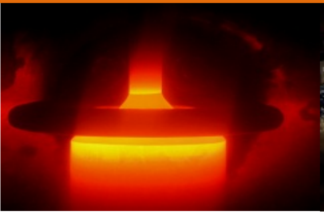
DAQO NEW ENERGY CORP



Daqo New Energy Corp.

Unaudited Q3 2017 Financial Results Presentation

November 14, 2017

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 third quarter of 2017 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; 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.

Agenda

- Business Highlights and Summary
- Financial Results and Update
- Q&A

Management commentary

"We are pleased to report strong financial and operating results for the third quarter of 2017. I would like to thank our entire team for their great work and contribution to the solid profitability and earnings for the third quarter. Our excellent third quarter results demonstrate the robust customer demand for our high quality polysilicon products. During the third quarter, we produced 4,940 MT of polysilicon and sold 4,500 MT to external customers. Revenues for the third quarter were $89.4 million, an increase of 17.6% from the prior quarter. Third quarter earnings per basic ADS were $2.28, an increase of 98% compared to $1.15 in the prior quarter. During the third quarter of 2017, the company generated $24.1 million in net income attributable to Daqo New Energy shareholders and $42.3 million in EBITDA with an EBITDA margin of 47.4%. In particular, our operating cash flow remains strong. In the first three quarters of 2017, we generated $98.4 million in net cash provided by operating activities,"

"In late September and early October, we conducted annual maintenance for our Xinjiang polysilicon facilities. We are glad to report that the annual maintenance had been completed successfully for this year, with less impact to production volume than anticipated by our original plan. For this year, rather than shutting down the entire facility for maintenance as we had done in previous years, we conducted maintenance in two phases with partial shutdown of the facility. While this was the first time we made partial shutdown for annual maintenance, through the hard work and dedication of our team, maintenance was completed ahead of schedule and allowed for increased production during the same period. Furthermore, through the maintenance and related technology upgrades, we have successfully expanded our hydrochlorination capacity and manufacturing efficiency, which lays a solid ground for potential production increase and cost reduction in the following quarters."

"Demand in China remained strong in the third the quarter, driven by Top Runner and PV Poverty Alleviation projects, as well as distributed generation projects, which have provided strong support for demand during the second half of the year. According to industry sources, China has added approximately 42GW of solar PV installation in the first three quarters of 2017, which is much stronger than most forecasts. It is expected that the total annual solar PV installation in China will likely reach 50GW in 2017, which represents an approximate 40% increase compared to 2016. In addition, the United States is expected to install approximately 12GW in 2017 and India is expected to take over Japan to become the third largest solar PV installation market with approximately 10GW installation in 2017. Based on the strong end market demand, we anticipate global annual solar PV installation would grow in the double-digit rate in 2017 as compared to 2016."

"As a result of strong downstream PV market, the market remained short-supplied and polysilicon pricing increased throughout the third quarter. Our third quarter polysilicon ASP were $16.19/kg, representing a significant increase from the second quarter's ASP of $13.58/kg. As of today, we continue to see robust customer demand for our high quality polysilicon, with pricing in the approximate range of $18.50/kg."

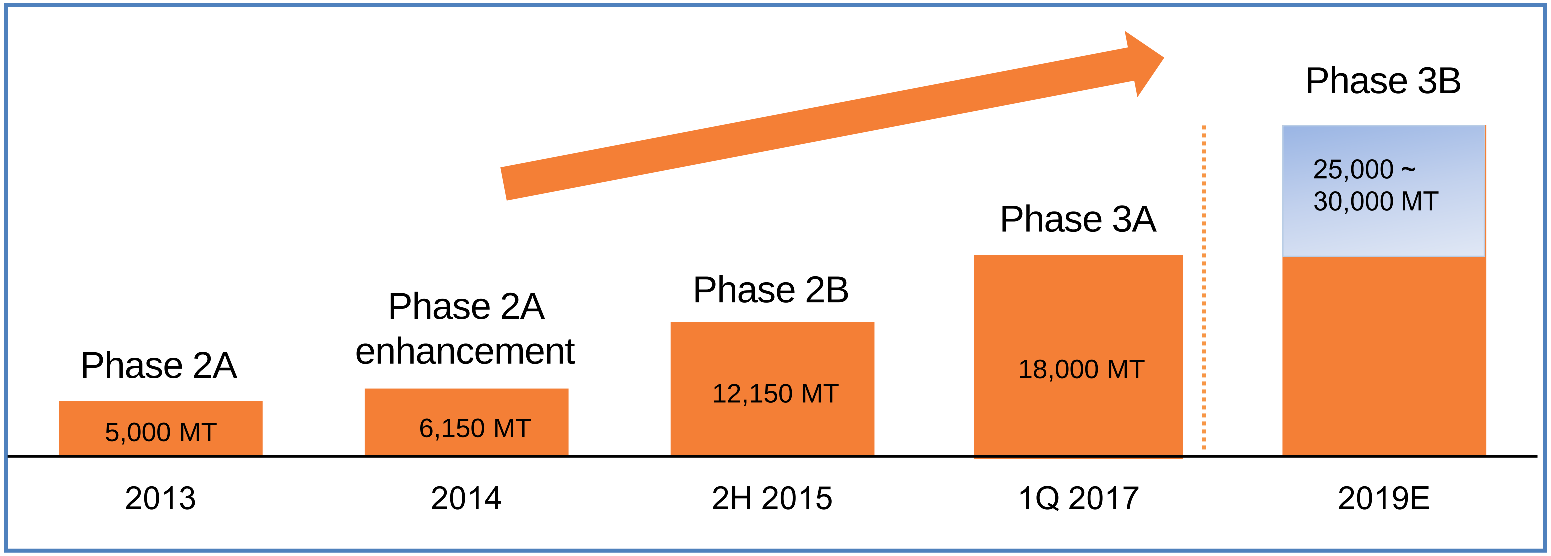
"Polysilicon average total production cost was $8.95/kg in the third quarter, compared to $8.53/kg in the prior quarter. The increase in production cost was primarily due to costs related to our annual maintenance, as well as exchange rate related impact and higher raw material cost."

"In October, our board of directors officially approved the Company's Phase 3B Project, which is expected to increase our polysilicon annual capacity from 18,000 MT to 25,000 MT. By adopting additional technology improvement and debottlenecking projects, we may be able to further increase our capacity to 30,000 MT per annum by the end of 2019. Once Phase 3B Project is ramped up to full production capacity, we anticipate the overall total production cost for our Xinjiang facilities could potentially be decreased to $7.50/kg, benefiting from better operating leverage, adopting new production processes and equipment with higher efficiencies, and achieving greater economies of scale."

"For the Phase 3B Project, we will adopt new designs, processes, technologies and equipment that would further improve the purity of our polysilicon products. Polysilicon produced under the Phase 3B Project are expected to reach electronics grade and will be targeting the mono-crystalline wafer and semiconductor markets. We may potentially enjoy higher profit margin if we could successfully access these markets with our differentiated electronic-grade polysilicon products."

Phase 3B Project
– adding annual capacity to 30K MT by year end 2019

Polysilicon capacity expansion in Daqo Xinjiang (cumulative capacity)



- Expect to increase polysilicon capacity to 25,000 MT/year by end of Q2 2019, with further increase to 30,000 MT/year by end of 2019 with additional technology improvement and debottlenecking projects.
- Expect to start pilot production in 1H 2019 and reach 25,000 MT annual capacity by the end of Q2 2019.
- Expect overall total production cost for Xinjiang facilities could potentially be decreased to $7.50/kg once the capacity is fully ramped up.
- Production from Phase 3B Project are anticipated to reach electronics grade, targeting the **mono-crystalline wafer and semiconductor markets.**

Business update and Q3 2017 highlights

- **Polysilicon Cost Structure** (1)

  -- total production cost (including depreciation) of $8.95/kg in Q3 2017, compared to $8.53/kg in Q2 2017

  -- cash cost (excluding depreciation) of $7.16/kg in Q3 2017, compared to $6.77/kg in Q2 2017

- **Polysilicon production volume** of 4,940 MT in Q3 2017, compared to 4,993 MT in Q2 2017
- **Polysilicon external sales volume** (2) of 4,500 MT in Q3 2017, compared to 4,497 MT in Q2 2017
- **Wafer sales volume** (2) of 26.4 million pieces in Q3 2017, compared to 27.0 million pieces in Q2 2017
- **Polysilicon ASP** of $16.19/kg in Q3 2017, increased from $13.58/kg in Q2 2017
- **Net Income attributable to Daqo New Energy shareholders** of $24.1 million in Q3 2017, increased from $12.1 million in Q2 2017 and $11.2 million in Q3 2016
- **Earnings per ADS** (basic) of $2.28 in Q3 2017, increased from to $1.15 in Q2 2017, and $1.07 in Q3 2016
- **EBITDA** (3) of $42.3 million in Q3 2017, increased from $29.8 million in Q2 2017
- **EBITDA margin** (3) of 47.4% in Q3 2017, increased from 39.2% in Q2 2017
- **Gross margin** of 40.8% in Q3 2017, increased from 31.9% in Q2 2017
- **Non-GAAP gross margin** (4) of 41.3% in Q3 2017 , increased from 32.6% in Q2 2017

Note:

(1) Production cost and cash cost only refer to production in our Xinjiang polysilicon facilities. 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.

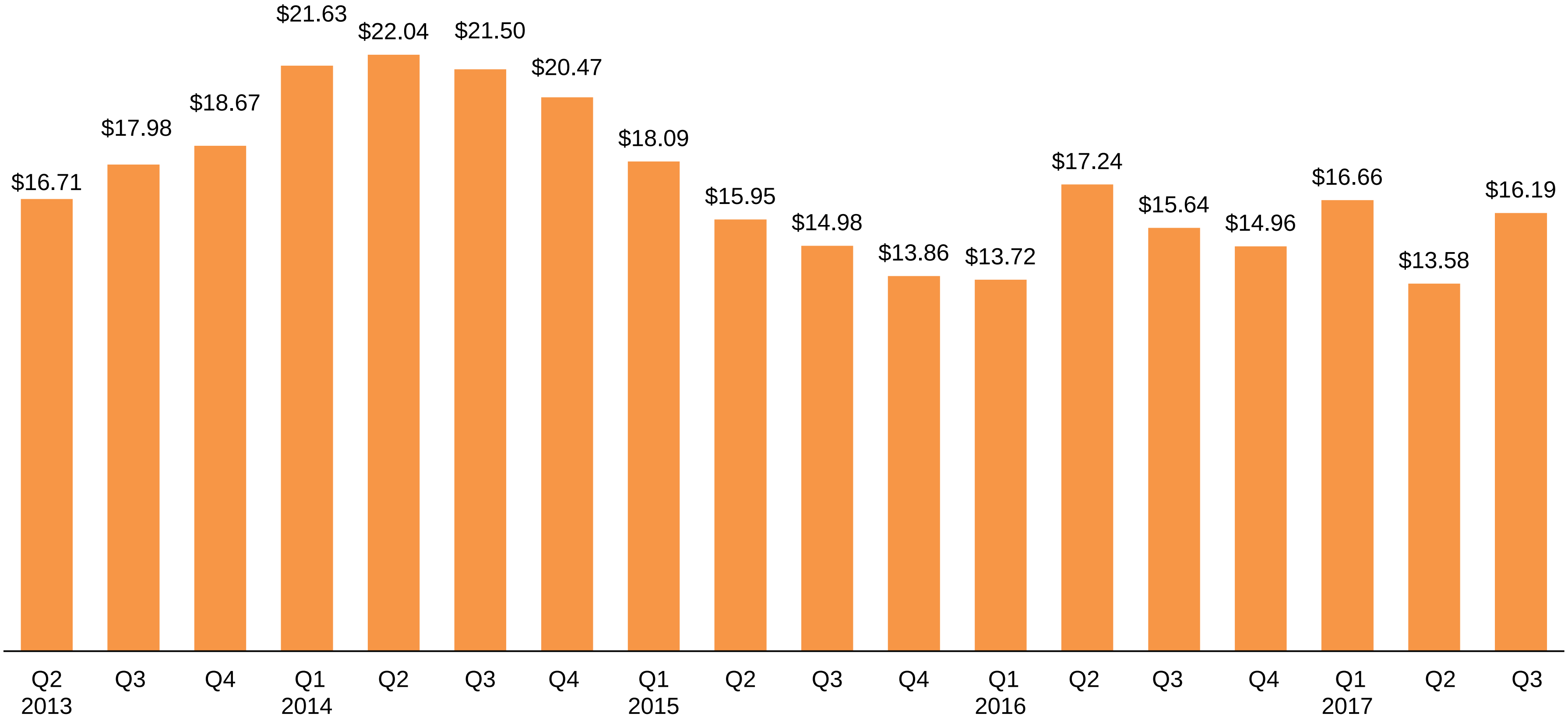
(2) The external sales volume is the quantity of the goods which has been accepted by customers and thus the corresponding revenue has been recognized during the reporting period.

(3) A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization.

(4) Non-GAAP margin has excluded costs related to polysilicon operations in Chongqing which halted production in September 2012.

Daqo's quarterly polysilicon Average Selling Prices

Quarterly Polysilicon ASPs($/kg)



Xinjiang polysilicon facilities update

Q3 2017 key facts

- Quarterly production volume of 4,940 MT
- External sales volume of 4,500 MT(1)
- Average total production cost : $8.95/kg (2)
- Average cash cost: $7.16/kg (2)

Q4 2017 Outlook

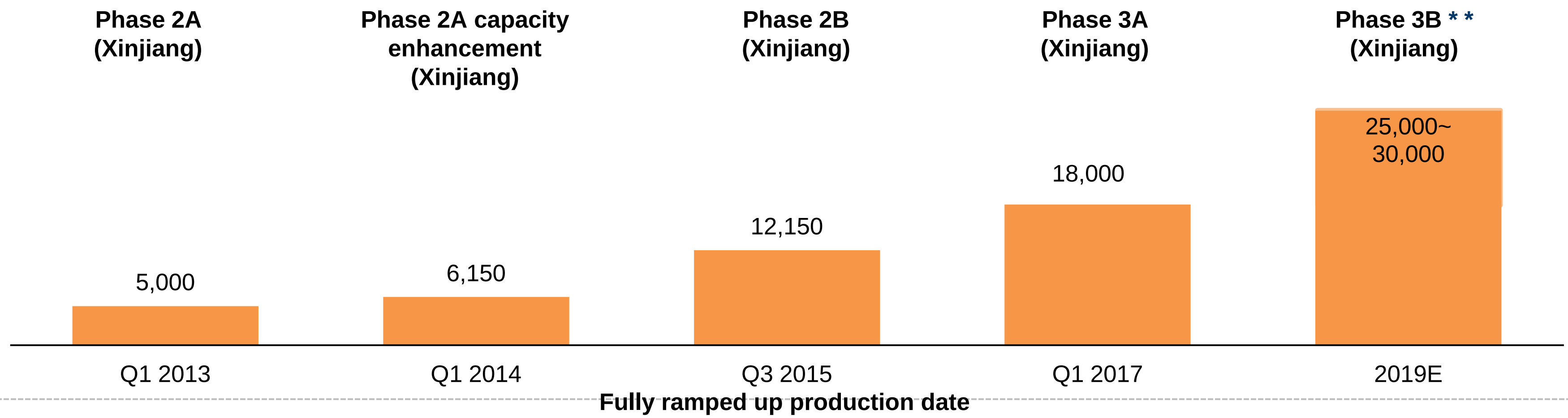
- Quarterly production volume of 4,800 – 5,000MT
- Expected external sales volume in Q4 2017: 4,300 ~ 4,500 MT (excluding polysilicon used internally by our Chongqing wafer facility)
- Annual maintenance completed successfully with less impact to production volume than anticipated

Note:

(1) The external sales volume is the quantity of the goods which has been accepted by customers and thus the corresponding volume g revenue has been recognized during the reporting period.

(2) Production cost and cash cost only refer to production in our Xinjiang polysilicon facilities. 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.

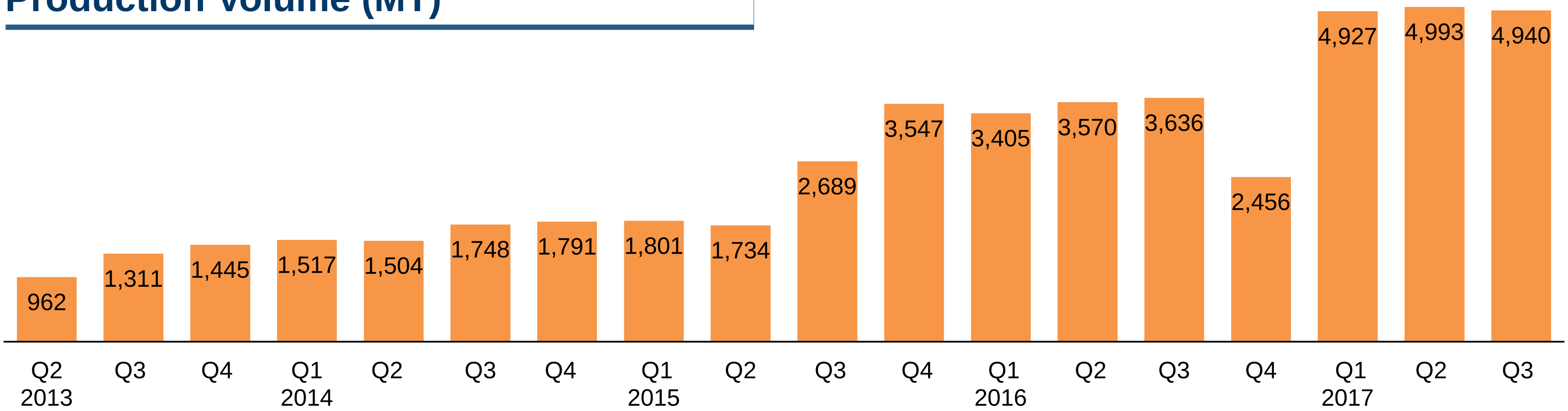
Polysilicon historical and projected capacity * (MT)



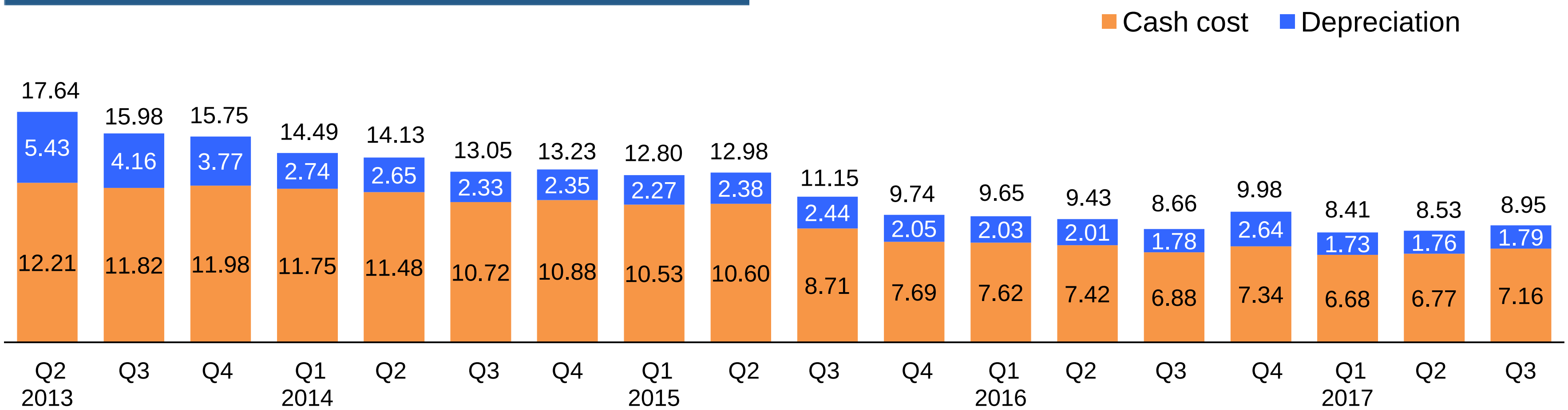
*Wanzhou polysilicon facility discontinued polysilicon production in Q4 2012
**Estimated and may change subject to market and industry conditions

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.

Chongqing wafer facilities update

Q3 2017 key facts

- 26.4 million pieces sold to customers

Q4 2017 sales volume outlook

- Q4 2017 wafer sales volume:

  25.0 ~25.5 million pieces

External sales volume in Q3 2017 and outlook for Q4 2017

External Sales Volume	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017E guidance
Polysilicon (MT)	2,838	2,209	4,223	4,497	4,500	**4,300~ 4,500***
Wafer (million pieces)	14.0	21.3	22.4	27.0	26.4	**25.0~25.5**

*The Company successfully conducted annual maintenance for its polysilicon facilities in Xinjiang in late September and early October, with less impact to production volume than anticipated by the Company's original plan. Through the maintenance and related technology upgrades, the Company has successfully expanded its hydrochlorination capacity and manufacturing efficiency, which lays a solid ground for potential production increase and cost reduction in the following quarters.

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Q3 2017 financial highlights

- Revenue of \$89.4 million in Q3 2017, compared to \$76.0 million in Q2 2017
- Gross profit of \$36.4 million in Q3 2017, increased from \$24.2 million in Q2 2017
- Gross margin of 40.8% in Q3 2017, increased from 31.9% in Q2 2017
- Non-GAAP gross margin[(3)] of 41.3% in Q3 2017, increased from 32.6% in Q2 2017
- EBITDA (non-GAAP)[(3)] of \$42.3 million in Q3 2017, increased from \$29.8 million in Q2 2017
- Net income attributable to Daqo New Energy shareholders of \$24.1 million in Q3 2017, increased from \$12.1 million in Q2 2017 and \$11.2 million in Q3 2016
- Earnings per basic ADS of \$2.28 in Q3 2017, increased from \$1.15 in Q2 2017 and \$1.07 in Q3 2016
- Adjusted net income (non-GAAP)(3) attributable to Daqo New Energy shareholders of \$25.6 million in Q3 2017, increased from \$13.8 million in Q2 2017 and \$13.2 million in Q3 2016
- Adjusted earnings per basic ADS (non-GAAP)[(3)] of \$2.42 in Q3 2017, increased from \$1.31 in Q2 2017 and \$1.24 in Q3 2016

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 shareholders and adjusted earnings per basic ADS excludes costs related to the non-operational polysilicon assets in Chongqing and costs related to share-based compensation.

P&L Summary (Q3 2017 vs. Q2 2017)

US$ in millions (except on otherwise indicated)	Q3 2017	Q2 2017	Change	Analysis
Revenues	**89.4**	**76.0**	13.4	Polysilicon: Ext. sales volume ↑ , ASP↑ Wafer: Sales volume↓, ASP↑
Cost of revenues	(53.0)	(51.8)	(1.2)	Polysilicon: Ext. sales volume ↑ ,Cost↑ Wafer: Sales volume ↓
Gross profit	36.4	24.2	12.2	
Gross margin	**40.8%**	**31.9%**	8.9%	
Non-GAAP Gross margin (1)	**41.3%**	**32.6%**	8.7%	
SG&A and R&D expense	(4.5)	(4.8)	0.3	
Other operating income	0.8	0.8	-	
Income from operations	**32.8**	**20.2**	12.6	
Interest expense	(4.3)	(5.3)	1.0	
Net income attributable to Daqo New Energy shareholders	**24.1**	**12.1**	12.0	
Basic earnings per ADS (US$)	**2.28**	**1.15**	1.13	
EBITDA (2)	**42.3**	**29.8**	12.5	
EBITDA margin (2)	**47.4%**	**39.2%**	8.2%	

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

Balance sheet summary

US$ in millions	9/30/2017	6/30/2017	Change (Q3 2017 vs. Q2 2017)	9/30/2016
Cash, cash equivalent and restricted Cash	61.6	49.8	11.8	29.2
Accounts receivable	4.6	3.8	0.8	4.6
Note receivables	25.3	10.5	14.8	17.0
Inventories	17.3	16.0	1.3	14.9
Prepaid land use rights	25.5	25.1	0.4	26.0
Net PP&E	558.5	554.1	4.4	561.3
Total assets	**709.4**	**670.6**	38.8	**664.3**
Short-term Borrowings	97.5	96.2	1.3	98.6
Notes payable	29.5	26.1	3.4	14.4
Amounts due to related parties	12.2	12.2	-	41.4
Long-term Borrowings	119.3	123.1	(3.8)	129.0
Total liabilities	**361.0**	**354.2**	6.8	**386.7**
Total equity	**348.4**	**316.5**	31.9	**277.6**
Total liabilities and equity	**709.4**	**670.6**	38.8	**664.3**

Cash flow summary

US$ in millions	9 months ended Sep. 30, 2017	9 months ended Sep. 30, 2016
Net cash provided by operating activities	**98.4**	**70.9**
Net cash (used in) investing activities	**(45.0)**	**(51.2)**
Net cash (used in) provided by financing activities	**(29.6)**	**(12.3)**
Effect of exchange rate changes	1.1	(0.3)
Net increase in cash and cash equivalents	24.9	7.1
Cash and cash equivalents at the beginning of the period	16.0	14.5
Cash and cash equivalents at the end of the period	40.9	21.6

Non-GAAP reconciliation

US$ in millions	Q3 2017	Q2 2017	Q3 2016
Net income	24.4	12.3	11.3
Income tax expenses	4.2	2.8	2.2
Interest expense	4.3	5.3	3.1
Interest income	(0.1)	(0.1)	(0.1)
Depreciation	9.6	9.6	8.5
EBITDA (1)	**42.3**	**29.8**	**25.0**
EBITDA margin (1)	**47.4%**	**39.2%**	**46.0%**
Gross profit	**36.4**	**24.2**	**20.1**
Costs related to non-operational Chongqing poly facilities	0.5	0.5	1.5
Non-GAAP gross profit (2)	**36.9**	**24.8**	**21.6**
Non-GAAP gross margin (2)	**41.3%**	**32.6%**	**39.9%**
Share-based compensation	1.0	1.1	0.5
Adjusted net income (non-GAAP) (3)	**25.6**	**13.8**	**13.2**
Adjusted earnings per basic ADS (non-GAAP) (3)	**$2.42**	**$1.31**	**$1.26**

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'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 non-GAAP gross profit and non-GAAP gross margin; earnings before interest, taxes, depreciation and amortization ("EBITDA") and EBITDA margin; adjusted net income attributable to our shareholders and adjusted earnings per basic ADS. 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, 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. 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 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 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.

Non-GAAP gross profit and non-GAAP gross margin includes adjustments for 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, which will be or are in the process of being relocated to the Company's Xinjiang polysilicon manufacturing facility. The Company would expect a majority of these costs, such as depreciation, will continue to occur as part of the production cost at the Xinjiang facilities subsequent to the completion of the relocation plan. Once these assets are placed back in service, the Company will remove this adjustment from the non-GAAP reconciling item. The Company also uses EBITDA, which represents earnings before interest, taxes, depreciation and amortization, and EBITDA margin, which represents the proportion of EBITDA in revenue. Adjusted net income attributable to our shareholders and adjusted earnings per basic ADS excludes costs related to the non-operational polysilicon assets in Chongqing as described above. It also excludes costs related to share-based compensation. Share-based compensation is a non-cash expense that varies from period to period. As a result, management excludes this item from its internal operating forecasts and models. 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 in this document.

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