November 12, 2019

DAQO NEW ENERGY

Q3 2019 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 fourth quarter and the full year 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 manufacturer of high-purity polysilicon for the global solar PV industry"

Management remarks I

"We had an outstanding quarter in which we reached record-high production volume of 9,437 MT while achieving the lowest production cost in the Company's history of $6.97/kg. Our results for the quarter reflect the full production capacity and cost structure that our original 35,000 MT facility is able to generate. In mid-September, we successfully completed the construction and installation of our new Phase 4A expansion project and now are currently working to ramp up production of its additional 35,000 MT of capacity. We expect Phase 4A to reach full production capacity by the end of 2019, approximately three months ahead of schedule. With Phase 4A's additional capacity quickly coming online, we expect production volumes during the fourth quarter of 2019 to be approximately 14,000 to 15,000 MT. Our production costs would be further reduced to approximately $6.5/kg upon Phase 4A running at full capacity."

"We continue to enhance mono-grade product quality and are optimizing our product portfolio towards it in order to maintain higher ASPs. We sold approximately 86% of our products to mono-wafer customers during the quarter. Once Phase 4A is fully ramped up, we expect mono-grade products to account for approximately 90% of our total production volumes. With our downstream mono-wafer customers expected to rapidly expand their capacities for next year, we believe this will lead to continued increase in mono-grade polysilicon demand, which should lead to improvement in the price of mono-grade polysilicon for next year."

Management remarks II

“During the first three quarters of 2019, China installed approximately 16 GW of new solar PV projects, significantly below the market’s expectations. We believe the primary reason is the long-delayed announcement of a subsidy policy which has rippled downwards, forcing many project developers to postpone project completion dates and extend the time needed for planning, preparation, permit applications, and procurement. It is possible that many of the 22.8 GW of subsidized projects, which were originally expected to be installed in the fourth quarter of 2019, could be delayed to the first half of year 2020. Despite softening demand from China’s downstream market, demand from overseas markets remains robust and could possibly reach 85 GW this year, a significant increase from approximately 60GW in 2018. With the Chinese downstream market expected to rebound next year and overseas demand continuing to grow, we believe global solar PV demand could exceed 140GW in 2020, a significant acceleration when compared to 2019.”

“Solar energy is now one of the most competitive forms of energy generation, even when compared with traditional fossil fuel in many markets. When combined with efficient methods to store power, solar energy has the potential to become a sustaining baseload power. As the economics improve and governments pass more policies to tackle climate change, we believe we are at the cusp of major changes in the market which will create enormous opportunities for us over the next several years. We are confident in our ability to navigate this temporary downturn in the market and are ready to take advantage of the recovery next year when the market will continue advancing towards grid parity.”

“As one of the lowest-cost polysilicon producers with the highest standards for quality, we are among the very few polysilicon manufacturers who are able to generate a profit in the current challenging market environment. For the first three quarters of this year, our net cash provided by operating activities was approximately $100 million. Once Phase 4A is operating at full capacity, we expect to make further improvements in product quality and cost structure so as to enhance our leadership position in the industry.”

Operational and financial highlights in Q3 2019

- Polysilicon production volume of 9,437 MT in Q3 2019, compared to 7,151 MT in Q2 2019
- Polysilicon sales volume of 9,238 MT in Q3 2019, compared to 7,130 MT in Q2 2019
- Polysilicon average total production cost(1) of $6.97/kg in Q3 2019, compared to $8.12/kg in Q2 2019
- Polysilicon average cash cost(1) of $5.85/kg in Q3 2019, compared to $6.65/kg in Q2 2019
- Polysilicon average selling price (ASP) was $8.99/kg in Q3 2019, compared to $9.10/kg in Q2 2019
- Revenue from continuing operations was $83.9 million in Q3 2019, compared to $66.0 million in Q2 2019
- Gross profit from continuing operations was $18.1 million in Q3 2019, compared to $8.6 million in Q2 2019. Gross margin from continuing operations was 21.5% in Q2 2019, compared to 13.0% in Q2 2019
- EBITDA (non-GAAP)(2) from continuing operations was $19.7 million in Q3 2019, compared to $10.2 million in Q2 2019. EBITDA margin (non-GAAP)(2) from continuing operations was 23.5% in Q3 2019, compared to 15.5% in Q2 2019
- Adjusted net income (non-GAAP)(2) attributable to Daqo New Energy shareholders was $9.5 million in Q3 2019, compared to $2.3 million in Q2 2019 and $4.3 million in Q3 2018.
- Adjusted earnings per basic American Depository Share (ADS) (non-GAAP)(2) was $0.69 in Q3 2019, compared to $0.17 in Q2 2019, and $0.33 in Q3 2018.
- Net income from continuing operations was $4.9 million in Q3 2019, compared to net loss from continuing operations of $2.7 million in Q2 2019 and net income from continuing operations of $4.2 million in Q3 2018.
- Net income from discontinued operations was $0.1 million in Q3 2019, compared to $0.5 million in Q2 2019 and net loss from discontinued operations of $22.4 million in Q3 2018.
- Net income attributable to Daqo New Energy shareholders was $5.0 million in Q3 2019, compared to net loss attributable to Daqo New Energy shareholders of $2.2 million in Q2 2019 and $18.3 million in Q3 2018.
- Earnings per basic ADS was $0.37 in Q3 2019, compared to loss per basic ADS of $0.16 in Q2 2019, and loss per basic ADS of $1.39 in Q3 2018.

Notes:

（1）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, divided by the production volume in the quarter.

（2）Daqo New Energy provides EBITDA from continuing operations, EBITDA margin from continuing operations adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per ADS on a non-GAAP basis to provide supplemental information regarding its financial performance. For more information on these non-GAAP financial measures, please see the section captioned "Use of Non-GAAP Financial Measures" and the tables captioned "Reconciliation of non-GAAP financial measures to comparable US GAAP measures" set forth at the end of this press release.

Xinjiang polysilicon facilities update

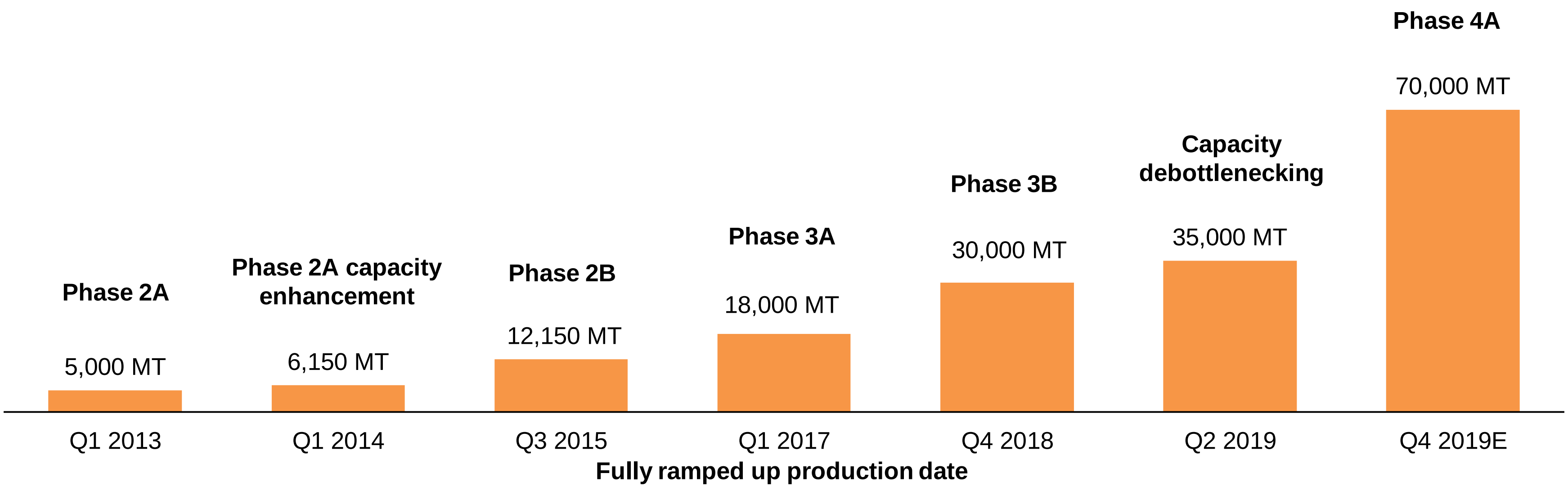
Q3 2019 key facts

- Quarterly production volume of 9,437 MT
- External sales volume of 9,238 MT
- Average total production cost : $6.97/kg
- Average cash cost: $5.85/kg
- Phase 4A project was completed in mid Sep. and expected to fully ramp up by the end of 2019

Outlook

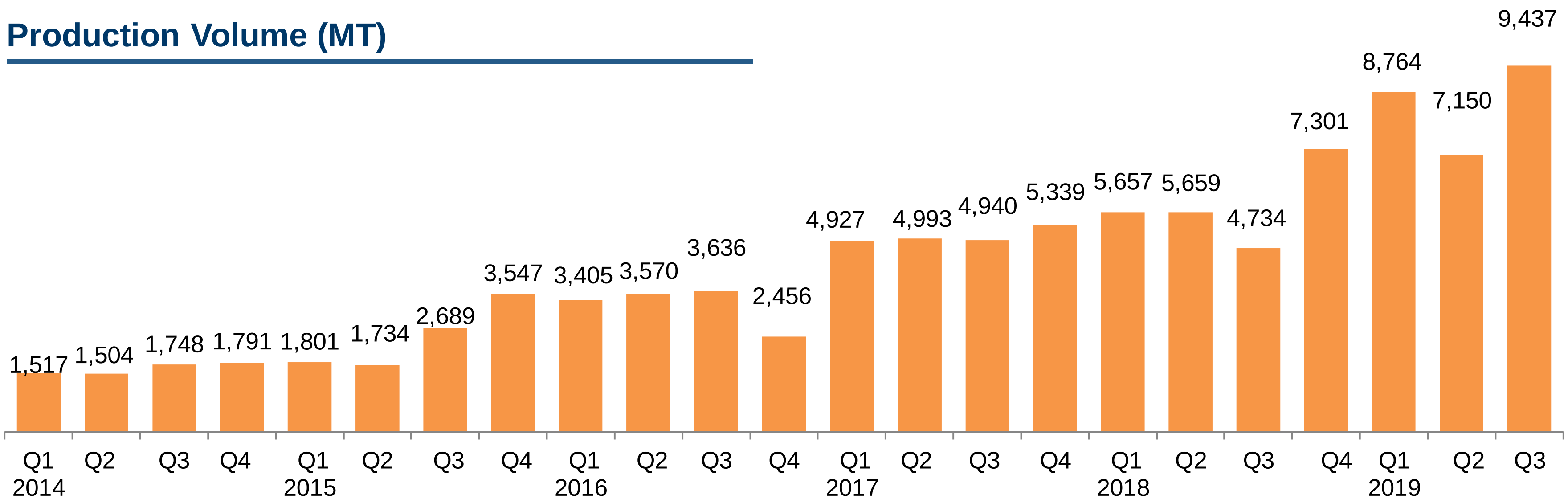
- Expected production volume in Q4 2019: 14,000 ~ 15,000 MT
- Expected external sales volume in Q4 2019: 12,500 ~ 13,500 MT
- Expected annual production volume in 2019: 39,300 ~ 40,300 MT
- Expected production cost reduced to approximately $6.5/kg upon 4A fully ramp-up

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

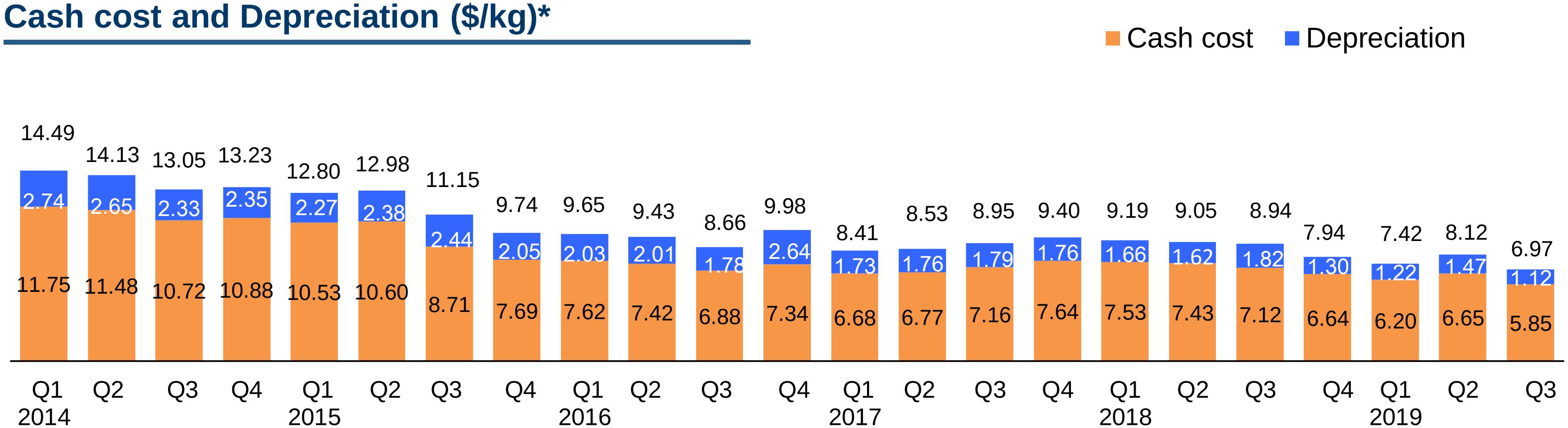


Polysilicon manufacturing overview

Production Volume (MT)



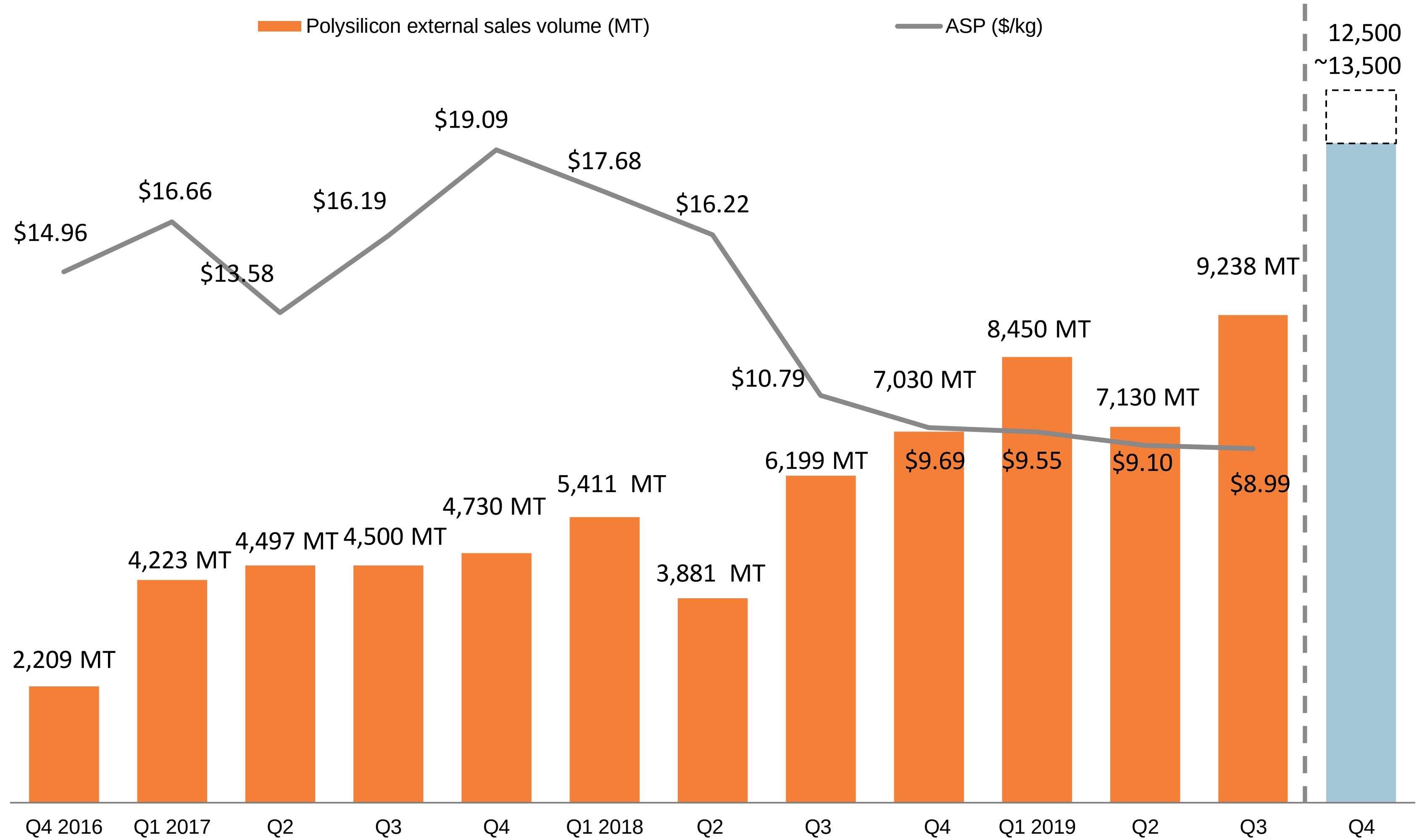
Cash cost and Depreciation ($/kg)*



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

Historical sales volume and Q3 2019 guidance

Polysilicon external sales volume and ASPs



Income statement summary

($ in millions, unless otherwise stated)	Q3 2019	Q2 2019	Q3 2018
Revenues	**83.9**	**66.0**	**67.4**
Cost of revenues	(65.8)	(57.4)	(54.5)
Gross profit	18.1	8.6	12.8
Gross margin	**21.5%**	**13.0%**	**19.1%**
SG&A	(8.2)	(7.8)	(7.6)
R&D expense	(1.2)	(1.5)	(1.4)
Other operating income	0.1	0.4	0.1
Income /(loss) from operations	**8.8**	**(0.4)**	**4.0**
Interest expense	(2.6)	(1.9)	(2.1)
Net income /(loss) from continuing operations	4.9	(2.7)	4.2
Net income /(loss) from discontinued operations	0.1	0.5	(22.4)
Net income /(loss) attributable to Daqo New Energy shareholders	**5.0**	**(2.2)**	**(18.3)**
Basic earnings / (loss) per ADS (US$)	**0.37**	**(0.16)**	**(1.39)**
EBITDA (1)	**19.7**	**10.2**	**14.8**
EBITDA margin (1)	**23.5%**	**15.5%**	**22.0%**

Notes:
(1) A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization

Balance sheet summary

($ in millions)	As of 9/30/2019	As of 6/30/2019	As of 9/30/2018
Cash and cash equivalent	27.0	31.3	110.3
Restricted cash	41.2	48.4	2.9
Accounts receivable	0.1	0.1	0.001
Note receivables	4.3	9.4	22.5
Inventories	21.0	19.9	17.0
Prepaid land use rights	21.0	22.0	22.4
Net PP&E	883.1	763.4	536.1
Current assets associated with discontinued operations	0.4	1.1	9.6
Non-current assets associated with discontinued operations	6.8	55.2	62.5
Total assets	**1,042.1**	**979.4**	**815.1**
Short-term Borrowings	85.3	91.8	45.9
Notes payable	62.3	73.1	5.2
Amounts due to related parties	16.8	0.7	1.9
Long-term Borrowings	163.5	151.5	119.4
Current liabilities associated with discontinued operations	1.1	6.9	23.2
Non-current liabilities associated with discontinued operations	-	0.7	0.7
Total liabilities	**514.1**	**440.0**	**304.3**
Total equity	**528.0**	**539.4**	**507.6**
Total liabilities and equity	**1,042.1**	**979.4**	**815.1**

Cash flow summary

($ in millions)	9 months ended 9/30/ 2019	9 months ended 9/30/ 2018
Net cash provided by operating activities – continuing operations	99.5	48.7
Net cash provided by operating activities – discontinued operations	2.1	14.9
Net cash provided by operating activities	101.6	63.6
Net cash used in investing activities – continuing operations	(204.1)	(90.1)
Net cash provided by (used in) investing activities – discontinued operations	1.8	(9.8)
Net cash used in investing activities	**(202.3)**	**(99.9)**
Net cash provided by financing activities – continuing operations	87.4	96.5
Net cash used in financing activities – discontinued operations	(10.8)	(12.3)
Net cash provided by financing activities	**76.6**	**84.3**
Effect of exchange rate changes	(2.6)	(5.6)
Net increase in cash, cash equivalents and restricted cash	(26.7)	42.3
Cash, cash equivalents and restricted cash at the beginning of the period	95.1	72.7
Cash, cash equivalents and restricted cash at the end of the period	68.5	115.0

Non-GAAP reconciliation

US$ in millions	Q3 2019	Q2 2019	Q3 2018
Net income /(loss) from continuing operations	4.9	(2.7)	4.2
Income tax expenses	1.6	0.7	(0.1)
Interest expense	2.6	1.9	2.1
Interest income	(0.2)	(0.3)	(0.3)
Depreciation & amortization	10.9	10.6	8.9
EBITDA (1)	**19.7**	**10.2**	**14.8**
EBITDA margin (1)	**23.5%**	**15.5%**	**22.0%**
Costs related to Chongqing poly facilities	-	-	0.1
Share-based compensation	4.5	4.5	4.3
Adjusted net income (non-GAAP) (2) attributable to Daqo New Energy Corp. shareholders	**9.5**	**2.3**	**4.3**
Adjusted earnings per basic ADS (non-GAAP) (2)	**$0.69**	**$0.17**	**$0.33**

Note:
(1) A non-GAAP measure which represents earnings before interest, taxes, depreciation and amortization
(2) 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 the fourth quarter of 2018, since as of the end of the third quarter of 2018, all of the polysilicon machinery and equipment had been either relocated to Xinjiang, disposed, or planned to be disposed. 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. 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.

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Thank you