DAQO NEW ENERGY

October 28, 2021

Q3 2021 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 second half and the full year of 2021 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; the Company's ability to lower its production costs; and the duration of COVID-19 outbreaks in China and many other countries and the impact of the outbreaks and the quarantines and travel restrictions instituted by relevant governments on economic and market conditions, including potentially weaker global demand for solar PV installations that could adversely affect the Company's business and financial performance. Further information regarding these and other risks is included in the reports or documents the Company has filed with, or furnished to, the U.S. 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 are very excited to report an excellent quarter with record-high production volume and net profit in the company's history. The strong end market environment, supported by favorable global policies to address climate change and rapidly increasing use of green energy, resulted in stronger-than-expected downstream demand that continues to push up polysilicon market prices. Our third quarter polysilicon ASP was $27.55/kg, a significant sequential improvement of more than 30% from $20.81/kg in the second quarter. The end market demand continues to be strong even under today's high-price module environment, and this has further raised polysilicon market prices to the current level of $33-$35/kg. Our production cost increased 8.4% quarter-over-quarter primarily due to the increase in silicon powder's cost. Excluding this impact, our production cost actually decreased by approximately 1% quarter-over-quarter. The increasing silicon powder cost will continue to impact our cost structure in the fourth quarter. However, with the strong market demand, so far, we have been able to pass down the majority of such cost increase to our customers. Over the past three weeks, we have seen silicon powder prices stabilizing and we expect they will gradually normalize in the first half of next year as the energy and emission controls could be somewhat relaxed compared to the fourth quarter of this year and new supply of silicon powder will start to enter the market."

"During the first three quarters of 2021, we generated $653 million of cash flow from operations. We repaid all our bank loans in the third quarter and reduced our debt to asset ratio to 18.2%. At the end of the third quarter, we had $661 million in cash and cash equivalents, $414 million in short-term investments which are low risk financial products, and $353.3 million in bank notes receivable which will mature in the next three to six months. This total liquidity of $1.4 billion is a strong foundation to support our expansion projects and future plans to reward our investors. The construction of our Phase 4B capacity expansion project is going smoothly according to schedule. We expect to complete the construction by the end of 2021 and ramp up to full capacity by the end of the first quarter of 2022."

Management remarks II

"In the third and fourth quarter of this year, we have observed some volatility in the global energy market. Prices of almost all energy sources are going up quickly and significantly, including the prices of natural gas, oil, and coal. In many regions in China, many companies are required to shut down production from time to time due to the shortage of electricity supply and carbon emissions control. Fortunately, the Chinese government quickly responded to the challenging situation by accelerating coal production and allowing electricity prices for industrial users to float according to market, resulting in rising electricity prices. We expect these measures will further stimulate the solar end market for electricity generation in the near term. With solar already at grid parity broadly, higher fossil fuels make solar projects more competitive. In addition, according to the newly released policies, the usage of renewable energy will not be counted towards the energy usage quota, which will further promote renewable energy in the future. This also explains why the demand from industrial users for solar distributed generation is strong even in the current high-price module environment. On the other hand, because of the strict energy quota and carbon emission control, the overall expansion pace of the polysilicon industry will inevitably slow down. For example, as we are now in the process of identifying the location for our next expansion project, the energy quota issue becomes more and more challenging. We will be committed to using more renewable energy in our next polysilicon project in order to secure the energy quota, which will allow us to gradually realize the idea of 'green poly' or 'solar for solar'."

"This October, at the United Nations Biodiversity Conference in Kunming, Chinese President Xi Jinping announced that the first step had been taken towards the construction of a huge 400 GW wind and solar park. Construction on the first phase, comprising 100 gigawatts of wind and solar in deserts in China is already underway. The full 400 GW project would be half finished by 2025. The Chinese government has also released policies to promote energy storage systems especially for water reservoirs storage in the near term."

Management remarks III

“This October, at the United Nations Biodiversity Conference in Kunming, Chinese President Xi Jinping announced that the first step had been taken towards the construction of a huge 400 GW wind and solar park. Construction on the first phase, comprising 100 gigawatts of wind and solar in deserts in China is already underway. The full 400 GW project would be half finished by 2025. The Chinese government has also released policies to promote energy storage systems especially for water reservoirs storage in the near term. “With all these plans and policies in place, it’s very clear that China has made a strong determination supported by initial and detailed plans to build a new national energy infrastructure in which renewable energy will play a critical role. The newly announced policies and evolving energy market environment illustrate a vast potential market for solar in China which is much larger than previously anticipated. Therefore, we are very optimistic about solar PV’s demand in the future and expect the polysilicon sector will continue to be one of the most favorable sectors in the foreseeable future, as polysilicon availability will remain as the main constraint and determinant for the future size of the solar end market.”

Operational and financial highlights in Q2 2021

- Polysilicon production volume was 21,684 MT in Q3 2021, compared to 21,102 MT in Q2 2021
- Polysilicon sales volume was 21,183 MT in Q3 2021, compared to 21,060 MT in Q2 2021
- Polysilicon average total production cost(1) was \$6.84/kg in Q3 2021, compared to \$6.31/kg in Q2 2021
- Polysilicon average cash cost(1) was \$5.96/kg in Q3 2021, compared to \$5.41/kg in Q2 2021
- Polysilicon average selling price (ASP) was \$27.55/kg in Q3 2021, compared to \$20.81/kg in Q2 2021
- Revenue was \$585.8 million in Q3 2021, compared to \$441.4 million in Q2 2021
- Gross profit was \$435.2 million in Q3 2021, compared to \$303.2 million in Q2 2021. Gross margin was 74.3% in Q3 2021, compared to 68.7% in Q2 2021
- Net income attributable to Daqo New Energy Corp. shareholders was \$292.3 million in Q3 2021, compared to \$232.1 million in Q2 2021
- Earnings per basic American Depositary Share (ADS)(3) was \$3.95 in Q3 2021, compared to \$3.15 in Q2 2021
- EBITDA (non-GAAP)(2) was \$441.8 million in Q3 2021, compared to \$311.7 million in Q2 2021. EBITDA margin (non-GAAP)(2) was 75.4% in Q3 2021, compared to 70.6% in Q2 2021
- Adjusted net income (non-GAAP)(2) attributable to Daqo New Energy Corp. shareholders was \$294.7 million in Q3 2021, compared to \$234.5 million in Q2 2021
- Adjusted earnings per basic ADS(3) (non-GAAP)(2) was \$3.98 in Q3 2021, compared to \$3.18 in Q2 2021

Notes:

1. Production cost and cash cost only refer to production in our polysilicon facilities. Production cost is calculated by the inventoriable costs relating to production of polysilicon in Xinjiang divided by the production volume in the period indicated. Cash cost is calculated by the inventoriable costs relating to production of polysilicon excluding depreciation expense, divided by the production volume in the period indicated.
2. Daqo New Energy provides EBITDA, EBITDA margins, adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per basic 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.
3. ADS means American Depositary Share. On November 17, 2020, the Company effected a change of the ratio of its ADSs to ordinary shares from one (1) ADS representing twenty-five (25) ordinary shares to one (1) ADS representing five (5) ordinary shares. The earnings per ADS and number of ADS information has been retrospectively adjusted to reflect the change for all periods presented.

Xinjiang polysilicon facilities update

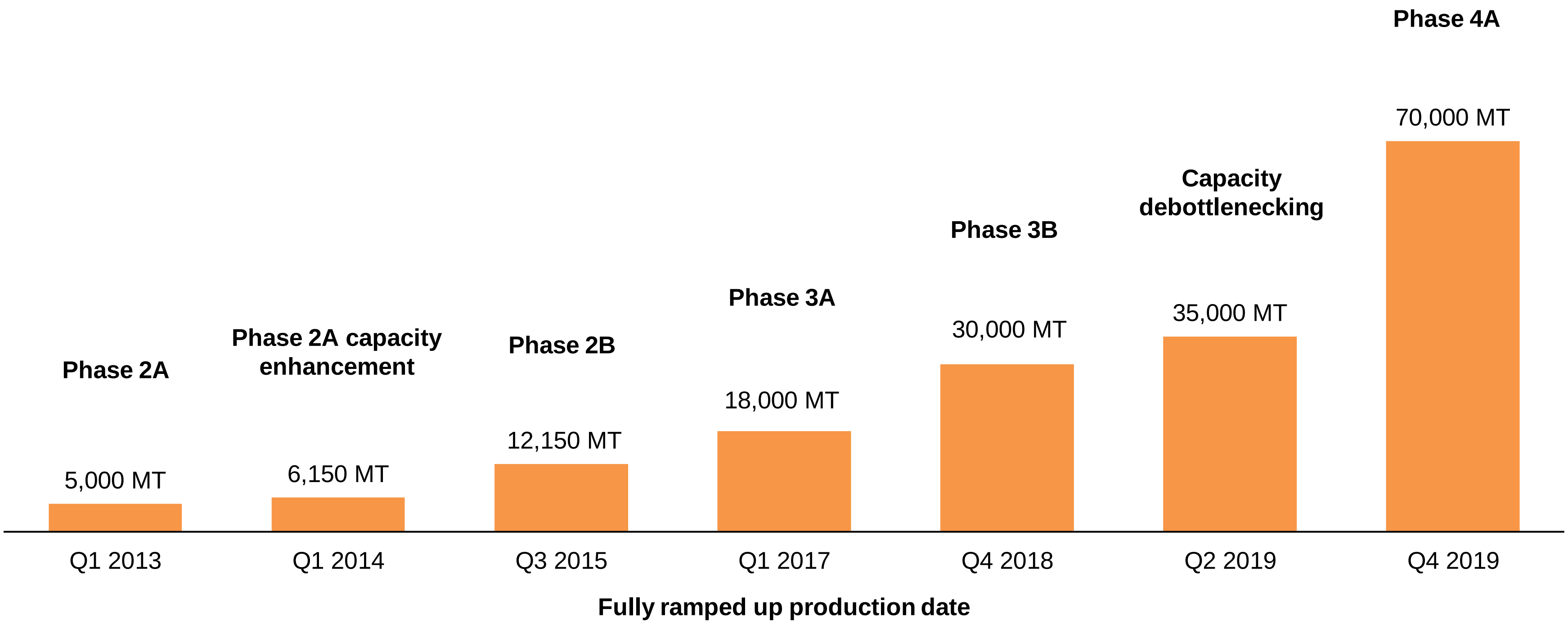
Q3 2021 key facts

- Quarterly production volume: 21,684 MT
- External sales volume: 21,183 MT
- Average total production cost : $6.84/kg
- Average cash cost: $5.96/kg

Outlook

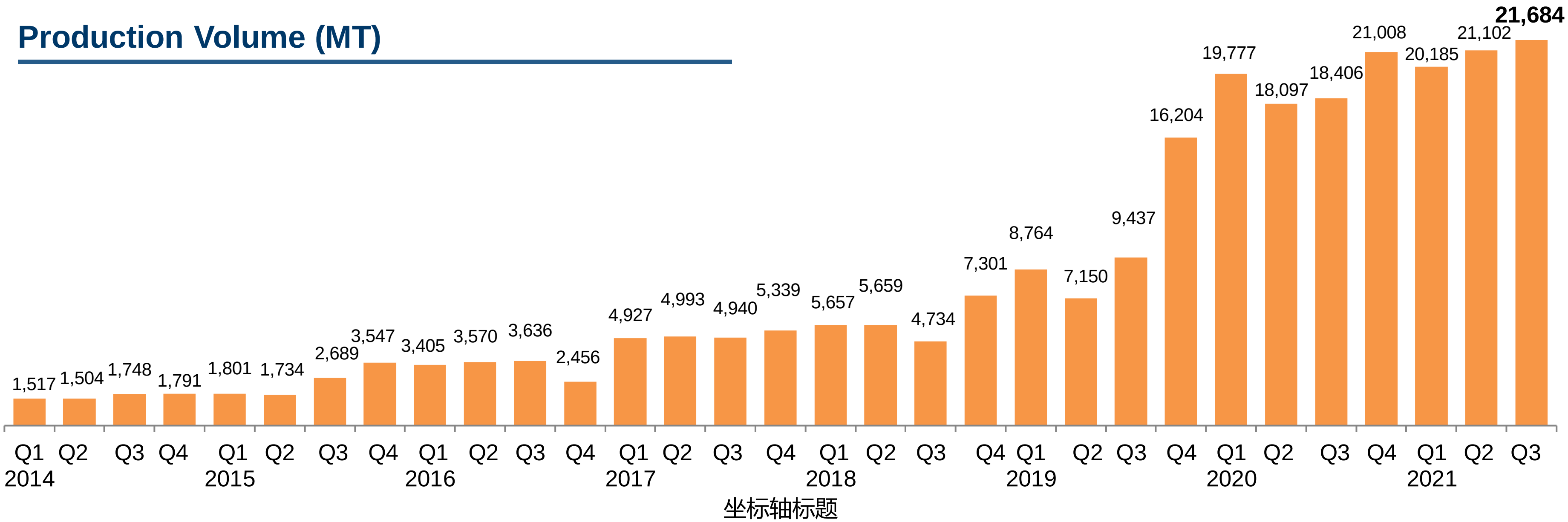
- Expected annual production volume in 2021: 83,000 ~ 85,000 MT

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

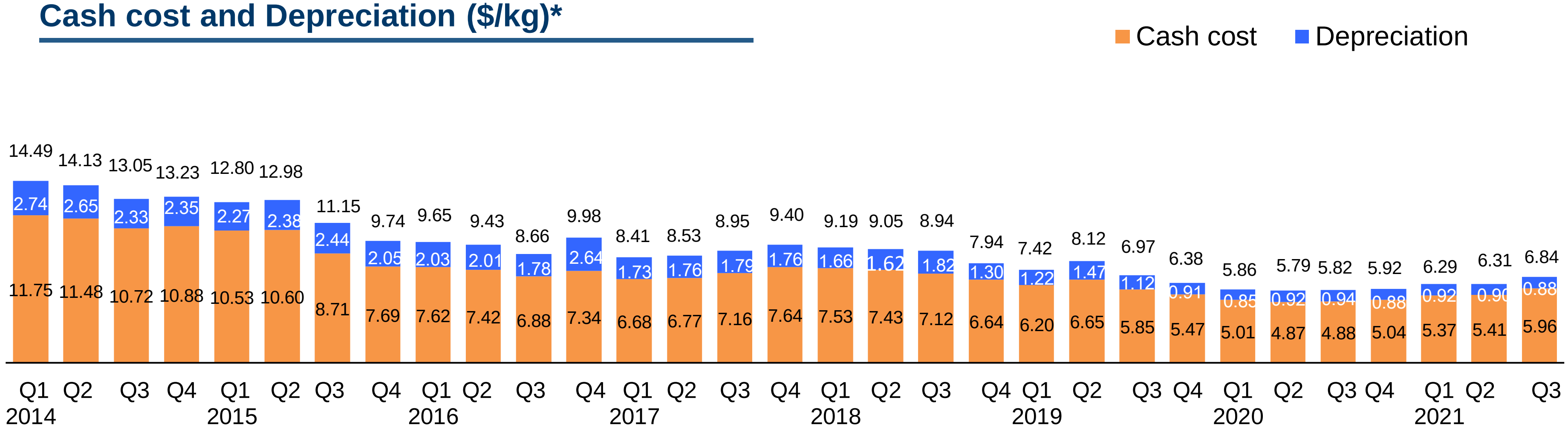


Polysilicon manufacturing overview

Production Volume (MT)



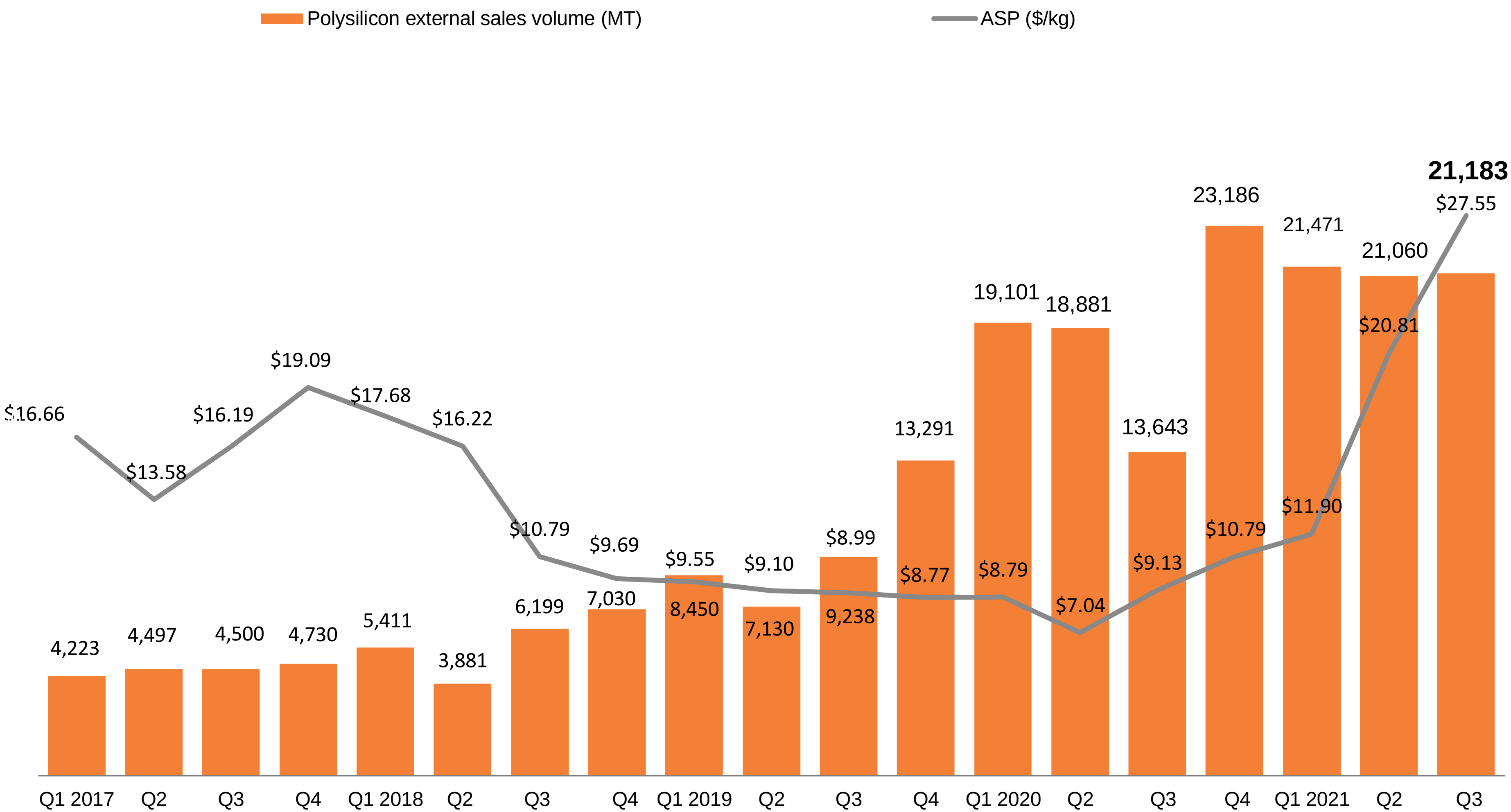
Cash cost and Depreciation ($/kg)*



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

Historical sales volume and Q3 2021 guidance

Polysilicon external sales volume and ASPs



Income statement summary

($ in millions, unless otherwise stated)	Q3 2021	Q2 2021	Q3 2020
Revenues	**585.8**	**441.4**	**125.5**
Cost of revenues	(150.6)	(138.1)	(80.3)
Gross profit	435.2	303.2	45.3
Gross margin	**74.3%**	**68.7%**	**36.0%**
SG&A	(11.4)	(9.3)	(9.2)
R&D expense	(1.9)	(2.1)	(1.7)
Other operating income	(0.2)	0.5	(1.0)
Income from operations	**421.7**	**292.4**	**33.3**
Interest expense	(6.4)	(7.2)	(5,4)
Net income attributable to Non-controlling interest	51.0	10.8	1.1
Net income attributable to Daqo New Energy shareholders	**292.3**	**232.1**	**20.8**
Basic earnings per ADS (US$)	**3.95**	**3.15**	**0.29**
EBITDA (1)	**441.8**	**311.7**	**51.6**
EBITDA margin (1)	**75.4%**	**70.6%**	**41.1%**

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

Balance sheet summary

($ in millions)	As of 9/30/2021	As of 6/30/2021	As of 9/30/2020
Cash and cash equivalent	660.9	227.1	70.2
Restricted cash	-	42.6	39.6
Accounts receivable	0.07	-	0.04
Note receivables	353.3	97.0	1.9
Inventories	46.2	33.8	53.6
Prepaid land use rights	36.9	37.0	29.8
Net PP&E	1,442.5	1,217.5	987.3
Total assets	**2,989.9**	**1,716.8**	**1,199.2**
Short-term Borrowings	-	85.7	131.1
Advances from customers - short term portion	180.0	115.9	17.5
Advance from customers - long term portion	90.2	78.2	1.3
Notes payable	-	42.5	62.1
Payables for purchases of property, plant and equipment	81.9	36.0	76.2
Long-term Borrowings	-	70.9	140.0
Total liabilities	**543.7**	**573.4**	**514.4**
Total equity	**2,446.4**	**1,143.3**	**684.8**
Total liabilities and equity	**2,989.9**	**1,716.8**	**1,199.2**

Cash flow summary

($ in millions)	9 months ended 9/30/ 2021	9 months ended 9/30/ 2020
Net cash provided by operating activities – continuing operations	653.1	71.1
Net cash provided by operating activities – discontinued operations	-	0.05
Net cash provided by operating activities	**653.1**	**71.1**
Net cash used in investing activities – continuing operations	(855.8)	(80.1)
Net cash used in investing activities – discontinued operations	-	(0.2)
Net cash used in investing activities	**(855.8)**	**(80.3)**
Net cash provided by financing activities – continuing operations	741.6	1.1
Net cash used in financing activities – discontinued operations	-	(0.06)
Net cash provided by financing activities	**741.6**	**1.1**
Effect of exchange rate changes	3.6	2.7
Net increase in cash, cash equivalents and restricted cash	542.5	(5.5)
Cash, cash equivalents and restricted cash at the beginning of the period	118.4	115.3
Cash, cash equivalents and restricted cash at the end of the period	660.9	109.8

Non-GAAP reconciliation

US$ in millions	Q3 2021	Q2 2021	Q3 2020
Net income from continuing operations	355.8	242.9	21.9
Income tax expenses	62.1	43.1	6.2
Interest expense	6.4	7.2	5.4
Interest income	(1.9)	(0.8)	(0.2)
Depreciation & amortization	19.4	19.3	18.3
EBITDA (1)	**411.8**	**311.7**	**51.6**
EBITDA margin (1)	**75.4%**	**70.6%**	**41.1%**
Share-based compensation	2.4	2.4	4.5
Adjusted net income (non-GAAP)(2) attributable to Daqo New Energy Corp. shareholders	**294.7**	**234.5**	**25.2**
Adjusted earnings per basic ADS (non-GAAP)(2)	**$3.98**	**$3.18**	**$0.35**

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 and diluted 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 and diluted ADS 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 our 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