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Research on the financing risk control problem of high-tech enterprises under the background of "Belt and Road"

—— Take Breo as an example

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Abstract: With the rapid development of high and new technology industry, high and new technology industry has become the engine of economic and social development. It's also an important symbol to measure the strength of a country. The high quality development of high-tech industry is of great significance to drive the vigorous development of economy. With the gradual strengthening of the role of high-tech enterprises in economic growth, the problem of insufficient funds is becoming increasingly obvious, which seriously hinders its development. This paper analyzes the problems encountered in the financing and the countermeasures, find the corresponding countermeasures to solve the problems, and help the high-tech enterprises to have a stable financial support in the future development direction.

Keywords: "Belt and Road", High-tech, Financing Risk, Breo

1. The overview of Breo's financing situation

1.1 Enterprise profile

BeEasy (Breo) was founded in 2000. At the beginning, the company mainly involved in the field of eye massdevices, etc. Its market serves people whose long-term use of electronic devices leads to eye fatigue, such as students, teachers, etc. The product can effectively relieve eye fatigue without a series of scientific design and unique massage technology, so that the eye fatigue problem can be alleviated, so it has become an indispensable massager for the majority of users. At the beginning, the company's promotion channel was relatively single, mainly relying on bookstores around the country. However, with the continuous expansion of the market and the transformation and upgrading of product technology, in 2008, the eye care equipment was upgraded to head massage products. As its product line expanded, the company gradually moved into traditional shopping and distribution venues. At the same time, it began to enter new channels such as brand upgrading and other technologies. But the company is mainly to direct channels. Beeasy is a national high-tech enterprise, in the field of intelligent massage machine.

1.2 Breo's financing basic situation

1.2.1Debt financing situation

Table 1 liability Analysis Table Unit: RMB

	In 2022,	In 2021,	In 2020,
Current liabilities	277,211,173.89	259,651,903.21	240,781,058.82
non-current liability	49,713,181.54	46,223,065.93	1,550,722.02

Data source: Times Easy 2021-2022 annual Report

Long-term borrowing and financing. As can be seen from the table, the amount of current liabilities of Breo is much higher than the amount of non-current liabilities, while in the non-current liabilities, long-term borrowing will not exist for three consecutive years from 2020 to 2022, indicating that the poor ability of enterprises to use long-term borrowing financing channels to raise funds. If only relying on short-term borrowing financing can raise more funds, but also need a good cash flow to ensure timely repayment, the interest pressure is also relatively large. And long-term borrowing can relieve the pressure for enterprises to repay the principal and interest in a relatively short period of time, but obviously, Breo have not made full use of this financing channel.

Table 2 analysis of debt financing Unit: Yuan

project	In 2022,	In 2021,	In 2020,
Total operating liabilities	149,924,990.65	194,928,070.86	193,443,247.87
Total financial liabilities	176,999,364.78	110,796,696.26	45,000,000.00
aggregate liability	326,924,355.43	305,874,969.14	242,331,780.84
Proportion of operating liabilities	45.86%	63.73%	80.79%
The proportion of financial liabilities	54.14%	36.27%	19.21%
asset-liability ratio	40.91%	31.83%	50.89%

Data source: times 2021-2022 annual report calculation and analysis

From the above table, we can clearly see that the basic structure of corporate financing is. Through the comparison of 2020-2022, it is not difficult to find that the proportion of operating liabilities of the company has decreased from 63.73% to 45.86%, while the financial liabilities have increased from 36.22% to 54.14%. It can be seen that the proportion of suppliers' funds decreases year by year, indicating that their ability to negotiate prices in the transaction process is reduced, and the increase of financial liabilities is likely to lead to the pressure of enterprises to repay interest, thus leading to the risk of rising overall financing costs. Although the asset-liability ratio is at a good level, the trend is gradually rising, which requires enterprises to pay close attention to and control it.

1.2.2 Equity financing situation

Table 3 Analysis of Equity financing Table Unit: Yuan

	In 2022,	In 2021,	In 2020,
Paid-in capital (or share capital)	61,640,000.00	61,640,000.00	46,230,000.00
surplus public accumulation	30,210,582.98	30,210,582.98	23,115,000.00

Data source: Sina Finance times Easy 2021-2022 annual report

(1) Equity financing. From 2020 to 2021, the amount of share capital increased significantly, mainly due to the listing on the Science and Technology Innovation Board in 2021, which raised more funds for enterprises. However, there is no change in 2021-2022, and the operating efficiency of this year is greatly reduced, and the amount of equity financing needs to be expanded to a certain extent to obtain more financing.

(2) Surplus reserve is an important source of enterprise internal financing. Usually, companies use surplus reserves to cover the deficit, expand their business scope or increase their capital. Through the search of the annual report, it can be seen that the enterprise extracts the surplus reserves at the proportion of 10% every year. It can be seen from the table that the surplus reserves in 2021 increased by 15,410,000.00 yuan compared with 2020, but there is no change in the surplus reserves from 2021 to 2022. It can be seen from the side that the net profit from 2020-2021 is increasing, but the company began to suffer losses in 2022. The reason through the annual report disclosure by the direct store sales benefit greatly reduced impact.

2. The financing problems analysis under the background of "One Belt and One Road"

2.1 The debt financing structure is not perfect

Through the data analysis of Table 1 and Table 2, it can be revealed that in the debt financing structure, long-term bank borrowing does not constitute a component part of corporate debt financing. Data show that in 2020 and 2021, enterprises raised short-term loans of RMB 45 million and RMB 10 million respectively through pledge; by 2022, the guaranteed loan amount was further increased to RMB 9 million, while long-term borrowing resources are obviously not fully utilized, which highlights the deficiencies in the diversification of financing channels.

Combined with the overall environment of the "Belt and Road" initiative, the company is not sufficient in expanding international financing channels and using new financing means, and relies too heavily on the domestic short-term lending market.

2.2 Equity financing method is exclusive

The equity financing method of an enterprise is mainly surplus reserve to increase capital, that is, internal financing method. From 20 to 22 years, the enterprises mainly rely on surplus reserves and undistributed profits, two forms of internal capital accumulation for capital supplement. Although these two financial indicators are on an upward trend, this strategy of relying on internal financing has limitations, and it is difficult to adapt to the diversified risk challenges brought by the changing domestic and foreign markets. Therefore, in order to enhance the anti-risk ability and sustainable development strength, it is necessary for the enterprise to actively explore and effectively use diversified external financing channels under the financial policy environment provided by the "Belt and Road" initiative.

3. Financial control solutions under the background of "Belt and Road"

3.1 Expand debt financing channels and consider loans from foreign banks

Through the above series of analysis, it is not difficult to find that the debt financing channels of enterprises are more limited. Under the debt financing method, involves almost no long-term borrowing, enterprises can also long-term borrowing as a way of financing for financing, can better reduce the short-term debt pressure, improve the short-term solvency at the same time, access to the long-term borrowing may make enterprises have more disposable funds, opportunity cost can also be properly expanded. Combined with the background policy support of Belt and Road, let enterprises go abroad to obtain loans from foreign banks, which is also a kind of debt financing channel.

3.2 Increase the types of equity financing through listing in Hong Kong stocks and US stocks

In view of the problem of imperfect shareholding structure, it is suggested that enterprises consider listing in Hong Kong stocks and US stocks. In this way, they can obtain more financing for enterprises. Breo can rely on its patented technology and more than 20 years of brand advantages, explore new markets and expand market share. Through the annual report, it is not difficult to find that it has sold its own brand products to Europe, America, Japan and South Korea, Hong Kong, Southeast Asia and other overseas markets. That its not only has a certain market share at home, also has a market abroad, can rely on this point, consider listed in H shares or stocks, get more financing funds, to help in enterprise marketing strategy, management strategy change has enough money, change the current situation of the losses, make its development to maintain a good trend. Make full use of the favorable policies brought by the Belt and Road to diversify the financing.

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