML 5000KS
BUDWEISER - 3.0%, 330ML 4000KS
KAISERDOM HEFE-WEISSBIER
NATURTRUB - 4.6%, 1L 12.500KS
CORONA EXTRA - 4.6%, 355ML 5000KS
CARLSBERG - 5.0%, 330ML 3500KS
TUBORG - 4.6%, 640ML 4000KS
TIGER CRYSTAL - 3.0%, 330ML 4400KS
HEINEKEN - 5.0%, 640ML 4000KS
KIRIN - 3.0%, 330ML 4500KS
ABC STOUT - 7.0%, 640ML 5500KS
TIGER - 5.0%, 640ML 4400KS

COCONUT + OTHER DRINKS

FRESH COCONUT 3000KS

PINEAPPLE COCONUT 3000KS
PINEAPPLE, GINGER, HONEY

DRAGON COCONUT 3500KS
DRAGON FRUIT, HONEY, LIME

WATERMELON COCONUT 3500KS
WATERMELON, HONEY, LIME

MINT LEMONADE 3500KS
CRUSHED MINT, BROWN SUGAR, LIME JUICE, SODA WATER

COCONUT GRASS JELLY 3500KS
CONDENSED MILK, COCONUT WATER, GRASS JELLY

SMOOTHIES

YOGHURT PROVIDED BY ANNIE S. YANGONS ONLY PURVEYOR OF PREMIUM YOGHURT.

CHOOSE UP TO 3
BANANA, PINEAPPLE, GUAVA, DRAGON FRUIT, SUNKIST ORANGE, APPLE + MORE.
3500KS

SHAN FUSION COFFEE

HOUSE BLEND MIX OF BRAZILIAN, VIETNAMESE, AND MYANMAR BEANS.

ICED (+500KS)
CAFFEE MOCHA (MIL) 3500/5000KS
ESPRESSO (SGL/DBL) 2300/3000KS
CAFFE LATTE (MIL) 2700/3900KS
FLAT WHITE (MIL) 2600/3800KS
CAPPUCINO (MIL) 2700/3900KS
MACHIATTO (MIL) 2500/3700KS
AMERICANO (MIL) 2500/3700KS
AFFOGATO 3600KS

PH, SPARKLING WATER (SMALL) 1000KS
SOFT DRINKS 1500KS

LA PHET YAY (TRADITIONAL TEA)

THE TEA WE USE ARE THE FINEST GRADE AND ARE CHEMICAL AND PESTICIDE FREE.

SI LONE (WITH MILK SKIN) 2500KS
REGULAR (SMALL | LARGE) 1500KS | 3000KS

CHAI (SPICED) TEA (+500KS (ICED)) 2500KS | 4000KS
(SMALL | LARGE)

KYA YAY PAWT CHO SAINT 3000KS
CHO SAINT 3000KS
PAWT SAINT 3000KS

CHO KYAT 3000KS
CHO PYIT 3000KS
KYAT YAY PAWT 3000KS

CHO PAWT 3000KS
POTE MAN 3000KS
PAWT KER 3000KS

KYAT YAY PAWT PAWT SAINT 3000KS
POTE MAN SAINT 3000KS
CHO PAWT KYAT 3000KS

KYAT SAINT 3000KS
NOTE SEIN TEA (NOT SWEET) 3000KS
PAWT KYAT 3000KS

SWEET BLACK TEA 3000KS
EVAPORATED MILK 3000KS
CONDENSED MILK 3000KS

GATE SOBE (BLACK TEA) 3000KS

NAKED CAKES

THE BFF
DARK CHOCOLATE SPONGE, NUTELLA GANACHE, WHITE CHOCOLATE CRUMB, HOMEMADE FERRERO.
6500KS

GOLDEN COFFEE
HOUSE-BLEND ESPRESSO, COFFEE MOUSSE, VANILLA-ALMOND COOKIE, MARBLE COOKIE SHARDS, BROKEN MERINGUE.
6500KS

CARROT TRUFFLE
LIQUID CINNAMON CARROT SPONGE, CREAM CHEESE - DRIED BREAD FROSTING, CARROT COOKIE SHARDS.
6500KS

COCO - NANA
PINEAPPLE UPSIDE-DOWN CAKE, KAFFIR LIME - COCONUT MILK MOUSSE, BUTTER COOKIES, MERINGUE SHARDS.
6500KS

SIGNATURE DESSERTS

NO-BAKE CHAI TEA CHEESECAKE
BLACK CHAI INFUSED CHEESECAKE, SOUR CREAM TOPPING.
4500KS

HOUSE FALOODA
EGG PUDDING, ROSE JELLY, ROSE SYRUP, CHIA SEEDS, PANDAN CENDOL, VERMICELLI SEV, MILK, ICE CREAM.
3500KS

CHOCOLATE SAMOSA
AN RTH FAVOURITE! DARK CHOCOLATE STUFFED SAMOSA, FRIED, SERVED PIPING HOT OVER ICE CREAM.
6500KS

YOGHURT & JAGGERY
ANNIE S GREEK YOGHURT WITH A DOLLOP OF JAGGERY REDUCTION.
3500KS

JUNGLE FRUIT PLATTER
SEASONAL FRUITS, GREEK YOGHURT ORGANIC HONEY.
6000KS

SWOT Analysis of RTH Group Ltd

	Helpful To achieving the objectives	Harmful To achieving the objectives
Internal Origin Attribute of the organization	Strengths	Weaknesses
External Origin Attribute of the organization	Opportunities	Threats

Financial Statements [2016-17] RTH Group Ltd. Statement of Profit or Loss for Year 1 [2016-17]

	MMK
Daily Sale REVENUE	476,433,298.26
CATERING REVENUE	10,184,640.84
OTHER INCOME	11,782,411.00
Sale Tax (other income)	24,920,017.51
TOTAL REVENUE	523,320,367.61
COMMERCIAL TAX (STAMP)	24,920,017.51
NET REVENUE (Excluding CT)	498,400,350.10
COST OF SALE	
COST OF SALE	146,805,922.98

Catering Cost	3,564,624.29
Total Cost of Sale	150,370,547.28
Gross Profit	348,029,802.83
OPERATING EXPENSES	
Guest Supplies	3,001,400.00
Decoration	447,650.00
Commission	5,521,920.35
Kitchen Fuel cost	5,695,174.25
FOC Charges	80,360.00
Damage	
Pest Control	720,000.00
Security fee	
Utility Charges	4,568,000.00
Miscellaneous Expenses	437,460.00
Rental Fees	27,780,909.33
ADMIN & GENERAL EXPENSES	
Telephone & Postage	1,720,117.51
Transportation	2,050,280.00
Travelling Expenses	3,328,855.99
Drinking Water	543,000.00
Accounting and Auditing Fee	2,430,000.00
Service Charges A/C	987,645.00
Diesel	1,166,508.00
Entertainment	1,275,500.00
Present & Donation	257,450.00
Office Expenses	244,300.00

Bad Debts	81,000.00
Food Testing	1,293,720.00
Insurance	1,387,300.00
Internet Fee	1,298,800.00
Manager Meal	2,522,500.00
Professional Fee / consultancy	6,745,592.44
Municipal Tax and Others	150,000.00
Legal Fee	50,000.00
Petrol	1,591,349.95
Bank Charges	399,279.81
Spoilages	715,000.00
Printing & Stationery	1,193,260.00
Electricity Charges	11,362,693.55
Computer Accessories	360,000.00
Interest Expenses	2,092,700.00
Miscellaneous Expense	948,570.00
Staff Salary & Wages	73,914,634.40
Management Salary	67,188,336.47
Staff Overtime Fee	9,174,329.00
Staff-Welfare	525,750.00
Staff-Bonus	10,589,400.00
Staff-Uniform Expenses	814,700.00
Staff -Accommodation	1,778,566.67
Staff Meal	4,637,685.00
Training Expense	1,500,000.00
Medical Expenses	50,650.00

Social Security Fee	15,709,050.00
Staff Service fee	9,864,888.00
Advertising Expenses - Magazine & Newspaper	6,994,063.73
Advertising-TV & Radio	
Advertising-Other	12,632,541.97
Promotion Expenses	776,250.00
Brochures	177,000.00
Travelling Expenses S&M	6,000,000.00
Repair & Maint Furniture & Fix	165,050.00
Repair & Maint Building	16,989,416.27
Repair & Maint Car	1,501,909.92
Repair & Maint Electricity	1,536,085.28
Repair & Maint Kitchen	2,000.00
Repair & Maint Machine	666,900.00
Repair & Maint Office Equipment	1,200,000.00
Repair & Maint Other	3,060,000.00
Dep_ Air Con	4,113,105.35
Dep_ Bar Equipment	2,046,744.89
Dep_ Computer & Office Equipment	1,919,270.51
Dep_ Equipment	2,318,217.19
Dep_ Furniture & Fixture	3,333,408.48
Dep_ Kitchen Equipment	2,279,364.86
Dep_ Generator	1,314,028.93
Dep_ Regulator	404,227.80
Dep_ Vehicle	1,379,660.69
Office Rental Charges	3,799,000.00

Car Rental Charges	2,700,000.00
Amortization -Building Renovation Expenses	
Amortization -License and Registration	1,010,561.10
Amortization - Uniform	
Exchange Gain or Loss	(3,864,908.73)
Gain / (Loss) on Revaluation	-
Total Expense	364,650,183.96
Profit /(Loss) Before Tax	(16,620,381.14)

RTH Group Ltd
Statement of Financial Position as at 31.3.2017

Amount (Kyat)

ASSETS

Fixed Assets

Air Con	27,336,965.52	
Computer & Office Equipment	8,851,095.11	
Operating Equipment	30,840,906.16	
Furniture & Fixture	95,261,825.65	
Generator Account	22,974,922.78	
Regulator	5,162,599.73	
Vehicle	20,370,401.44	
Bar Equipment	15,453,495.34	
Kitchen Equipment	50,833,244.28	
Building Renovation	210,825,226.89	
(Less) Accumulated Depreciation	(19,108,028.70)	468,802,654.20
Intangible Asset (Goodwill)		424,356,146.71

Current Assets

Account Receivable (Trade)	1,695,793.00	109,301,110.40
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Account Receivable (Other)	-	
Other Receivable	5,499,875.00	
Advance Salary	2,013,247.00	
Advance	7,211,230.96	
Prepaid Expenses	6,138,888.90	
Prepaid tax	42,920.00	
Prepaid Interest	-	
Prepaid Rental (Building)	75,206,654.88	
Prepaid Rental (Apartment)	9,872,500.66	
Prepaid Others	1,620,000.00	
Deferred Expenses	-	
Suspense's account		
Deposit	-	
	Cash & Cash Equivalent	77,374,696.87
Main Cash Book (USD)	2,812,945.06	
Main Cash Book (Kyat)	12,972,149.99	
Float Money	393,568.99	
KBZ Bank RTH Group USD	48,124,816.22	
Myawaddy Saving Account	332,292.20	
KBZ Bank RTH Group Kyats	12,738,924.41	
CB Bank RTH Group Account	-	
AYA Bank RTH Group Account	-	
Inventories		24,623,451.11
Inventory - Food	3,509,674.09	
Inventory - Beverages	8,484,477.09	
Inventory - General	3,684,406.13	
Inventory - Stamp	8,944,893.80	
		<hr/>
TOTAL ASSETS		<u>1,104,458,059.29</u>

LIABILITIES

Accounts Payable		25,770,660.59
	Account Payable - Trade	3,045,584.12
	Account Payable - Others	4,943,226.05
	Accrued Expenses	16,360,122.50
	Accrued Others	-
	Short-term Loan	-
	Other Tax Payable	1,421,727.92
	Current Tax Payable	
Long Term Liabilities		
	Long Term Loan	-
Intercompany Payable		
	RTHPL	1,023,013,413.54
Investment Accounts		
	Share Capital	72,294,366.30
	Capital Reserve	-
	Retained Earnings	(16,620,381.14)
	TOTAL LIABILITIES	<u>1,104,458,059.29</u>

Financial Statements [2017-18]

RTH Group Ltd.

Statement of Profit or Loss for Year 2 [2017-18]

Established in June 2014	2017-2018
	Total
Daily Sale REVENUE	2,464,371,287.77
CATERING REVENUE	53,619,101.99
OTHER INCOME	770,574.97

Sale Tax (other income) 114,468,721.59

TOTAL REVENUE 2,633,229,686.32

COMMERCIAL TAX (STAMP) 114,468,721.64

NET REVENUE (Excluding CT) 2,518,760,964.68

COST OF SALE 903,132,334.12

Catering Cost 15,851,811.76

Total Cost of Sale **918,984,145.88**

Gross Profit 1,599,776,818.80

OPERATING EXPENSES

Guest Supplies 37,586,176.32

Decoration 4,690,400.00

Commission 16,807,881.60

Kitchen Fuel cost 28,736,514.20

FOC Charges -

Damage -

Pest Control 11,134,012.00

Security fee 3,290,000.00

Utility Charges 11,378,693.69

Miscellaneous Expenses 23,967,267.55

Rental Fees 133,082,069.00

ADMIN & GENERAL EXPENSES -

Telephone & Postage 4,650,792.94

Transportation 6,652,310.00

Travelling Expenses 10,079,455.48

Drinking Water 743,200.00

Accounting and Auditing Fee

	3,486,170.30
Service Charges A/C	2,490,450.00
Diesel	4,450,610.37
Entertainment	2,501,641.15
Present & Donation	2,139,150.00
Office Expenses	1,494,403.00
Bad Debts	8,782,054.88
Food Testing	5,445,899.68
Insurance	1,460,629.17
Internet Fee	9,065,817.78
Manager Meal	1,436,828.80
Professional Fee / consultancy	5,515,800.00
Municipal Tax and Others	4,889,315.50
Legal Fee	1,977,750.00
Petrol	3,137,983.51
Bank Charges	1,200,360.69
Spoilages	4,890,000.00
Printing & Stationery	11,567,485.77
Electricity Charges	51,140,865.79
Computer Accessories	1,898,700.00
Interest Expenses	23,119,538.99
Miscellaneous Expense	5,961,285.80
Staff Salary & Wages	444,743,182.14
Management Salary	90,344,000.00
Staff Overtime Fee	2,401,952.23
Staff-Welfare	4,736,590.00
Staff-Bonus	37,367,600.00
Staff-Uniform Expenses	62,000.00
Staff -Accommodation	13,312,100.00
Staff Meal	

	41,885,890.00
Training Expense	9,313,750.00
Medical Expenses	1,523,270.00
Social Security Fee	15,325,083.00
Staff Service fee	129,954,144.00
Advertising Expenses - Magazine & Newspaper	4,461,204.00
Advertising-TV & Radio	-
Advertising-Other	11,250,277.76
Promotion Expenses	4,017,060.40
Brochures	1,013,600.00
Travelling Expenses S&M	18,000,000.00
	-
Repair & Maint Furniture & Fix	1,999,250.00
Repair & Maint Building	10,972,312.00
Repair & Maint Car	4,862,600.00
Repair & Maint Electricity	10,925,121.00
Repair & Maint Kitchen	6,144,052.67
Repair & Maint Machine	15,196,192.00
Repair & Maint Office Equipment	1,809,050.00
Repair & Maint Other	11,224,634.50
	-
Dep_ Air Con	8,649,379.75
Dep_ Bar Equipment	5,257,863.03
Dep_ Computer & Office Equipment	2,557,878.50
Dep_ Equipment	5,307,152.20
Dep_ Furniture & Fixture	5,010,631.84
Dep_ Kitchen Equipment	3,459,805.25
Dep_ Generator	2,526,814.40
Dep_ Regulator	487,563.60
Dep_ Vehicle	1,928,333.29
Office Rental Charges	

	7,680,000.00
Car Rental Charges	3,600,000.00
Amortization -Building Renovation Expenses	59,339,710.84
Amortization -License and Registration	4,595,174.91
Amortization - Uniform	7,660,728.43
Exchange Gain or Loss	(2,995,754.64)
Gain / (Loss) on Revaluation	20,506,274.01
Total Expense	1,479,267,985.06
Profit /(Loss) Before Tax	120,508,833.74

RTH Group Ltd
Statement of Financial Position as at 31.3.2018

Amount (Kyat)

ASSETS

Fixed Assets

Air Con	23,425,751.46	
Computer & Office Equipment	18,687,266.35	
Operating Equipment	45,849,630.66	
Furniture & Fixture	119,894,144.07	
Generator Account	71,240,451.20	
Regulator	4,749,708.76	
Vehicle	18,795,347.22	
Bar Equipment	24,397,977.38	
Kitchen Equipment	98,167,125.80	
Building Renovation	243,995,481.94	
(Less) Accumulated Depreciation	(113,519,835.35)	555,683,049.50
Intangible Asset (Goodwill)		424,356,146.71

Current Assets		164,157,595.56
Account Receivable (Trade)	28,692,282.00	
Account Receivable (Other)		-
Other Receivable	6,541,420.03	
Advance Salary	5,133,650.00	
Advance	5,890,000.00	
Prepaid Expenses	17,618,540.23	
Prepaid tax	2,000,000.00	
Prepaid Interest		-
Prepaid Rental (Building)	83,989,481.00	
Prepaid Rental (Apartment)	6,320,000.00	
Prepaid Others	3,972,222.30	
Deferred Expenses		-
Suspenses account		
Deposit	4,000,000.00	
	Cash & Cash Equivalent	13,438,367.68
Main Cash Book (USD)	1,666,080.00	
Main Cash Book (Kyat)	813,672.22	
Float Money	423,568.99	
KBZ Bank RTH Group USD	251,287.05	
Myawaddy Saving Account	915,802.32	
KBZ Bank RTH Group Kyats	4,083,819.66	
CB Bank RTH Group Account	5,284,137.44	
AYA Bank RTH Group Account		-
Inventories		65,006,596.20
Inventory - Food	9,926,672.49	
Inventory - Beverages	36,017,759.55	
Inventory - General	7,585,992.00	
Inventory - Stamp		

	11,476,172.16	
	TOTAL ASSETS	<u>1,222,641,755.65</u>
<u>LIABILITIES</u>		
Accounts Payable		34,494,615.22
Account Payable - Trade	21,950,683.15	
Account Payable - Others		-
Accrued Expenses	8,234,263.15	
Accrued Others	2,887,941.00	
Short-term Loan		
Other Tax Payable	1,421,727.92	
Current Tax Payable		
Long Term Liabilities		
Long Term Loan		250,000,000.00
Intercompany Payable		
RTHPL		761,964,321.54
Investment Accounts		
Share Capital		72,294,366.30
Capital Reserve		-
Retained Earnings		103,888,452.59
16-17	(16,620,381.14)	
17-18	120,508,833.73	
	TOTAL LIABILITIES	<u>1,222,641,755.65</u>

RTH Group Ltd.

Statement of Profit or Loss for Year 3 [2018-19]

Established in June 2014

**April 18 to Sept
18
Total**

Daily Sale REVENUE

1,404,418,931.00

CATERING REVENUE	33,985,774.67
OTHER INCOME	8,425,585.30
Sale Tax (other income)	64,169,576.00
TOTAL REVENUE	1,510,999,866.97
COMMERCIAL TAX (STAMP)	59,452,297.94
NET REVENUE (Excluding CT)	1,451,547,569.03
COST OF SALE	
COST OF SALE	507,369,879.59
Catering Cost	12,157,394.04
Total Cost of Sale	519,527,273.63
Gross Profit	932,020,295.40
OPERATING EXPENSES	
Guest Supplies	28,306,813.11
Decoration	1,045,700.00
Commission	40,686,683.49
Kitchen Fuel cost	23,297,177.70
FOC Charges	505,595.00
Damage	2,594,145.34
Pest Control	7,698,025.00
Security fee	5,320,000.00
Utility Charges	30,490,251.68
Miscellaneous Expenses	28,079,933.20
Rental Fees	107,964,431.00
ADMIN & GENERAL EXPENSES	
Telephone & Postage	3,756,092.00
Transportation	4,371,400.00

Travelling Expenses	914,750.21
Accounting and Auditing Fee	3,075,600.00
Service Charges A/C	3,193,950.00
Diesel	3,634,448.66
Entertainment	698,700.00
Present & Donation	717,165.00
Office Expenses	647,009.00
Food Testing	2,702,860.65
Insurance	843,187.50
Internet Fee	2,770,866.00
Manager Meal	962,874.00
Professional Fee / consultancy	3,436,900.00
Municipal Tax and Others	1,791,607.52
Legal Fee / Stamp Duty fee	356,400.00
Petrol	6,348,373.06
Bank Charges	4,471,230.84
Spoilages	1,865,289.48
Printing & Stationery	6,436,650.00
Electricity Charges	7,623,635.00
Computer Accessories	1,015,100.00
Interest Expenses	22,417,450.82
Miscellaneous Expense	2,621,153.14
Staff Salary & Wages	278,579,741.11
Management Salary	72,000,000.00
Staff Overtime Fee	23,498,827.34
Staff-Welfare	4,013,650.47
Staff-Bonus	29,910,950.00
Staff -Accommodation	11,267,500.00
Staff Meal	34,137,369.93

Training Expense	3,780,000.00
Medical Expenses	1,267,700.00
Social Security Fee	10,874,800.00
Staff Service fee	84,286,023.00
Advertising Expenses - Magazine & Newspaper	670,000.00
Advertising-Other	3,159,210.42
Promotion Expenses	950,000.00
Brochures	575,000.00
Repair & Maint Furniture & Fix	1,103,900.00
Repair & Maint Building	4,278,760.00
Repair & Maint Car	4,393,450.00
Repair & Maint Electricity	2,736,500.00
Repair & Maint Kitchen	2,342,333.33
Repair & Maint Machine	10,763,099.96
Repair & Maint Office Equipment	2,243,100.00
Repair & Maint Other	3,871,600.00
Office Rental Charges	5,760,000.00
Car Rental Charges	2,446,000.00
Amortisation -Licence and Registration	5,740,550.03
Amortisation - Uniform	5,434,929.33
Exchange Gain or Loss	(2,366,904.28)
Gain / (Loss) on Revaluation	990,500.00
Total Expense	971,370,039.03
Profit /(Loss) Before Tax	(39,349,743.63)
EBIT	(16,932,292.81)

RTH Group Ltd

Statement of Financial Position as at 30.9.2018

	<u>Amount</u> <u>(MMK)</u>	<u>Amount (MMK)</u>
ASSETS		
Fixed Assets		
Air Con	12,714,425.95	
Computer & Office Equipment	24,744,268.74	
Operating Equipment	85,036,874.67	
Furniture & Fixture	119,569,770.14	
Generator Account	80,975,887.10	
Regulator	5,898,380.96	
Vehicle	16,574,421.30	
Bar Equipment	22,118,975.78	
Kitchen Equipment	116,728,909.61	
Building Renovation	302,491,811.10	
(Less) Accumulated Depreciation		786,853,725.33
Intangible Asset (Goodwill)		424,356,146.71
Current Assets		151,612,067.94
Account Receivable (Trade)	41,246,719.65	
Account Receivable (Other)		-
Other Receivable	3,298,118.37	
Advance Salary	4,539,500.00	
Advance	3,013,700.00	
Prepaid Expenses	17,201,757.58	
Advance Income tax	2,057,500.00	
Prepaid Interest		-
Prepaid Rental (Building)	62,679,050.00	
Prepaid Rental (Apartment)	3,910,000.00	
Prepaid Others		

	5,908,889.00	
Deferred Expenses	3,156,833.34	
Deposit	4,600,000.00	
Cash & Cash Equivalent		67,507,121.05
Main Cash Book (USD)	754,945.00	
Main Cash Book (Kyat)	22,847,765.36	
Float Money	1,333,568.99	
KBZ Bank RTH Group USD	1,351,277.73	
Myawaddy Saving Account	1,802.32	
KBZ Bank RTH Group Kyats	31,676,671.36	
KBZ (kyat) - Merchant	4,000.00	
KBZ (kyat) - North Dagon	4,000.00	
CB Bank RTH Group Account	9,511,153.38	
AYA Bank RTH Group Account	21,936.91	
Inventories		
Inventory - Food		21,549,835.32
Inventory - Food M1	252,769.22	
Inventory - Food M2	261,945.49	
Inventory - Food M3	144,105.38	
Inventory - Food M4	281,027.14	
Inventory - Food M5	111,320.88	
Inventory - Food Buthee Bogalayzay	83,822.69	
Inventory - Food Buthee ISM	54,766.88	
Inventory - Food RTH	1,064,116.93	
Inventory - Food Pinlon Hawker		-
Inventory - Food Central Kitchen	1,252,786.00	
Inventory - Food Mr Wok Kitchen	3,254,136.50	
Inventory - Food Butee Kitchen	386,900.00	
Inventory - Food Main Store	11,559,492.22	
Inventory - Bakery	2,842,646.00	

Inventory - Beverages		5,925,830.46
Inventory - Beverages M1	25,176.13	
Inventory - Beverages M 2	84,436.23	
Inventory - Beverages M 3	800.00	
Inventory - Beverages M 4	125,334.90	
Inventory - Beverages M 5		-
Inventory - Beverages RTH	2,491,427.51	
Inventory - Beverages Buthee Bogalayzay	77,205.00	
Inventory - Beverages Buthee ISM	88,847.67	
Inventory - Beverages Pinlon Hawker		-
Inventory - Beverages Main Store	3,032,603.02	
Inventory - General		5,219,365.22
Inventory - General M1	59,050.00	
Inventory - General M2	126,490.00	
Inventory - General M3	34,300.00	
Inventory - General M4	99,300.00	
Inventory - General M5	98,060.00	
Inventory - General RTH	(0.00)	
Inventory - General Buthee Bogalayzay	65,093.00	
Inventory - General Buthee ISM	41,900.00	
Inventory - General Pinlon Hawker		-
Inventory - General Main Store	4,695,172.22	
Inventory - Stamp		6,076,050.00
Inventory - Stamp M1	107,800.00	
Inventory - Stamp M2	550,000.00	
Inventory - Stamp M3	182,000.00	
Inventory - Stamp M4	280,000.00	
Inventory - Stamp M5	116,050.00	
Inventory - Stamp RTH	4,545,200.00	
Inventory - Stamp Buthee Bogalayzay	226,000.00	
Inventory - Stamp Pinlon Hawker		

	69,000.00	
Bar Equipment		
Kitchen Equipment		
Restaurant Equipment		
Inventory - Operating Equipment (Pinlon)		3,290,200.00
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TOTAL ASSETS		<u><u>1,472,390,342.03</u></u>
 LIABILITIES		
 Accounts Payable		
		139,028,493.24
Account Payable - Trade	52,521,540.50	
Account Payable - Others		-
Accrued Expenses	63,601,106.00	
Accrued Others	6,883,490.00	
Short-term Loan		-
Other Tax Payable	16,022,356.74	
Current Tax Payable		-
 Long Term Liabilities		
Long Term Loan		268,614,657.00
 Intercompany Payable		
RTHPL		927,914,116.54
 Investment Accounts		
Share Capital		72,294,366.30
Capital Reserve		-
Retained Earnings		64,538,708.95
2016-2017	(16,620,381.14)	
2017-2018	120,508,833.73	
2018-2019	(39,349,743.63)	
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TOTAL LIABILITIES		<u><u>1,472,390,342.03</u></u>