

Daqo New Energy to Discontinue its Wafer Manufacturing Operations in Order to Focus on Core Polysilicon Manufacturing Business

CHONGQING, China, Sept. 7, 2018 /PRNewswire/ -- Daqo New Energy Corp. (NYSE: DQ) ("Daqo New Energy", the "Company" or "we"), a leading manufacturer of high-purity polysilicon for the global solar PV industry, today announced that it plans to discontinue its solar wafer manufacturing operations in September 2018 so that the Company can focus on its core polysilicon manufacturing business.

The Company expects to incur approximately US\$21.6 million in fixed-asset impairment and restructuring charges during the third quarter of 2018, including approximately US\$1.6 million in employee severance payments and approximately US\$20.0 million in impairment of long-lived assets.

Mr. Longgen Zhang, CEO of Daqo New Energy, commented, "We made a strategic decision to discontinue our solar wafer manufacturing operations to accommodate the increasingly challenging market conditions for multi-crystalline wafers. We expect to complete the shutdown of the solar wafer business in the third quarter of 2018. This move will allow us to focus all of our resources and expertise on our core polysilicon manufacturing business and Phase 3B expansion project which will begin pilot production in the fourth quarter of 2018."

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 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; our ability to significantly expand our polysilicon production capacity and output; the reduction in or elimination of government subsidies and economic incentives for solar energy applications; and our ability to lower our production costs. Further information regarding these and other risks is included in the reports or documents we have filed with, or furnished to, the Securities and Exchange Commission. Daqo New Energy does not undertake any obligation to update any forward-looking statement, except as required under applicable law. All information provided in this press release and in the attachments is as of the date of this press release, and Daqo New Energy undertakes no duty to update such information, except as required under applicable law.

ABOUT DAQO NEW ENERGY CORP.

Daqo New Energy Corp. (NYSE: DQ) ("Daqo" or the "Company") is a leading manufacturer of high-purity polysilicon for the global solar PV industry. Founded in 2008, the Company is one of the world's lowest cost producers of high-purity polysilicon. Daqo's highly-efficient and technically advanced manufacturing facility in Xinjiang China currently has annual polysilicon production capacity of 18,000 metric tons, and the Company is undergoing capacity expansion to reach annual polysilicon production capacity of 30,000 metric tons by the end of 2018.

For more information, please visit <http://daqo.gotoip1.com/>

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