DAQO NEW ENERGY

March 9, 2021

Q4 and Fiscal Year 2020 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 first quarter and the full year of 2021 and quotations from management in this announcement, Xinjiang Daqo’s IPO plan, 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 pleased to report a strong quarter in terms of operational and financial results to bring a successful close of the year 2020. I would like to thank our entire team for their hard work, commitment and dedication in achieving these excellent results. During the quarter we produced 21,008 MT of polysilicon, a record-high in our company's history. Our production cost was reduced by 2.7% in RMB terms, primarily due to our efforts in additional energy savings, offset by a higher than expected rise in the cost of silicon raw material in the fourth quarter. The increase in our cost in US dollar terms compared to the third quarter was the result of exchange rate fluctuations due to the RMB appreciation. In 2021, we will continue our efforts to reduce cost, as we begin to benefit from our newly implemented digital manufacturing system to maximize our output, optimize our production process and further improve our operational stability and product quality."

"During the months of November and December 2020, we saw significant pick-up in polysilicon demand from our customers to meet their increasing production needs to serve the growing solar end-market. During the fourth quarter, we sold 23,186 MT of polysilicon, which is the highest quarterly sales volume the company ever achieved. Since the beginning of 2021, we continue to see rising polysilicon market prices, and most recently market poly ASP in March has reached a range of $15/kg to $16/kg, which is significantly higher than the ASP of $10.79 in Q4 2020. As our mono-wafer customers continue their capacity expansion plans supported by robust downstream market demand, we believe that the supply of polysilicon will continue to be very tight throughout the year given very limited additional polysilicon supply this year."

"Regarding the status of the proposed initial public offering of our Xinjiang Daqo subsidiary on China's STAR market, the stock listing committee of the Shanghai Stock Exchange STAR Market reviewed Xinjiang Daqo's application in February 2021 and determined that Xinjiang Daqo had already met the offering, listing and disclosure requirements related to its potential STAR Market IPO. As a next step, Xinjiang Daqo will need to go through the registration process with the China Securities Regulatory Commission before its STAR Market IPO can take place. The proceeds of this potential IPO will be used to fund our Phase 4B polysilicon project with an annual capacity of 35,000 MT. We have already started the preparation works for Phase 4B including the design and procurement process. We plan to start the construction in mid-March and expect to complete the project by the end of 2021 and ramp it up to full capacity by the end of Q1 2022."

Management remarks II

"I have been in the solar industry for over a decade, and the prospects for the solar industry have never been brighter. Driven by the dual trends of solar grid parity and the urgent need to address climate change, the industry is on the cusp of undergoing tremendous growth over the next few years without the need for government subsidies. Solar energy is now one of the most competitive form of power generation even compared to fossil fuel, and we are beginning to see real world applications where solar is the optimal choice to meet growing energy needs and to replace legacy carbon-based generation. Major economies around the world have also begun to implement ambitious policies and initiatives to support and mandate the use of renewable energy for power generation. The European Union has announced its Green Deal to fight climate change through progressive policies for a climate-neutral and sustainable EU with the goal of no net emissions of greenhouse gases by 2050 and to de-carbonize the energy sector. Over the next few years, the European Climate Law is expected to turn this political commitment into a legal obligation. In China, President Xi Jinping has announced China will aim to hit peak emissions before 2030 and reach carbon neutrality by 2060 and we expect various government agencies including the NEA and the NDRC to introduce and implement policies to mandate and support the use of renewable energy. For 2021, the NEA has indicated its intention to accelerate the development and deployment of wind and solar energy, with a goal of adding a combined 120GW of wind and solar in 2021. In the U.S., with the Biden administration's commitment to fight climate change and plan for clean energy revolution with the goal of achieving a 100% clean energy economy and reaching net-zero emissions no later than 2050, we believe favorable policies are forthcoming to support renewable energy's growth in the U.S."

"We are standing at the beginning of a new era that will demand more and more clean, renewable and cost effective energy resources among which solar PV is one of the most competitive. We will focus on our core business, continue to expand capacity and further improve quality to better serve the fast growing solar PV market."

Operational and financial highlights in Q4 2020

- Polysilicon production volume was 21,008 MT in Q4 2020, compared to 18,406 MT in Q3 2020
- Polysilicon sales volume was 23,186 MT in Q4 2020, compared to 13,643 MT in Q3 2020
- Polysilicon average total production cost(1) was $5.92/kg in Q4 2020, compared to $5.82/kg in Q3 2020
- Polysilicon average cash cost(1) was $5.04/kg in Q4 2020, compared to $4.88/kg in Q3 2020
- Polysilicon average selling price (ASP) was $10.79/kg in Q4 2020, compared to $9.13/kg in Q3 2020
- Revenue was $247.7 million in Q4 2020, compared to $125.5 million in Q3 2020
- Gross profit was $109.5 million in Q4 2020, compared to $45.3 million in Q3 2020. Gross margin was 44.2% in Q4 2020, compared to 36.0% in Q3 2020
- Net income attributable to Daqo New Energy Corp. shareholders was $72.8 million in Q4 2020, compared to $20.8 million in Q3 2020
- Earnings per basic American Depositary Share (ADS)(3) was $1.01 in Q4 2020, compared to $0.29 in Q3 2020
- EBITDA (non-GAAP)(2) was $115.1 million in Q4 2020, compared to $51.6 million in Q3 2020. EBITDA margin (non-GAAP)(2) was 46.5% in Q4 2020, compared to 41.1% in Q3 2020
- Adjusted net income (non-GAAP)(2) attributable to Daqo New Energy Corp. shareholders was $77.3 million in Q4 2020, compared to $25.2 million in Q3 2020
- Adjusted earnings per basic ADS(3) (non-GAAP)(2) was $1.07 in Q4 2020, compared to $0.35 in Q3 2020

Notes:

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 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 earning per ADS and number of ADS information has been retrospectively adjusted to reflect the change for all periods presented.

Xinjiang polysilicon facilities update

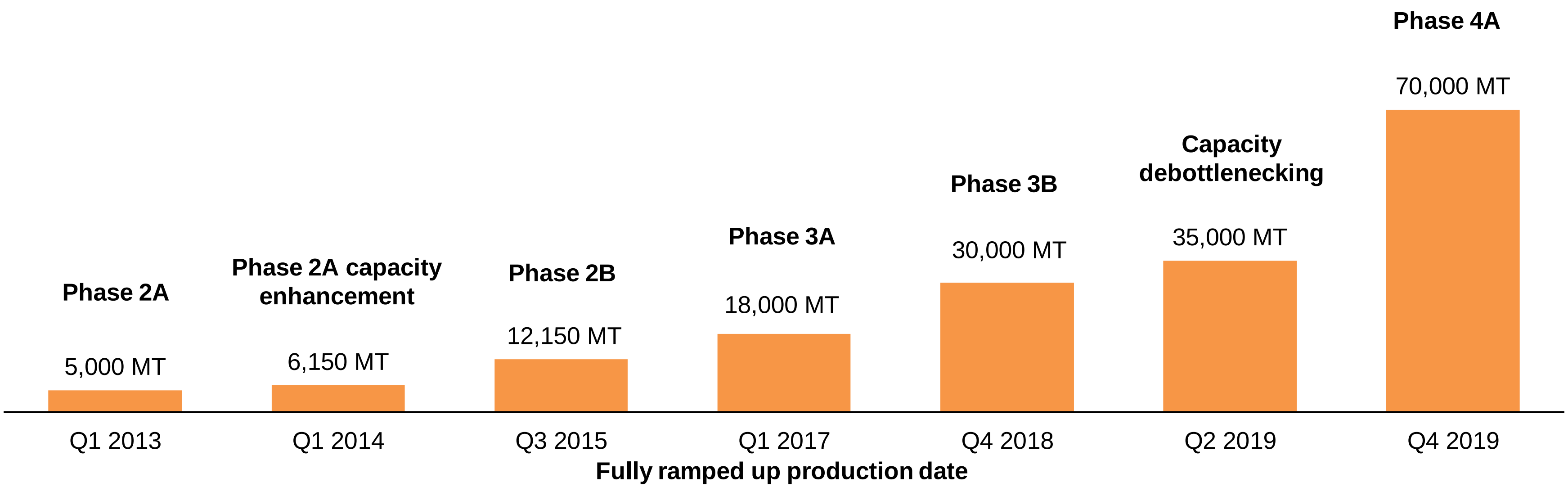
Q4 2020 key facts

- Quarterly production volume: 21,008 MT
- External sales volume: 23,186 MT
- Average total production cost : $5.92/kg
- Average cash cost: $5.04/kg

Outlook

- Expected production volume in Q1 2021: 19,500 ~ 20,500 MT
- Expected external sales volume in Q1 2021: 20,000 ~ 21,000 MT
- Expected annual production volume in 2021: 80,000 ~ 81,000 MT

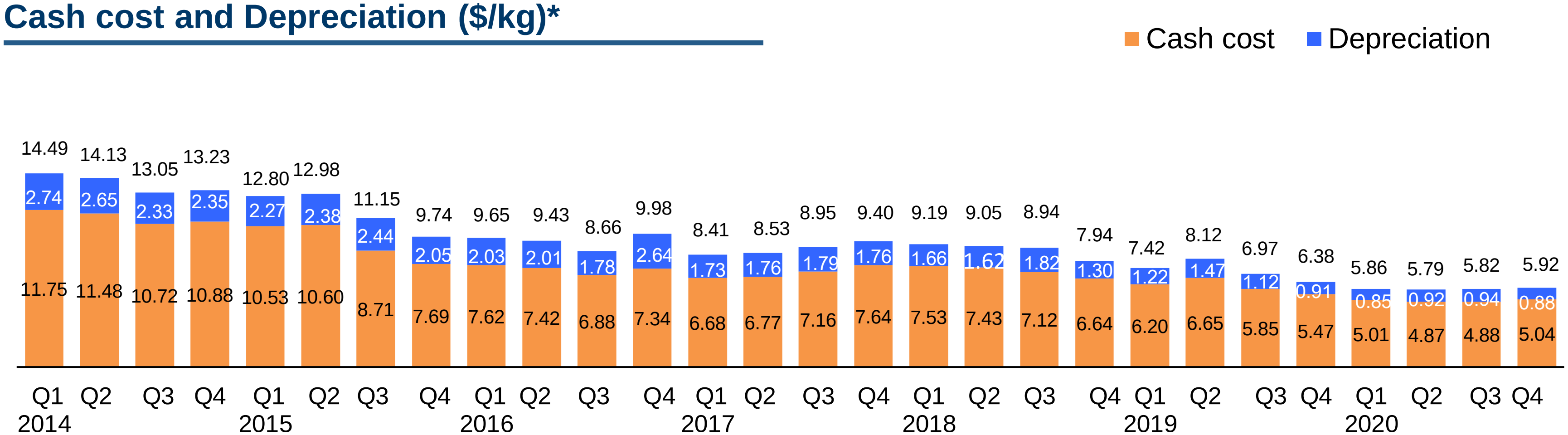
Polysilicon historical and projected capacity in Daqo's Xinjiang facilities * (MT)



Polysilicon manufacturing overview

Production Volume (MT)

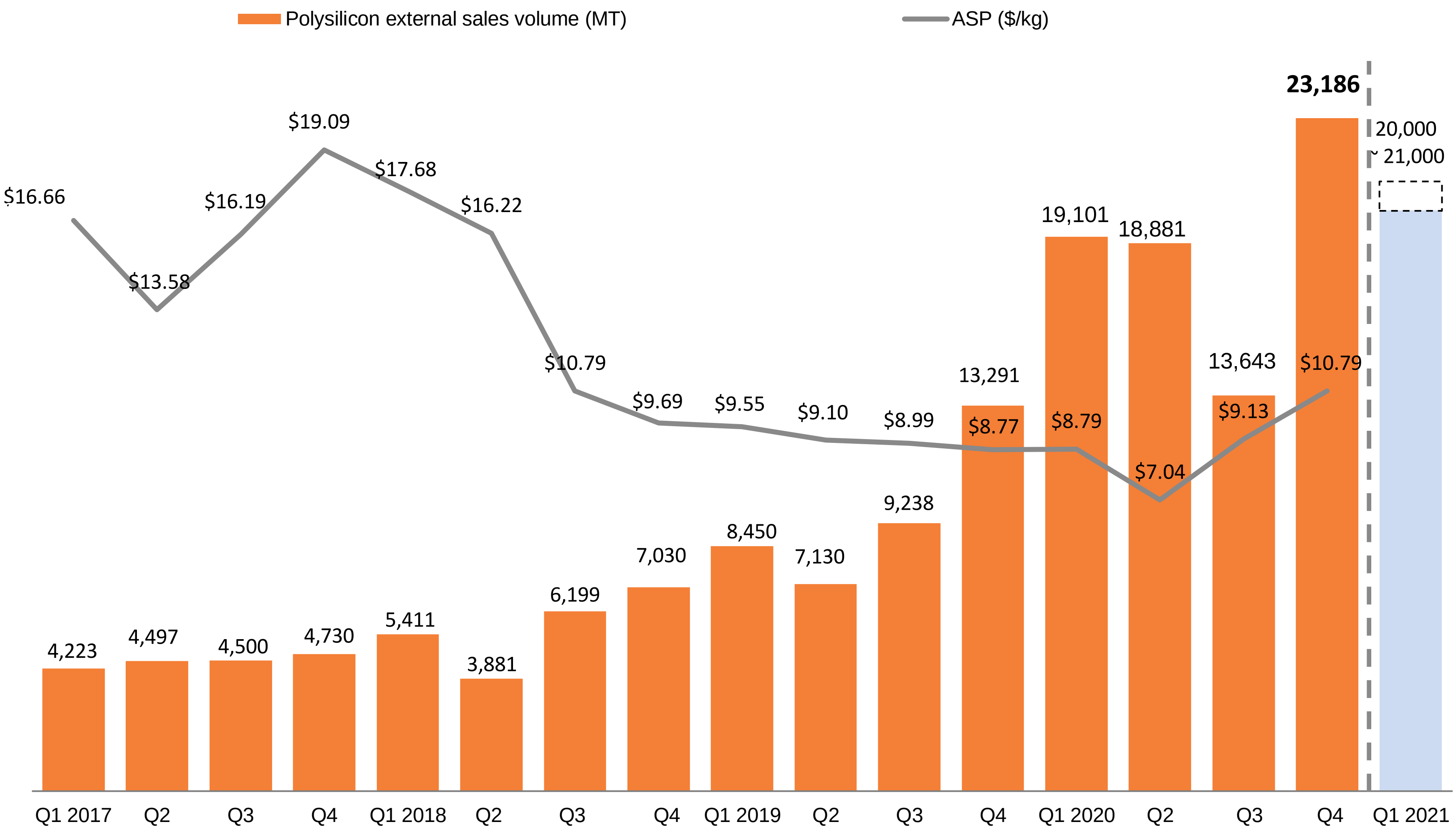
Cash cost and Depreciation ($/kg)*



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

Historical sales volume and Q1 2021 guidance

Polysilicon external sales volume and ASPs



Income statement summary

($ in millions, unless otherwise stated)	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Revenues	**247.7**	**125.5**	**118.9**	**675.6**	**350.0**
Cost of revenues	(138.2)	(80.3)	(83.8)	(441.6)	(269.9)
Gross profit	109.5	45.3	35.1	234.0	80.1
Gross margin	**44.2%**	**36.0%**	**29.5%**	**34.6%**	**22.9%**
SG&A	(11.2)	(9.2)	(9.0)	(39.5)	(32.9)
R&D expense	(1.5)	(1.7)	(1.2)	(6.9)	(5.3)
Other operating income / (expenses)	1.2	(1.0)	5.2	0.2	5.5
Income from operations	**98.0**	**33.3**	**30.1**	**187.9**	**47.5**
Interest expense	(8.3)	(5.4)	(3.9)	(26.6)	(10.4)
Net income attributable to Non-controlling interest	3.5	1.1	(0.001)	4.6	(0.001)
Net income attributable to Daqo New Energy shareholders	**72.8**	**20.8**	**20.1**	**133.8**	**29.5**
Basic earnings per ADS (US$)	**1.01**	**0.29**	**0.29**	**1.82**	**0.43**
EBITDA (1)	**115.8**	**51.6**	**45.4**	**257.3**	**95.3**
EBITDA margin (1)	**46.7%**	**41.1%**	**38.2%**	**38.1%**	**27.2%**

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

Balance sheet summary

($ in millions)	As of 12/31/2020	As of 9/30/2020	As of 12/31/2019
Cash and cash equivalent	76.6	70.2	51.8
Restricted cash	41.8	39.6	62.6
Accounts receivable	-	0.04	0.01
Note receivables	0.2	1.9	5.6
Inventories	42.2	53.6	36.4
Prepaid land use rights	30.8	29.8	29.6
Net PP&E	1,025.7	987.3	995.0
Total assets	**1,239.1**	**1,199.2**	**1,201.4**
Short-term Borrowings	70.4	131.1	128.6
Notes payable	49.4	62.1	101.2
Advances from customers – short term portion	37.8	17.5	33.0
Payables for purchases of property, plant and equipment	49.6	76.2	112.5
Amounts due to related parties	5.2	4.8	38.8
Long-term Borrowings	123.2	140.0	151.5
Total liabilities	**440.2**	**514.4**	**634.2**
Total equity	**798.9**	**684.8**	**567.2**
Total liabilities and equity	**1,239.1**	**1,199.2**	**1,201.4**

Cash flow summary

($ in millions)	12 months ended 12/31/ 2020	12 months ended 12/31/ 2019
Net cash provided by operating activities – continuing operations	209.8	180.0
Net cash (used in) / provided by operating activities – discontinued operations	(0.05)	1.0
Net cash provided by operating activities	209.7	181.0
Net cash used in investing activities – continuing operations	(118.3)	(263.3)
Net cash (used in) / provided by investing activities – discontinued operations	(0.2)	1.5
Net cash used in investing activities	**(118.5)**	**(261.8)**
Net cash (used in) / provided by financing activities – continuing operations	(95.4)	105.0
Net cash used in financing activities – discontinued operations	(0.06)	(2.7)
Net cash (used in) / provided by financing activities	**(95,5)**	**102.3**
Effect of exchange rate changes	7.4	(1.3)
Net increase in cash, cash equivalents and restricted cash	3.1	20.2
Cash, cash equivalents and restricted cash at the beginning of the period	115.3	95.1
Cash, cash equivalents and restricted cash at the end of the period	118.4	115.3

Non-GAAP reconciliation

US$ in millions	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Net income from continuing operations	76.3	21.9	20.4	133.9	28.3
Income tax expenses	13.6	6.2	6.0	28.2	9.6
Interest expense	8.3	5.4	3.9	26.6	10.4
Interest income	(0.2)	(0.2)	(0.2)	(0.9)	(1.0)
Depreciation & amortization	17.1	18.3	15.3	68.7	48.0
EBITDA (1)	**115.1**	**51.6**	**45.4**	**256.6**	**95.3**
EBITDA margin (1)	**46.5%**	**41.1%**	**38.2%**	**38.0%**	**27.2%**
Share-based compensation	4.5	4.5	4.5	17.9	17.9
Adjusted net income (non-GAAP)(2) attributable to Daqo New Energy Corp. shareholders	**77.3**	**25.2**	**24.5**	**147.1**	**47.4**
Adjusted earnings per basic ADS (non-GAAP)(2)	**$1.07**	**$0.35**	**$0.35**	**$2.07**	**$0.70**

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