March 13, 2019

DAQO NEW ENERGY

Q4 and FY 2018 Financial Results Presentation

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Among other things, the outlook for the first quarter of 2019 and quotations from management in this announcement, as well as Daqo New Energy’s strategic and operational plans, contain forward-looking statements. The Company may also make written or oral forward-looking statements in its reports filed or furnished to the U.S. Securities and Exchange Commission, in its annual reports to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the demand for photovoltaic products and the development of photovoltaic technologies; global supply and demand for polysilicon; alternative technologies in cell manufacturing; the Company’s ability to significantly expand its polysilicon production capacity and output; the reduction in or elimination of government subsidies and economic incentives for solar energy applications; and the Company’s ability to lower its production costs. Further information regarding these and other risks is included in the reports or documents the Company has filed with, or furnished to, the Securities and Exchange Commission. All information provided in this press release is as of the date hereof, and the Company undertakes no duty to update such information or any forward-looking statement, except as required under applicable law.

DAQO NEW ENERGY

“A leading producer of high-purity polysilicon for the global solar PV industry”

Management remarks

"I would like to thank our entire team for their hard work and dedication for delivering another outstanding quarter in which we successfully completed the Phase 3B project and ramped production up to full capacity by the end of November 2018, three months ahead of schedule," commented Mr. Longgen Zhang, CEO of Daqo New Energy.

"During the quarter, we achieved new record both in production volume and sales volume which were 7,301 MT and 7,030 MT, respectively. With the successful ramp up of our new phase 3B facility and efforts of our operating team, both production volume and cost reduction targets were achieved with excellent results. During the fourth quarter of 2018, we successfully reduced our total production cost to $7.94/kg and our cash cost was lowered to $6.64/kg, representing our lowest cost structure ever. With our Xinjiang production facilities now running at full capacity, we expect to produce approximately 8,500 to 8,700 MT of polysilicon during the first quarter of 2019. Furthermore, with reduction in unit utility usage, operating leverage and other cost savings, we expect to further reduce our total production cost to approximately $7.50/kg . In addition, we plan to conduct a capacity debottlenecking project to gradually upgrade several older CVD furnaces with improved technology, allowing us to increase production capacity by additional 5,000 MT. We plan to start this project in mid-March and complete it by the end of June. The debottlenecking project will have limited impact on production volume, therefore we expect to produce 7,600 to 7,800 MT of polysilicon during the second quarter of 2019. Subsequent to the completion of the debottlenecking project, we anticipate the Company will reach total annual production capacity of 35,000 MT.

"The Phase 4A capacity expansion project is progressing smoothly and will increase our production capacity to 70,000 MT by the end of the first quarter of 2020 with an even lower cost structure once fully ramped up. In February 2019, we received approval from Bank of China for a RMB400 million 5-year fixed-asset capital project loan and a RMB50 million working capital loan. The Company has obtained a total of RMB830 million of additional bank loans, including the loans from Bank of China and credit facilities from other domestic Chinese banks, to support our capacity expansion and working capital needs. These loans will support capital expenditure for our Phase 4A project and enable us to complete it on schedule."

"2018 was a challenging but also promising year for solar PV industry. The policies issued by the Chinese government on May 31, 2018 immediately impacted the market and resulted in a significant price decline across the entire value chain. However, this fall in price significantly stimulated demands from markets outside of China, especially where grid-parity has already been reached. The global solar PV market recovered rapidly in the following months and has since achieved equilibrium again, even with very limited contribution from China, the world's largest individual solar PV market."

"A draft of China's solar policy for 2019 has already been released with the final version yet to be confirmed. The draft indicates a new incentive program based on a fixed subsidy amount rather that a fixed quota system as was previously done. The fixed subsidy amount is expected to be in the range of approximately RMB 3 billion and could cover approximately 30-35GW of installations. Poverty alleviation projects will be subsidized and funded separately. In addition, the market anticipates some grid-parity projects which will not require central government subsidies. Based on industry research, China's installation target for 2019 is anticipated to be approximately 40-45 GW but there could be some variations in the final version of China's policy in 2019. Grid-parity and cost reduction will continue to play a key role in driving global demand from developed markets such as Europe and the US to developing markets like India, South Asia, Africa and South America. We expect global solar installations in 2019 to be approximately 120 to 140 GW."

"We believe demand for polysilicon, which is the key ultra-pure raw material for crystalline-silicon solar PV module, will keep growing as solar PV becomes more and more competitive compared to other energy sources. We believe the current market challenges are temporary and should be resolved during the second half of 2019, especially when demand and installation from China recovers. Looking forward, we believe the solar PV industry has become much stronger and increasingly independent of policies and is expected to grow sustainably over the long-term with better stability. The pace of new capacity expansion within the polysilicon industry will smooth out going forward. As a leading polysilicon manufacturer, we believe Daqo New Energy is ideally positioned to benefit from this fast growing market and will continue to outperform its peers with lower cost and better quality."

Business update and Q4 2018 financial highlights

- **Polysilicon production volume** of 7,301 MT in Q4 2018, compared to 4,734 MT in Q3 2018
- **Polysilicon external sales volume**[1] of 7,030 MT in Q4 2018, compared to 6,199 MT in Q3 2018
- **Polysilicon average total production cost**[2] of $7.94/kg in Q4 2018, compared to $8.94/kg in Q3 2018
- **Polysilicon average cash cost**[2] of $6.64/kg in Q4 2018, compared to $7.12/kg in Q3 2018
- **Polysilicon average selling price** (ASP) was $9.69/kg in Q4 2018, compared to $10.79/kg in Q3 2018
- **Revenue** from continuing operations of $75.6 million in Q4 2018, compared to $67.4 million in Q3 2018
- **Gross profit** from continuing operations of $16.9 million in Q4 2018, compared to $12.8 million in Q3 2018. Gross margin from continuing operations was 22.4% in Q4 2018, compared to 19.1% in Q3 2018
- **EBITDA** (non-GAAP)[3] from continuing operations of $29.5 million in Q4 2018, compared to $14.8 million in Q3 2018
- **EBITDA margin** (non-GAAP)[3] from continuing operations of 39.1% in Q4 2018, compared to 22.0% in Q3 2018
- **Net income from continuing operations** was $17.1 million in Q4 2018, compared to $4.2 million in Q3 2018 and $57.7 million in Q4 2017.
- **Net loss from discontinued operations** was $5.7 million in Q4 2018, compared to $22.4 million in Q3 2018 and net loss from discontinued operations of $23.6 million in Q4 2017
- **Net income** attributable to Daqo New Energy shareholders of $11.4 million in Q4 2018, compared to net loss attributable to Daqo New Energy shareholders of $18.3 million in Q3 2018 and net income attributable to Daqo New Energy shareholders of $33.7 million in Q4 2017
- **Earnings per basic ADS** of $0.86 in Q4 2018, compared to loss per basic ADS of $1.39 in Q3 2018, and earnings per basic ADS of $3.16 in Q4 2017
- **Adjusted net income** (non-GAAP)[4] attributable to Daqo New Energy shareholders of $15.7 million in Q4 2018, compared to $4.3 million in Q3 2018 and $35.3 million in Q4 2017
- **Adjusted earnings per basic ADS** (non-GAAP)[4] of $1.18 in Q4 2018, compared to $0.33 in Q3 2018, and $3.31 in Q4 2017

Notes:

(1) The external sales volume is the quantity of the goods which has been accepted by customers and thus the corresponding revenue has been recognized during the reporting period. Production cost and cash cost only refer to production in the Company's Xinjiang polysilicon facilities.
(2) Production cost is calculated by the inventoriable costs relating to production of polysilicon in Xinjiang divided by the production volume in the quarter. Cash cost is calculated by the inventoriable costs relating to production of polysilicon excluding depreciation expense in Xinjiang, divided by the production volume in the quarter.
(3) A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization.
(4) please see the section captioned "Use of Non-GAAP Financial Measures"

Xinjiang polysilicon facilities update

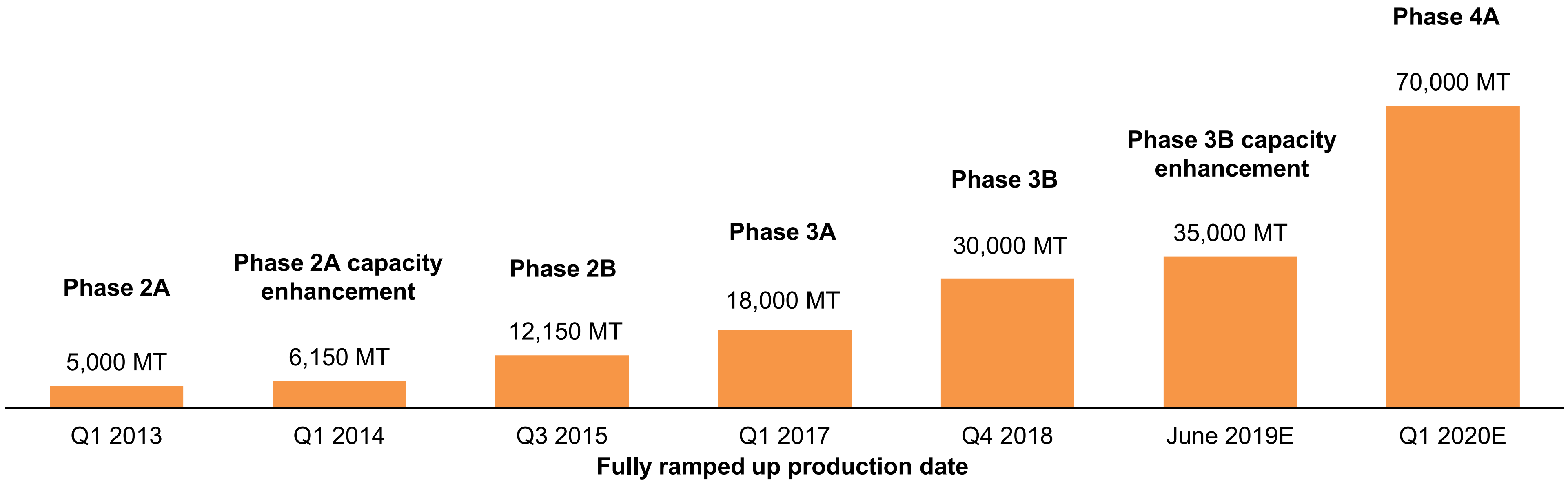
Q4 2018 key facts

- Quarterly production volume of 7,301 MT
- External sales volume of 7,030 MT(1)
- Average total production cost : $7.94/kg (2)
- Average cash cost: $6.64/kg (2)
- Phase 3B reached full reached full production capacity ahead of schedule in Dec. 2018.
- Electricity rate reduced by 18% since Dec. 2018

Outlook

- Expected production volume in Q1 2019: 8,500 ~ 8,700 MT
- Expected external sales volume in Q1 2019: 8,400 ~ 8,600 MT

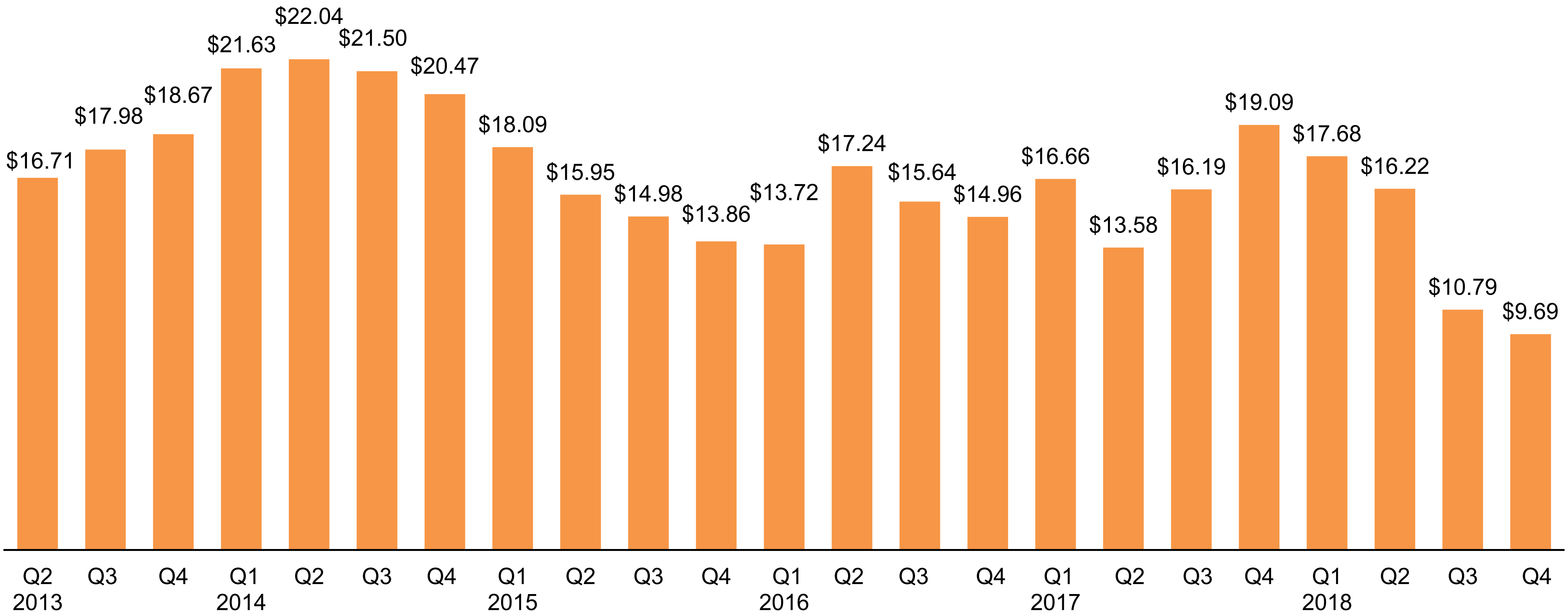
Polysilicon historical and projected capacity in Daqo's Xinjiang facilities * (MT)



*Wanzhou polysilicon facility discontinued polysilicon production in Q4 2012

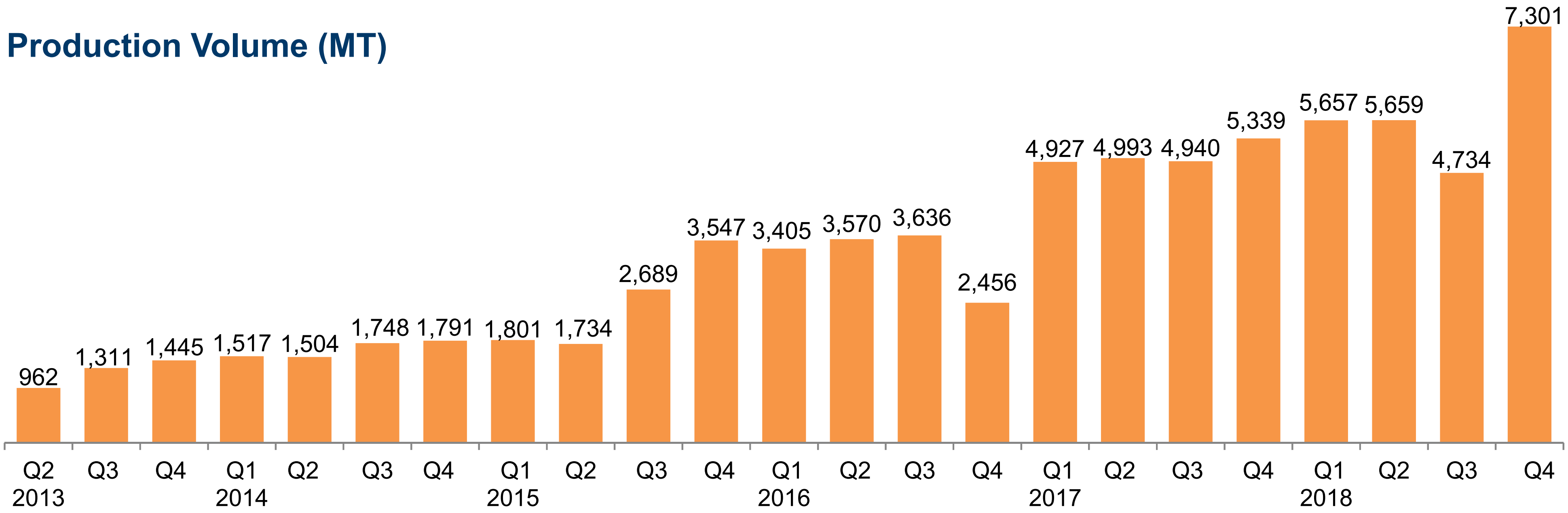
Daqo's quarterly polysilicon Average Selling Prices

Quarterly Polysilicon ASPs($/kg)

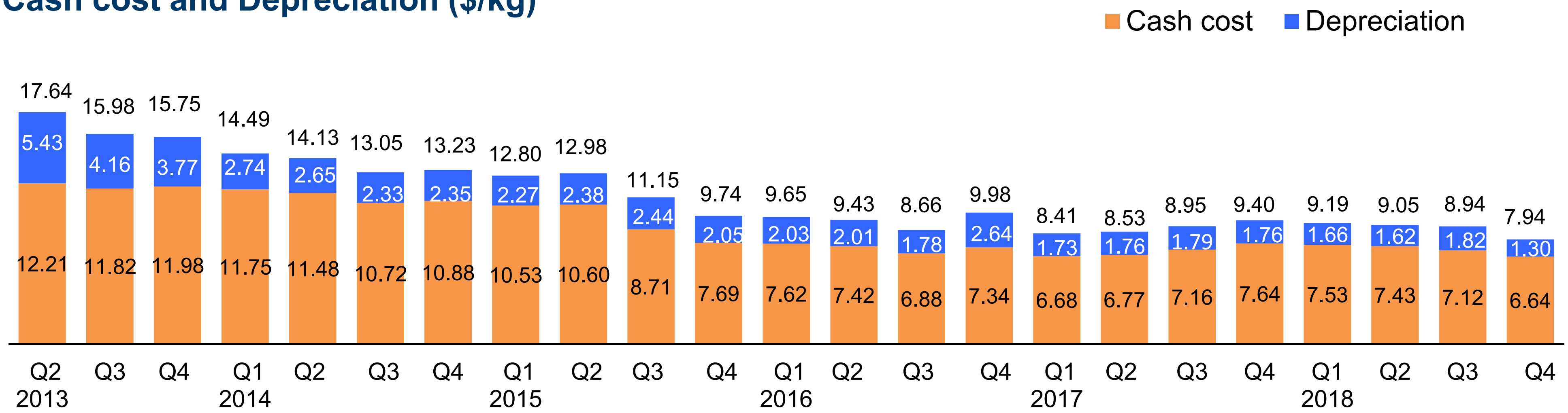


Polysilicon manufacturing overview

Production Volume (MT)



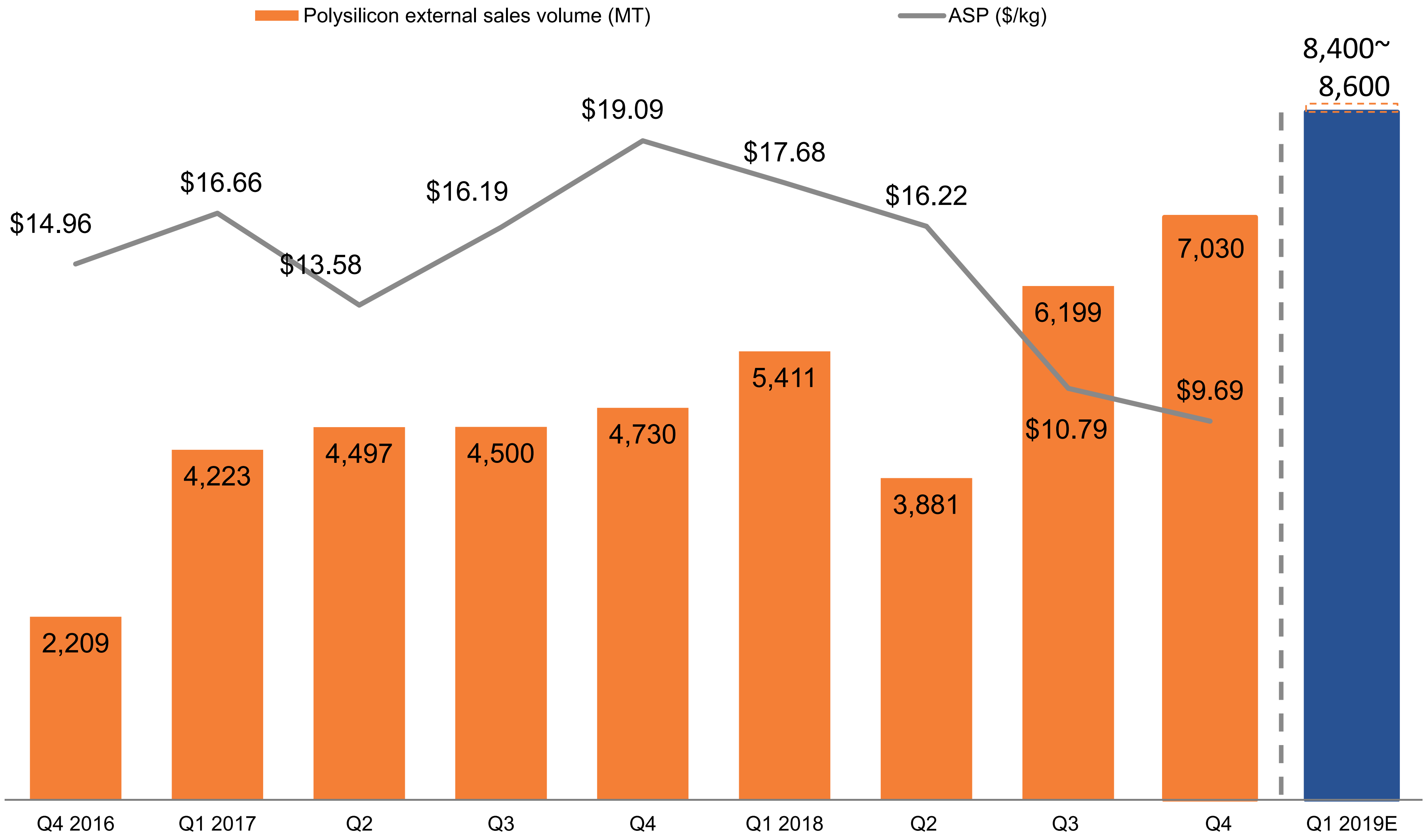
Cash cost and Depreciation ($/kg)*



* The cash cost and depreciation only refer to the polysilicon production in Xinjiang facilities.

Historical sales volume and Q1 2019 guidance

Polysilicon external sales volume and ASPs



Income statement summary

($ in millions, unless otherwise stated)	Q4 2018	Q3 2018	Q4 2017
Revenues from continuing operations	**75.6**	**67.4**	**118.9**
Cost of revenues	(58.7)	(54.5)	(50.8)
Gross profit from continuing operations	16.9	12.8	68.1
Gross margin from continuing operations	**22.4%**	**19.1%**	**57.3%**
SG&A	(8.2)	(7.6)	(4.5)
R&D expense	(1.0)	(1.4)	(0.1)
Other operating income	12.5	0.1	3.3
Income from continuing operations	**20.3**	**4.0**	**66.9**
Interest expense	(1.9)	(2.1)	(3.7)
Net income from continuing operations	17.1	4.2	57.7
Net loss from discontinued operations	(5.7)	(22.4)	(23.6)
Net income (loss) attributable to Daqo New Energy shareholders	**11.4**	**(18.3)**	**33.7**
Basic earnings (loss) per ADS (US$)	**0.86**	**(1.39)**	**3.16**
EBITDA (2)	**29.5**	**14.8**	**76.3**
EBITDA margin (2)	**39.1%**	**22.0%**	**64.2%**

Notes:
(1) Non-GAAP margin excluded costs related to polysilicon operations in Chongqing which halted production in September 2012
(2) A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization

Balance sheet summary

($ in millions)	As of 12/31/2018	As of 9/30/2018	Change (Q4 vs Q3 2018)	As of 12/31/2017
Cash and cash equivalent	65.4	110.3	(44.9)	53.8
Restricted cash	28.6	2.9	25.7	9.9
Accounts receivable	1.2	0.001	1.199	0.7
Note receivables	8.1	22.5	(14.4)	20.8
Inventories	15.4	17.0	(1.6)	15.7
Prepaid land use rights	22.2	22.4	(0.2)	24.1
Net PP&E	611.6	536.1	75.5	485.5
Current assets associated with discontinued operations	5.0	9.6	(4.6)	33.2
Non-current assets associated with discontinued operations	59.5	62.5	(2.9)	95.5
Total assets	**854.9**	**815.1**	39.8	748.8
Short-term Borrowings	38.2	45.9	(7.7)	73.8
Notes payable	29.2	5.2	24.0	14.8
Amounts due to related parties	2.3	1.9	0.3	1.8
Long-term Borrowings	133.3	119.4	13.9	111.4
Current liabilities associated with discontinued operations	18.7	23.2	(4.5)	44.7
Non-current liabilities associated with discontinued operations	0.7	0.7	(0.0)	3.0
Total liabilities	**329.8**	**304.3**	25.5	354.3
Total equity	**525.1**	**507.6**	17.5	391.7
Total liabilities and equity	**854.9**	**815.1**	39.8	748.8

Cash flow summary

($ in millions)	12 months ended 12/31/ 2018	12 months ended 12/31/ 2017
Net cash provided by operating activities – continuing operations	77.6	137.7
Net cash provided by operating activities – discontinued operations	18.0	5.0
Net cash provided by operating activities	**95.6**	**142.7**
Net cash used in investing activities – continuing operations	(165.3)	(64.1)
Net cash provided by (used in) investing activities – discontinued operations	0.6	(3.8)
Net cash used in investing activities	**(164.7)**	**(67.9)**
Net cash provided (used in) by financing activities – continuing operations	103.5	(28.6)
Net cash used in financing activities – discontinued operations	(16.8)	(8.7)
Net cash used in provided by financing activities	**103.5**	**(28.6)**
Effect of exchange rate changes	4.9	3.3
Net increase in cash, cash equivalents and restricted cash	22.4	40.8
Cash, cash equivalents and restricted cash at the beginning of the period	72.7	31.9
Cash, cash equivalents and restricted cash at the end of the period	95.1	72.7

Full Year 2018 financial and operating highlights

- Polysilicon production volume of 23,351 MT in 2018, compared to 20,200 MT in 2017.
- Polysilicon external sales volume(1) of 22,521 MT in 2018, compared to 17,950 MT in 2017.
- Revenue from continuing operations of $301.6 million in 2018, compared to $323.2 million in 2017.
- Gross profit from continuing operations was $98.1 million in 2018, compared to $144.0 million in 2017. Gross margin of 32.5% in 2018, compared to 44.6% in 2017.
- EBITDA (non-GAAP)(2) from continuing operation of $120.4 million in 2018, compared to $158.5 million in 2017.
- Net income attributable to Daqo New Energy Corp. shareholders of $38.1 million in 2018, compared to $92.8 million in 2017.
- Adjusted net income (non-GAAP)(3) attributable to Daqo New Energy Corp. shareholders of $71.6 million in 2018, compared to $99.5 million in 2017.
- Adjusted earnings per basic ADS (non-GAAP)(3) of $5.74 in 2018, compared to $9.38 in 2017.

Note:
(1) Non-GAAP margin excluded costs related to polysilicon operations in Chongqing which halted production in September 2012
(2) A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization
(3) Adjusted net income attributable to Daqo New Energy and adjusted earnings per basic ADS excludes costs related to the non-operational polysilicon assets in Chongqing and costs related to share-based compensation.

Income statement summary (FY2018 vs. FY2017)

US$ in millions	2018	2017	Change
Revenues	**301.6**	**323.2**	**(21.6)**
Cost of Revenues	(203.5)	(179.2)	(24.3)
Gross profit	98.1	144.0	(45.9)
Gross margin	**32.5%**	**44.6%**	**-12.1%**
SG&A + R&D expenses	(29.8)	(16.7)	(13.1)
Other operating income	13.2	3.7	9.4
Income from operations	**81.5**	**131.1**	**(49.6)**
Interest expense	(10.8)	(16.3)	5.5
Net income attributable to non-controlling interest	0.6	1.0	(0.4)
Net income attributable to Daqo New Energy shareholders	**38.1**	**92.8**	**(54.7)**
Basic earnings per ADS (US$)	3.06	8.76	(5.70)
EBITDA *	**120.4**	**158.5**	**(38.1)**
EBITDA margin *	**39.9%**	**49.0%**	**-9.1%**

Note:
* A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization

Non-GAAP reconciliation

US$ in millions	Q4 2018	Q3 2018	Q4 2017	FY 2018	FY 2017
Net income	17.1	4.2	57.7	62.1	97.9
Income tax expenses	1.6	(0.1)	5.6	11.7	17.3
Interest expense	1.9	2.1	3.7	10.8	16.3
Interest income	(0.4)	(0.3)	(0.2)	(1.2)	(0.5)
Depreciation	9.4	8.9	9.5	37.1	27.4
EBITDA (1)	**29.5**	**14.8**	**76.3**	**120.4**	**158.5**
EBITDA margin (1)	**39.1%**	**22.0%**	**64.2%**	**39.9%**	**49.0%**
Costs related to Chongqing poly facilities	-	0.1	0.4	0.9	2.4
Share-based compensation	4.3	4.3	1.2	13.8	4.2
Long-lived assets impairment	-	18.2	-	18.8	-
Adjusted net income (non-GAAP) (3)	**15.7**	**4.3**	**35.3**	**71.6**	**99.5**
Adjusted earnings per basic ADS (non-GAAP) (3)	**$1.18**	**$0.33**	**$3.31**	**$5.74**	**$9.38**

Note:
(1) Non-GAAP margin excluded costs related to polysilicon operations in Chongqing which halted production in September 2012
(2) A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization
(3) Adjusted Net income and Adjusted Earnings per basic ADS excludes costs related to the non-operational polysilicon assets in Chongqing and costs related to share-based compensation.

Use of Non-GAAP financial measures

To supplement Daqo New Energy's consolidated financial results presented in accordance with United States Generally Accepted Accounting Principles ("US GAAP"), the Company uses certain non-GAAP financial measures that are adjusted for certain items from the most directly comparable GAAP measures including earnings before interest, taxes, depreciation and amortization ("EBITDA") and EBITDA margin; adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per basic ADS. Our management believes that each of these non-GAAP measures is useful to investors, enabling them to better assess changes in key element of the Company's results of operations across different reporting periods on a consistent basis, independent of certain items as described below. Thus, our management believes that, used in conjunction with US GAAP financial measures, these non-GAAP financial measures provide investors with meaningful supplemental information to assess the Company's operating results in a manner that is focused on its ongoing, core operating performance. Our management uses these non-GAAP measures internally to assess the business, its financial performance, current and historical results, as well as for strategic decision-making and forecasting future results. Given our management's use of these non-GAAP measures, the Company believes these measures are important to investors in understanding the Company's operating results as seen through the eyes of our management. These non-GAAP measures are not prepared in accordance with US GAAP or intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with US GAAP; the non-GAAP measures should be reviewed together with the US GAAP measures, and may be different from non-GAAP measures used by other companies.

The Company uses EBITDA, which represents earnings before interest, taxes, depreciation and amortization, and EBITDA margin, which represents the proportion of EBITDA in revenues. Adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per basic ADS exclude costs related to the non-operational polysilicon assets in Chongqing. Such costs mainly consist of non-cash depreciation costs, as well as utilities and maintenance costs associated with the temporarily idle polysilicon machinery and equipment, and the Company had removed this adjustment from the non-GAAP reconciling item since Q4, since as of the end of Q3, all of the polysilicon machinery and equipment had been either relocated to Xinjiang, disposed, or planned to dispose. Adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per basic ADS also exclude costs related to share-based compensation. Share-based compensation is a non-cash expense that varies from period to period. As a result, our management excludes this item from its internal operating forecasts and models. Long-lived assets impairment during the year of 2018 is a non-cash write-off related to the discontinued solar wafer and polysilicon manufacturing facilities in Chongqing. As a result, our management excludes these items from its internal operating forecasts and models. Our management believes that this adjustment for share-based compensation provides investors with a basis to measure the Company's core performance, including compared with the performance of other companies, without the period-to-period variability created by share-based compensation.

A reconciliation of non-GAAP financial measures to comparable US GAAP measures is presented later in this document.

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Thank you