

Financial Risk Analysis of SINOSUN Technology Co., Ltd.

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Abstract: Nowadays, the market competition is getting bigger and bigger, and the enterprise is always facing the risk. If it does not carry on the risk research to control, the enterprise is likely to operate in the obstacle. Science and technology are the foundation of a strong country, with the continuous promotion of the strategy of strengthening the country with science and technology, science and technology companies have many business opportunities, but the opportunities are often hidden in the risk. This paper takes SINOSUN Technology Co., Ltd. as the object of the study, compares and analyzes the operating data of the industry's HONGBO Joint Stock Company and East Port Joint Stock Company, and adopts the ratio analysis method and the comparative analysis method. Combined with the relevant financial indicators, the entropy value method is used to analyze and identify the financial risk problems of SINOSUN Technology Company, including the four aspects of financing, investment, operation, and distribution, with the main problems of weak short-term solvency, low R&D efficiency, and low profitability, and then put forward relevant preventive suggestions for the enterprise's problems. This paper aims to let the company as far as possible to foresee the financial risk and control, but also hopes for similar enterprises for financial risk analysis and management to provide case reference and reference significance.

Keywords: Financial Risk; Technology-Based Companies; Risk Control; Entropy Analysis; Financial Analysis

1. Introduction

1.1 Background and Significance of the Study

1.1.1 Research background

Risk control is an important part of business operations, enterprises will try to avoid or reduce financial risks to ensure the smooth implementation of financial plans, so as to achieve more efficient business results. The pursuit of profit is one of the main business objectives of enterprises, but in the enterprise profit and enterprise value growth at the same time, the probability of financial risk will also increase.

1.1.2 Research significance

This paper selects the financial indicators with characteristics in recent years for theoretical analysis, which is conducive to the timely discovery of potential financial risks in time to stop losses, but also conducive to the company to summarize the financial risks that have occurred in the past and led to the loss of corporate interests, in order to prevent similar situations from occurring again in the future.

1.2 Content and Methodology of the Study

1.2.1 Research

This paper mainly consists of four parts: the first part, discusses the background, significance and research ideas of the selected topic. In the second part, it introduces the theories related to financial risk and outlines the related theories that will be used in the analysis process. In the third part, we analyze the financial data related to the financing risk, investment risk, operation risk, and income distribution risk of SINOSUN Technology Company and draw the corresponding conclusions. In the fourth part, the financial risk evaluation of SINOSUN Technology Company is carried out. In the fifth part, the results of the above analyses are combined to propose improvement strategies for risk prevention.

1.2.2 Research methodology

(1) Ratio analysis (statistics)

Ratio analysis is an analytical method to analyze the financial position and operating results of an enterprise and to understand the development prospects of the enterprise

through the ratio calculation of relevant indicators in the financial statements.

(2) Comparative analysis

Comparative analysis is a method of analyzing the achievements and problems of economic activity by using comparisons to indicate the differences between actuals and base figures.

1.3 Domestic and International Research Status

Foreign scholars have different views on the definition and study of financial risk. Ne'matillaevich, 2016 believes that financial risk management is the top priority in enterprise management and proposes that enterprises should create a financial risk management system that is suitable for their own development, and that the financial risk management system should continually detect and adapt to external environmental changes, and adapt to the environment in order to improve efficiency [1]. Lyon and Kops, 2018 believe that effective financial management is conducive to the enterprise to generate value, enhance the benefits of stakeholders, and also helps the enterprise to be in an advantageous position in the competition, so as to get better business results [2]. Lambertides, 2021 through a large amount of data, proved that there is a certain positive correlation between the increase of financial risk and the plummet of stock price, and he believed that the control of financial risk is very necessary for enterprises, and enterprises should continuously improve the financial risk management system [3].

Huang, 2013 proposed that financial risk is the danger and uncertainty faced by enterprises in all aspects of daily business activities, such as financial risk caused by improper operation of fundraising activities and revenue allocation activities [4]. Wei, 2021 believes that financial risk refers to the inability of enterprises to predict and control financial management activities when encountering difficult situations, resulting in a gap between earnings and the enterprise's business objectives, thus affecting the subsequent development of the enterprise [5]. Li, 2021 also believes that the risk that financial activities can be affected by internal and external factors, leading to a discrepancy between the expected and actual returns of the enterprise and causing damage to the company's economic interests is a financial risk [6]. Liu, 2019 summarized several main

reasons for the occurrence of financial risk, including force majeure, lack of financial risk management mechanisms, and unreasonable financial risk indicators [7]. Ye and Wu, 2021 elaborated on the definition of financial risk in both the broad and narrow sense, and financial risk refers to the impact of improper internal financial management and the external economic environment in the daily business activities of enterprises, which results in the failure to achieve the established goals of the enterprise [8]. Silt, 2022 argues that financial risk is a manifestation of the whole process of business management, and there are uncertainties in every aspect, although these financial risks manifest themselves in different forms, but they all cause deviations from the final results and expected results [9]. Bai, 2022 thought that nowadays the importance of cash flow for enterprises is gradually strengthened, observing the company's current cash flow, can measure whether the company's various financing behavior or investment activities have potential business risks, under this premise, the company wants to achieve the goal of preventing financial risk, we need to pay attention to the changes in the cash flow [10].

2. Overview of Theories Related to Financial Risk

Financial risk management refers to the process of measuring, identifying, analyzing and managing to control risks and minimize losses in the enterprise's business activities. Effective risk management can improve the efficiency of the enterprise's operation, satisfy the needs of the enterprise's stakeholders, and achieve the enterprise's business objectives. Financial risk is one of the main aspects of risk management, and the implementation of financial risk management is directly related to the financial plan of the enterprise, which affects the operating results of the enterprise. Financial risk mainly includes four aspects: financing risk, investment risk, operation risk and distribution risk.

3. Financial Risk Identification of SINOSUN Technology Co.

3.1 Funding Capacity Risk Identification

3.1.1 Cash current liability ratio

According to Figure 1, the net cash flow from

operating activities of SINOSUN Technology Company was -29,702,300 Yuan in 2021 and -61,904,800 Yuan in 2022, the net cash flow from operating activities of SINOSUN Technology Company decreased sharply in 2021 and 2022, and according to the financial report of 2022, the decrease was mainly due to the decline in the company's sales revenue during the reporting period, and the operating The amount of cash inflow from operating activities decreased by RMB 75,045,600,000 compared with the same period of the previous year. It can be concluded that SINOSUN Technology Company has certain pressure on debt servicing and interest repayment in recent years, and if the credit is damaged as a result, certain financial risks in terms of financing may arise.



Figure 1. Cash Flow Debt Ratios by Company (2018-2022)

3.1.2 Gearing

From Figure 2, it is learned that in the middle of 2018 to 2021 SINOSUN Technology Company's liabilities are low, and the company's fundraising is low, which may affect the company's development. At the end of 2022, SINOSUN Technology Company chose to use money funds to buy a larger amount of financial products worth about 170 million yuan, which is the main reason for its gearing ratio in 2022 to become larger. Of the remaining two companies, HONGBO Company and East Port Company's gearing ratios also remain within a good range.

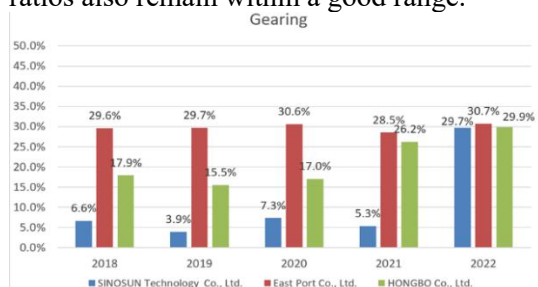


Figure 2. Gearing Ratio by Company (2018-2022)

3.2 Investment Risk Identification

The annual report shows that in 2019, SINOSUN Technology Company's idle monetary funds were mainly used to purchase structured deposits and bank deposits, and the purchase of time deposits and structured deposits of more than three months were accounted for in the accounting of investing activities, and by the size of the amount of structured deposits and time deposits purchased, the term and the opening and closing balances, the company had large changes in the inflow and outflow of cash from and to the net cash flow of investing activities. According to the data in Table 1 and combined with the above analysis of the net cash flow from financing activities in the last five years are negative, it can be seen that SINOSUN Technology Company's capital chain cannot be adequately safeguarded, which may result in investment due to financial problems and blocked

Table 1. Investment in Mega Sun Technologies, Inc. 2018-2022 Unit: (\$ billion)

	2018	2019	2020	2021	2022
Cash inflows from investing activities	7.43	3.90	1.68	4.01	7.10
Cash outflows from investing activities	7.74	5.42	1.5	3.46	6.48
Net cash flows from investing activities	-0.31	-1.52	0.18	0.55	0.62

Source: Based on the annual report of SINOSUN Technology Company.

3.2.1 Investment in research and development
According to Table 2, on the one hand, it can be seen that SINOSUN Technology Company relies on R & D to a greater extent, and needs to constantly invest a lot of money in scientific and technological innovation, software upgrades and other R & D matters to protect income, then once the speed of scientific and technological R & D innovation is lower than the speed of change of market demand, or innovation ability cannot meet the market demand, there may be an investment risk, resulting in the cost of investment to become bigger, it may have a direct impact on the enterprise in that year or even the profits of the enterprise in the current year or even in the following years may be directly affected. On the other hand, R & D investment accounted

for the proportion of operating income is also affected by the impact of business income, business income as a whole is a decreasing trend, and R & D investment amount in the five years in the trend of increasing year by year, it can be seen that SINOSUN Technology Company for the R & D needs in the increasing, and from the return and not a significant increase in the total income in the trend of reducing, there is a certain amount of investment in research and development risk.

Table 2. R&D investment as a Percentage of Operating Revenue(2018-2022)

	2018	2019	2020	2021	2022
SINOSUN Technology Co., Ltd.	28.13 %	29.51 %	35.63 %	44.79 %	57.91 %
East Port Co., Ltd.	6.31%	6.58%	8.55%	6.21%	6.87%
HONGBO Co., Ltd.	3.43%	3.75%	4.47%	4.00%	4.15%

Source: Based on annual reports of companies

3.2.2 Operating profit margin

Figure 3 shows that in 2022, the operating profit reached negative 109 million yuan, operating profit margin of -76.8%, in a larger loss, profitability has declined, the reason is that in the year 2022, the company's sales revenue fell by 28.91% compared to 2021, and the total cost of operations compared to recent years said there is no major change, specifically, the electronic payment cryptograph market penetration rate rose to a certain extent, resulting in pressure on sales products, coupled with the impact of the macro environment, the Company's traditional electronic payment cryptograph system products Sales revenue in 2022 decreased by approximately 30.41% year-on-year.



Figure 3. Operating Profit Margin by Company

3.3 Operational Capacity Risk Identification

3.3.1 Inventory turnover

Figure 4 shows that the inventory turnover

capacity of SINOSUN Technology Company is decreasing from 2018 to 2022, but the inventory volume is on an upward trend, which shows that SINOSUN Technology Company has a certain backlog of inventory in these years, which may be due to the difficulty of selling old products due to the ever-changing market demand. Compared with the same industry East Port Corporation and HONGBO Corporation, SINOSUN Technology Company's inventory turnover level is slightly insufficient. SINOSUN Technology Company's inventory management ability to reduce over the years may lead to business operations being hampered, and operating risks arising.

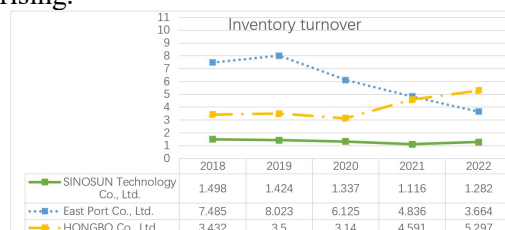


Figure 4. Inventory Turnover Ratio by Company, 2018-2022

3.3.2 Total asset turnover

From Figure 5, it can be analyzed that in the middle of 2018 to 2022, the total asset turnover ratio of SINOSUN Technology Company has a slightly decreasing trend, and the overall situation is lower than the other two companies in the same industry, which indicates that the total asset management efficiency is lower, the asset utilization rate is lower, and there may be idle assets. Compared to the other two companies in the same industry, SINOSUN Technology Company's total asset utilization capacity needs to be improved, where East Port Corporation shows greater asset utilization and asset management capacity and high operational efficiency. SINOSUN Technology Company has certain operational risks, and there is some room for upward movement in the efficiency of total asset management.



Figure 5. Total Asset Turnover Ratio by Company (2018-2022)

3.4 Risk analysis of Income Distribution

3.4.1 Total asset growth rate

Table 3. Growth Rate of Total Assets by Company (2018-2022)

	2018	2019	2020	2021	2022
SINOSUN Technology Co., Ltd.	-0.11%	-2.72%	-1.81%	1.39%	-17.6%
East Port Co., Ltd.	3.39%	0.97%	-2.05%	-3.3%	1.33%
HONGBO Co., Ltd.	-2.03%	2.72%	0.7%	13.06%	1.62%

Source: Calculations based on annual reports of companies

As can be seen in Table 3, there are four years of negative asset growth rate in these five years in SINOSUN Technology Company, which indicates that the capital accumulation of the enterprise is reduced and the development ability is slowed down, and combined with the above mentioned three consecutive years in 2020, 2021 and 2022 when the company did not pay cash dividends, it can be concluded that there is a certain risk problem of income distribution in SINOSUN Technology Company. In contrast, although HONGBO Corporation showed a negative asset growth rate in the middle of 2018, it also showed a large positive growth rate from 2019 to the middle of 2021, and the asset growth rate of East Port Corporation had some fluctuation, but it was within the normal fluctuation range. In conclusion, SINOSUN Technology Corporation may have the risk of income distribution on the financial.

3.4.2 Operating profit growth rate

According to Table 4, SINOSUN Technology Company and HONGBO Joint Stock Company have the highest growth rate of 182.77% and 320.06%, respectively, and the lowest of -320.2% and -297.7%, respectively, with a large fluctuation in operating profit, and the three companies are dominated by the negative value, showing the trend of decreasing profit. All three companies showed a significant decrease, all having more than a 40% reduction, SINOSUN Technology Company's 2020 operating profit decreased by 55.1%, and in 2022 decreased by as much as three times. The company's net profit in 2020 and 2022 is a large loss status, with no cash dividends, there is a certain risk of income distribution.

Table 4. Operating Profit Growth Rate by Company (2018-2022)

	2018	2019	2020	2021	2022
SINOSUN Technology Co., Ltd.	-1.83%	-2.13%	-55.1%	182.77%	-320.2%
East Port Co., Ltd.	12.68%	5.47%	40.7%	20.7%	-32.6%
HONGBO Co., Ltd.	-50.97%	320.06%	-55.1%	-55.67%	-297.7%

Source: Calculations based on annual reports of companies

4 Financial Risk Evaluation of SINOSUN Technology Co.

4.1 Selection and Treatment of Financial Risk Evaluation Indicators

The indicators were standardized as follows. First, for the reverse indicator, the processing formula is

$$Y_{ij} = \frac{X_{\max} - X_{ij}}{X_{\max} - X_{\min}} \quad (1)$$

For positive indicators, the equation is

$$Y_{ij} = \frac{X_{ij} - X_{\min}}{X_{\max} - X_{\min}} \quad (2)$$

This is followed by a non-negativity process. When $Y_{ij} \leq 0$, the translation coordinates, as shown in Eq.

$$Y'_{ij} = Y_{ij} + d \quad (3)$$

The second step is the normalization process.

$$p_{ij} = \frac{Y'_{ij}}{\sum_{i=1}^n X_{ij}} \quad (4)$$

Thirdly, calculate the entropy value,

$$k = \frac{1}{\ln(n)} > 0 \quad (5)$$

As shown in the formula.

$$e_j = -k \sum_{i=1}^n p_{ij} \ln(p_{ij}) \quad (6)$$

Then, calculate the differentiation factor.

$$g_j = 1 - e_j \quad (7)$$

Last, calculate the weights as shown in the formula.

$$w_j = \frac{g_j}{\sum_{j=1}^n g_j} \quad (8)$$

4.2 Financial Risk Evaluation

Table 5, Table 6, and Table 7 are the raw data and processed data, from which the following can be analyzed. In terms of solvency, the total score of solvency in the past five years is decreasing year by year, with the biggest

decrease from 2021 to 2022, in which the net cash flow from operating activities of SINOSUN Technology Company in 2022 is -61,904,800,000, which shows the company's weak solvency in the past five years. After data processing, the weight of the cash flow debt ratio is about 12.5% and the weight of the gearing ratio is about 11.8%, which indicates that if SINOSUN Technology Company wants to improve its solvency position, it can give priority to cash flow debt ratio, which means that short-term solvency is a relatively weaker aspect of the company. There is a similar problem with the gearing score, which fluctuates less in the first four years and falls sharply from 2021 to 2022, due to a more substantial increase in gearing in 2022, but the poor operating situation in 2022 suggests that the company's R&D, production and other capabilities have not been significantly improved despite the increased borrowing. Profitability, the total profitability score of the first four years is in normal fluctuations, in 2022 SINOSUN Technology Company's sales revenue decreased by 28.91% compared to 2021, and the total cost of operations did not change much, according to the annual report of the reporting period, the electronic payment cryptography market penetration rose to a certain extent, resulting in sales of products have pressure, coupled with the macro-environmental impact, the company's traditional electronic Payment cryptograph system products Sales revenue in 2022 was 121,104,100 yuan, a year-on-year decline of about 30.41%, corresponding to the total score of profitability in 2022 showed the lowest. In terms of operational capability, in the past five years, SINOSUN Technology Company's total score of operational capability showed a downward trend, with lower scores in 2021 and 2022, mainly due to the fact that inventory turnover capacity was declining during the

period, inventory volume was rising, and there was a backlog of inventory, which was deeply attributed to the rapid changes in market demand and the company's poor research and development efficiency, which led to the difficulty in selling the old products. In addition, the total asset turnover ratio is also showing a slight downward trend, and the overall level is lower than the other two companies in the same industry, indicating that the total asset management efficiency is low, the asset utilization rate is low, and there may be idle assets. Inventory turnover ratio in all the indicators of the largest weighting, so SINOSUN Technology Company can first improve the inventory turnover ratio to improve the overall financial situation. In terms of development capability, only the growth rate of total assets and operating profit in 2021 is positive in the last five years of SINOSUN Technology Company, and the remaining four years are negative, corresponding to the highest score of development capability in 2021. It shows that the capital accumulation of the enterprise decreases and the development ability slows down. As the net profit of SINOSUN Technology Company in 2020 and 2022 is negative as well as the profit available for distribution of the parent company in 2021 is negative, so the dividend distribution will not be made for three consecutive years from 2020 to 2022, and as much capital as possible will be used for the future development of the enterprise, and the root cause of the problem of the development ability is caused by the reduction of profitability, so the improvement of profitability will help to improve the development of the enterprise's The root cause of the development ability problem is caused by the reduction of profitability, so the improvement of profitability can help improve the development ability of the enterprise.

Table 5. Raw Data of SINOSUN, Inc.

	2018	2019	2020	2021	2022
Cash current liability ratio	0.767	0.227	0.317	-0.668	-2.9
gearing	0.066	0.039	0.073	0.053	0.297
operating profit margin	0.202	0.178	0.089	0.27	-0.768
return on net assets	0.015	0.015	-0.0002	0.033	-0.166
Inventory turnover	1.498	1.424	1.337	1.116	1.282
Total asset turnover	0.242	0.269	0.243	0.228	0.177
Total asset growth rate	-0.001	-0.027	-0.018	0.014	-0.176
Operating profit growth rate	-0.018	-0.021	-0.551	1.827	-3.022

Source: Calculations based on the annual reports of SINOSUN Technologies, Inc.

5 Sinosun Technology Company Financial Risk Prevention Recommendations

5.1 Control of Funding Risks

5.1.1 Improve debt structure and debt servicing capacity

Sinosun Technology Company's short-term

debt is relatively large compared to long-term debt, Sinosun Technology Company can improve the debt structure by a more in-depth analysis of the company's current situation and future development trend so that it reaches a relative equilibrium point, comprehensively consider the financing methods, repayment time, financing costs and other aspects of the optimization of fund-raising activities.

Table 6. Entropy Values and Weights

	norm	entropy (e_j)	Differentiation factor(g_j)	Weights (w_j)	total weight
Debt service risk	Cash current liability ratio	0.862187	0.137813	0.124566	0.242411
	gearing	0.869623	0.130377	0.117845	
Profitability risk	operating profit margin	0.869178	0.130822	0.118247	0.236328
	return on net assets	0.869361	0.130639	0.118081	
Operational risk Development risk	Inventory turnover	0.844221	0.155779	0.140806	0.268639 0.252621
	Total asset turnover	0.858572	0.141428	0.127834	
	Total asset growth rate	0.868215	0.131785	0.119117	
	Operating profit growth rate	0.852299	0.147701	0.133504	

Source: Calculations based on the annual reports of Sinosun Technologies, Inc.

5.1.2 Broadening funding channels and enhancing funding capacity

Sinosun Technology Company can try to increase the financing methods to reduce the pressure on financing, such as issuing additional shares and convertible bonds and

other ways. The company can also continue to seek new shareholders to introduce investment, including monetary investment, intangible assets investment, fixed assets investment, and other methods.

Table 7. Score for Each Indicator of Sinosun Technology Inc.

	2018	2019	2020	2021	2022
Cash current liability ratio	0.037127	0.031714	0.032616	0.022742	0.000368
Gearing	0.028381	0.031661	0.02753	0.02996	0.000313
Total solvency score	0.065507	0.063375	0.060146	0.052702	0.000681
operating profit margin	0.03001	0.029276	0.026551	0.032092	0.000318
return on net assets	0.029328	0.029328	0.026892	0.032213	0.000319
Total profitability score	0.059339	0.058604	0.053444	0.064305	0.000637
Inventory turnover	0.049563	0.040057	0.028881	0.000491	0.021815
Total asset turnover	0.030247	0.042636	0.030706	0.023823	0.000422
Total score of operation	0.07981	0.082692	0.059586	0.024314	0.022237
Total asset growth rate	0.03092	0.026375	0.027948	0.033542	0.000332
Operating profit growth rate	0.030037	0.030007	0.024792	0.048191	0.000477
Total score of development	0.060956	0.056382	0.05274	0.081733	0.000809

Source: Calculations based on the annual reports of Sinosun Technologies, Inc.

5.2 Control of Investment Risk

5.2.1 Strengthening capacity for investment project analysis

In 2018-2019, the investment activities of Sinosun Technology Company are not too optimistic, the root cause may lie in the lack of analysis of the project before investment, which should be considered in a comprehensive manner relevant policies, project risks and benefits, project potential and

other factors, to develop the optimal portfolio suitable for the enterprise, to offset a portion of the risk or diversification of some of the risk, so that the enterprise maximizes the return and minimizes the risk.

5.2.2 Strengthening R&D capacity and R&D profitability

The above analysis, Sinosun Technology Company in 2018-2022 in the R & D investment accounted for a relatively large proportion of operating income, that is, the

company for R & D scientific and technological innovation relies on a larger, but the company's profitability in recent years is not really good, and even a net profit of negative value, at the same time, the SINOSUN Technology Company's investment in R & D is still increasing, visible market demand and SINOSUN Technology Company for R & D The demand for innovation is also increasing, then the efficiency of research and development is very critical for the company. SINOSUN Technology Company in 2018 to 2022 in the capitalized R & D expenditure are less than 33%, of which 15.14% in 2020 and 0% in 2021, the proportion of expensing is relatively large, resulting in poor return on investment recovery ability, SINOSUN Technology Company can improve the efficiency of R & D, and at the same time to maintain the core competitiveness, improve the R & D process. Can also seek external cooperation for joint research and development, docking research institutes, universities, and other institutions to meet the more urgent needs of research and development.

5.3 Control of Operational Risk

5.3.1 Strengthening inventory management capacity

SINOSUN Technology Company can deeply analyze the current operation of the company, combined with productivity, inventory, market demand, and other factors to consider, adjust the inventory structure, reduce due to the replacement of old products caused by the difficulty of selling to the enterprise's losses.

5.3.2 Enhancing the efficiency of asset turnover

SINOSUN Technology Company's accounts receivable turnover ratio is good, need to continue to maintain, and improve the accounts receivable recovery mechanism, strengthen the liquidity of funds, at the same time alert to the emergence of bad debts, bad debts should be identified in a timely manner and accrued. SINOSUN Technology Company's total asset turnover rate needs to be improved, can be a reasonable way to idle assets to play out the economic benefits, otherwise, it will cause a certain amount of waste of resources, resulting in increased operating costs.

5.4 Control of Income Distribution Risk

5.4.1 Strengthening profitability and

improving distribution

In terms of income distribution, the first thing to pay attention to is that there is income to be distributed, that is to say, there must be a certain degree of profitability, SINOSUN Technology Company's 2021 and 2022 net profit fell sharply, resulting in the enterprise is in the state of loss, that year also did not carry out the distribution of cash dividends, there is a hindrance to the distribution of income, so SINOSUN Technology Company is currently reducing the risk of income distribution of the primary goal is to improve profitability. In addition, the distribution method also has a certain impact on the risk of income distribution, SINOSUN Technology Company can combine the future development strategy to choose a reasonable dividend distribution policy, balancing the ratio between retained earnings and distribution of dividends, try to meet the short-term and long-term interests of stakeholders, but also take into account the future development of the company, reduce the risk of income distribution.

5.4.2 Optimization of the shareholding structure and strengthening of shareholders' investment incentives

According to the company's future development strategy, it can adjust the corporate governance system and optimize the company's shareholding structure, and at the same time, it can stipulate relevant systems and policies to do a good job of internal management, for example, small and medium-sized shareholders generally care less about the operation of the enterprise, so it can motivate these shareholders through incentive policies to give full play to their human resources value. In addition, the company also needs to better coordinate the relationship between the enterprise and the stakeholders, to ensure that there are sufficient and continuous capital can flow into the enterprise, and this is conducive to enhancing the shareholders' recognition of the enterprise so that the company has a solid foundation for long-term high-quality development.

6. Conclusions

Through the data analysis found SINOSUN Technology Company some potential problems, such as profitability, solvency to be improved, the efficiency of R & D investment in the reduction, and by comparing the

financial data of companies in the same industry to find out the advantages and disadvantages of the SINOSUN Technology Company, as well as finally put forward a personal recommendation. According to the above financial risk identification results of SINOSUN Technology Company financial risk summary, the specific conclusions are as follows: Funding, SINOSUN Technology Company's financing methods are not rich; enterprises have a certain amount of short-term debt repayment pressure, which may result in potential financing risks, the company can diversify the financing methods to enhance the solvency. Investment, the main problems within the enterprise are the pressure of research and development, research and development of the lack of power period, the enterprise's innovation ability is difficult to meet the rapid changes in market demand, research and development of the cost is greater than the benefits it brings, the enterprise needs to further improve the efficiency of research and development, you can seek co-operation, recruitment of talent, incentives to improve the situation. The main problem outside the enterprise is that the analysis of the investment projects is not comprehensive enough, and we should fully consider the probability of various conditions of the investment target and the gain or loss it brings, choose the projects with high relative safety and income to invest, and the risk control system needs to be further improved. In terms of operation, there are idle assets and inventory backlog problems in the enterprise, so as far as possible, the enterprise should budget out the required production volume and minimize the backlog of inventory, and it can increase the frequency of total asset use and utilize the assets to create benefits for the company. Income distribution, mainly related to the problem of profitability, there is a loss-making operation that cannot be allocated benefits, strengthen the profitability can choose to enrich the business project, broaden sales channels, appropriate compression costs, and other ways. In

summary, SINOSUN Technology Company has room for improvement in financial risk management.

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