

Daqo New Energy Spins Off Its Module Business

CHONGQING, China, Sept. 29, 2012 /PRNewswire/ -- Daqo New Energy Corp. (NYSE: DQ) ("Daqo New Energy" or the "Company"), a leading polysilicon manufacturer based in China, today announced that it has sold Nanjing Daqo New Energy Co., Ltd., the entity that operates the Company's module business, to Daqo Group for a consideration of RMB 65.6 million. Daqo Group is one of the largest private electrical equipment manufacturers in China and an affiliate of the Company. Daqo Group's shareholders in aggregate beneficially own over a majority of the Company's total outstanding ordinary shares.

The transaction has been approved by the Company's audit committee, which is composed entirely of independent directors. The Company had conducted a public auction of Nanjing Daqo New Energy Co., Ltd. through Nanjing Asset and Equity Exchange before it determined that the terms of the sale of the module business to Daqo Group are fair to the Company.

"We are pleased to complete the spin-off of the module business and to be able to focus our resource and attention on our core polysilicon and wafer business," commented Dr. Gongda Yao, chief executive officer of Daqo New Energy.

About Daqo New Energy Corp.

Daqo New Energy Corp. (NYSE: DQ) is a leading polysilicon manufacturer based in China. Daqo New Energy primarily manufactures and sells high-quality polysilicon to photovoltaic product manufacturers. It also manufactures and sells photovoltaic wafers. For more information about Daqo New Energy, please visit www.dqsolar.com.

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