



Building Your Trust in Solar

JinkoSolar Announces Fourth Quarter and Full Year 2018 Financial Results

03/22/2019

SHANGHAI, March 22, 2019 /PRNewswire/ -- JinkoSolar Holding Co., Ltd. ("JinkoSolar" or the "Company") (NYSE: JKS), a global leader in the solar PV industry, today announced its unaudited financial results for the fourth quarter and full year ended December 31, 2018.

Fourth Quarter 2018 Highlights

- Total solar module shipments were 3,618 megawatts ("MW"), an increase of 22.5% from 2,953 MW in the third quarter of 2018 and an increase of 45.8% from 2,481 MW in the fourth quarter of 2017.
- Total revenues were RMB7.72 billion (US\$1.12 billion), an increase of 15.3% from the third quarter of 2018 and an increase of 21.5% from the fourth quarter of 2017.
- Gross margin was 14.7%, compared with 14.9% in the third quarter of 2018, and 11.6% in the fourth quarter of 2017.
- Income from operations was RMB237.4 million (US\$34.5 million), compared with RMB188.0 million in the third quarter of 2018 and RMB91.3 million in the fourth quarter of 2017.
- Net income attributable to the Company's ordinary shareholders was RMB114.8 million (US\$16.7 million) in the fourth quarter of 2018, compared with RMB189.1 million in the third quarter of 2018 and RMB22.5 million in the fourth quarter of 2017.
- Diluted earnings per American depositary share ("ADS") were RMB2.92(US\$0.44) in the fourth quarter of 2018.
- Non-GAAP net income attributable to the Company's ordinary shareholders in the fourth quarter of 2018 was RMB111.8 million (US\$16.3 million), compared with RMB206.3 million in the third quarter of 2018 and RMB41.5 million in the fourth quarter of 2017.
- Non-GAAP basic and diluted earnings per ADS were both RMB2.84(US\$0.40) in the fourth quarter of 2018, compared with RMB5.28 and RMB5.28 in the third quarter of 2018 and RMB1.28 and RMB1.24 in the fourth quarter of 2017, respectively.

Full Year 2018 Highlights

- Total solar module shipments were 11.4 GW (including 209 MW to be used in the Company's overseas downstream solar projects), an increase of 16.0% from 9.8 GW for the full year 2017.
- Total revenues for the full year 2018 were RMB25.04 billion (US\$3.64 billion), a decrease of 5.4% from RMB26.47 billion for the full year 2017.
- Gross margin was 14.0% for the full year 2018, compared with 11.3% for the full year 2017.
- Income from operations was RMB644.9 million (US\$93.8 million), compared with RMB325.3 million for the full year 2017.
- Net income attributable to the Company's ordinary shareholders was RMB406.5 million (US\$59.1 million) for the full year 2018, compared with RMB141.7 million for the full year 2017.
- Diluted earnings per ADS for the full year 2018 were RMB10.52(US\$1.52), compared with RMB4.32 for the full year 2017.
- Non-GAAP net income attributable to the Company's ordinary shareholders for the full year 2018 was RMB435.8 million (US\$63.4 million), compared with RMB209.0 million for the full year 2017.
- Non-GAAP basic and diluted earnings per ADS for the full year 2018 were RMB11.32(US\$1.64) and RMB11.28(US\$1.64), compared with RMB6.48 and RMB6.36 for the full year 2017, respectively.

Mr. Kangping Chen, JinkoSolar's Chief Executive Officer commented, "We closed out the year strongly with module shipments hitting another record high of 3,618 MW during the quarter, an increase of 22.5% sequentially and an increase of 45.8% year-over-year. We shipped a total of 11.4 GW of solar modules in 2018, an increase of 16.0% from 2017. Total revenues during the quarter were US\$1.12 billion, an increase of 15.3% sequentially and an increase of 21.5% year-over-year. Total revenues for the full year 2018 were US\$3.64 billion, a decrease of 5.4% from 2017, primarily due to lower ASPs. Gross margin was 14.0% for the full year 2018, compared with 11.3% for 2017. Excluding the impact of countervailing duties, gross margin expanded during the quarter to 13.8% from 12.8% last quarter. While the Chinese market was impacted by the policies released on May 31st, we were able to continue growing through our diversified global distribution network and further consolidate our leading position in terms of market share. With global demand recovering strongly, we remain confident in the future prospects of our business and expect module shipments to grow by approximately 30% in 2019."

"China's National Energy Administration recently laid out plans for a bidding system and is expected to again begin granting subsidy approvals for utility-scale projects. Most importantly, subsidies will be prepaid by the state grid, which means there will be no more delays in payment for new projects. The new policies set a clear direction for the country's solar plans and will help to greatly improve sentiment for the solar sector as the country tries to smoothly transition towards grid parity and encourage a more market-driven environment. Based on the new policies, we believe domestic installations in 2019 will exceed last year. Distributed generation projects and projects completed at grid parity will continue to make up a larger portion of overall installations."

"US demand continues to strengthen thanks to the introduction of the solar Investment Tax Credit (ITC) which is expected to generate robust growth during the second half of 2019. Our U.S. manufacturing facility began pilot production in November 2018 and has been steadily ramping up, with full

production capacity expected to begin during the second quarter of 2019. With such enormous growth potential, we will continue to expand our presence in the US by leveraging our strong brand recognition, high quality products, and best-in-class customer service. Following the cancellation of the minimum import price policy, demand from solar power purchase agreements and grid-parity projects in the European markets is surging, especially in some of the biggest markets such as Spain, the Netherlands and Germany. Emerging markets are also booming with Jordan, Kuwait, South Africa, and Oman growing rapidly. We are also benefiting from our early entry into Southeast Asian markets such as Malaysia, Thailand and the Philippines where demand remained robust throughout 2018."

"We continue to make progress implementing large-scale crystallization furnaces to increase productivity while working to develop technologies to reduce both oxygen content and light induced degradation. We are also leading the industry in terms of efficiency improvements on our diamond wire cutting, which is continuously reducing our wire consumption. Our large-area N-type monocrystalline silicon solar cell reached record high efficiency of 24.2% in January 2019. We are rapidly increasing our capacity to produce high-efficiency products by increasing both mono wafer capacity and PERC cell capacity and converting our existing non-PERC capacity to PERC capacity to increase output. With our production gradually ramping up into the middle of 2019, our expanded capacity will improve the competitiveness of our products and strengthen our cost advantages. This and other constant technological developments not only enable us to provide our clients with competitive high-efficiency products, but also allow us to sustainably cut costs. We are confident in our ability to further optimize our cost structure going forward and are fully prepared to enter an era of grid parity in the near future."

"Looking out to 2019, we believe Chinese and global demand will grow as solar energy becomes more and more competitive. We are excited about the opportunities that lie ahead, and are confident in our ability to further expand our market share, distinguish ourselves from our competitors, and continue leading the industry forward."

Fourth Quarter 2018 Financial Results

Total Revenues

Total revenues in the fourth quarter of 2018 were RMB7.72 billion (US\$1.12 billion), an increase of 15.3% from RMB6.69 billion in the third quarter of 2018 and an increase of 21.5% from RMB6.35 billion in the fourth quarter of 2017. The sequential increase was mainly attributable to an increase in the shipment of solar modules in the fourth quarter of 2018. The year-over-year increase was mainly attributable to an increase in the shipment of solar modules, which was partially offset by a decline in the average selling price of solar modules in the fourth quarter of 2018.

Gross Profit and Gross Margin

Gross profit in the fourth quarter of 2018 was RMB1.13 billion (US\$164.7 million), compared with RMB997.6 million in the third quarter of 2018 and RMB735.3 million in the fourth quarter of 2017. The sequential increase was mainly attributable to an increase in the shipment of solar modules in the fourth quarter of 2018. The year-over-year increase was mainly attributable to (i) an increase in the shipment of solar modules, and (ii) the benefit of Countervailing Duty ("CVD") reversal of RMB140.8 million and RMB69.4 million (US\$10.0 million) in the third and fourth quarter of 2018, respectively, based on the amended final results of the fourth administrative review of the CVD order published by the U.S. Department of Commerce. The year-over-year increase was partially offset by a decline in the average selling price of solar modules in 2018.

Gross margin was 14.7% in the fourth quarter of 2018, compared with 14.9% in the third quarter of 2018 and 11.6% in the fourth quarter of 2017. Excluding the CVD reversal benefit, gross margin was 13.8% in the fourth quarter of 2018, compared with 12.8% in the third quarter of 2018. The sequential increase was attributable to decrease in solar module cost, which was partially offset by decline in the average selling price of solar modules. The year-over-year increase was mainly attributable to (i) a decrease in solar module cost, and (ii) the benefit of CVD reversal, which was partially offset by decline in the average selling price of solar modules in 2018.

Income from Operations and Operating Margin

Income from operations in the fourth quarter of 2018 was RMB237.4 million (US\$34.5 million), compared with RMB188.0 million in the third quarter of 2018 and RMB91.3 million in the fourth quarter of 2017. Excluding the CVD reversal benefit, income from operations in the fourth quarter of 2018 was RMB168.0 million (US\$24.4 million), compared with RMB47.6 million in the third quarter of 2018. Operating margin in the fourth quarter of 2018 was 3.1%, compared with 2.8% in the third quarter of 2018 and 1.4% in the fourth quarter of 2017. Excluding the CVD reversal benefit, operating margin in the fourth quarter of 2018 was 2.2%.

Total operating expenses in the fourth quarter of 2018 were RMB895.1 million (US\$130.2 million), an increase of 10.6% from RMB809.6 million in the third quarter of 2018 and an increase of 39.0% from RMB644.0 million in the fourth quarter of 2017. The sequential and year-over-year increases were mainly due to an increase in shipping costs as a result of an increase in solar module shipments.

Total operating expenses accounted for 11.6% of total revenues in the fourth quarter of 2018, compared to 12.1% in the third quarter of 2018 and 10.1% in the fourth quarter of 2017.

Interest Expense, Net

Net interest expense in the fourth quarter of 2018 was RMB74.0 million (US\$10.8 million), an increase of 33.2% from RMB55.6 million in the third quarter of 2018 and an increase of 33.3% from RMB55.6 million in the fourth quarter of 2017. The sequential increase was mainly due to (i) an increase in borrowings, and (ii) the termination of interest capitalization on certain completed solar projects, which were partially offset by an increase of interest income. The year-over-year increase was mainly due to an increase in borrowings.

Exchange Gain / (Loss), Net and Change in Fair Value of Forward Contracts

The Company recorded a net exchange loss (including change in fair value of forward contracts) of RMB33.9 million (US\$4.9 million) in the fourth quarter of 2018, compared to a net exchange gain of RMB93.5 million in the third quarter of 2018 and a net exchange loss of RMB33.9 million in the fourth quarter of 2017. The sequential change was primarily due to the depreciation of the US dollar against the RMB.

Change in Fair Value of Interest Rate Swap

The Company entered into Interest Rate Swap agreements with several banks for the purpose of reducing interest rate risk exposure associated with

the Company's overseas solar power projects. The Company recorded a loss arising from change in fair value of interest rate swap of RMB38.5 million (US\$5.6 million) in the fourth quarter of 2018, compared to a gain of RMB12.8 million in the third quarter of 2018. The sequential changes were primarily due to a decrease in the long-term interest rates. The Company did not elect hedge accounting for any of its derivatives.

Change in Fair Value of Foreign Exchange Options

The Company bought foreign exchange options from several banks for the purpose of reducing exchange rate risk exposure. The Company recorded a loss of RMB1.2 million (US\$0.2 million) arising from change in fair value of the foreign exchange options, compared to a loss of RMB8.5 million in the third quarter of 2018. The sequential change was primarily due to the decrease in the remaining term of the options.

Equity in Income of Affiliated Companies

The Company indirectly holds a 20% equity interest in Sweihan PV Power Company P.J.S.C, a developer and operator of solar power projects in Dubai, and accounts for its investment using the equity method. The Company also holds a 30% equity interest in Jiangsu Jinko-Tiansheng Co., Ltd, which processes and assembles PV modules as an OEM manufacturer, and accounts for its investments using the equity method. The Company recorded equity in loss of affiliated companies of RMB25.1 million (US\$3.6 million) in the fourth quarter of 2018, compared with an income of RMB4.9 million in the third quarter of 2018 and a loss of RMB1.4 million in the fourth quarter of 2017. The sequential change was primarily due to a loss arising from change in fair value of interest rate swap agreements purchased by Sweihan PV Power Company P.J.S.C.

Income Tax Benefit / (Expense), Net

The Company recorded an income tax benefit of RMB43.5 million (US\$6.3 million) in the fourth quarter of 2018, as certain subsidiaries of the Company experienced loss in the fourth quarter and recognized corresponding deferred tax assets, compared with an income tax expense of RMB61.2 million in the third quarter of 2018 and an income tax expense of RMB31.1 million in the fourth quarter of 2017.

Net Income and Earnings per Share

Net income attributable to the Company's ordinary shareholders was RMB114.8 million (US\$16.7 million) in the fourth quarter of 2018, compared with RMB189.1 million in the third quarter of 2018 and RMB22.5 million in the fourth quarter of 2017.

Basic and diluted earnings per ordinary share were both RMB0.73 (US\$0.11) during the fourth quarter of 2018. This translates into basic and diluted earnings per ADS both of RMB2.92 (US\$0.44).

Non-GAAP net income attributable to the Company's ordinary shareholders in the fourth quarter of 2018 was RMB111.8 million (US\$16.3 million), compared with RMB206.3 million in the third quarter of 2018 and RMB41.5 million in the fourth quarter of 2017.

Non-GAAP basic and diluted earnings per ordinary share were both of RMB0.71 (US\$0.10) during the fourth quarter of 2018. This translates into non-GAAP basic and diluted earnings per ADS both of RMB2.84 (US\$0.40).

Financial Position

As of December 31, 2018, the Company had RMB3.48 billion (US\$506.4 million) in cash and cash equivalents and restricted cash, compared with RMB2.76 billion as of December 31, 2017.

As of December 31, 2018, the Company's accounts receivables due from third parties were RMB5.44 billion (US\$790.7 million), compared with RMB4.50 billion as of December 31, 2017.

As of December 31, 2018, the Company's inventories were RMB5.74 billion (US\$835.3 million), compared with RMB4.27 billion as of December 31, 2017.

As of December 31, 2018, the Company's total interest-bearing debts were RMB9.71 billion (US\$1.41 billion), compared with RMB7.43 billion as of December 31, 2017.

Full Year 2018 Financial Results

Total Revenues

Total revenues for the full year 2018 were RMB25.04 billion (US\$3.64 billion), a decrease of 5.4% from RMB26.47 billion for the full year 2017. The decrease in total revenues was mainly attributable to a decline in the average selling price of solar modules, which was partially offset by an increase in shipment of solar modules.

Gross Profit and Gross Margin

Gross profit for the full year 2018 was RMB3.51 billion (US\$511.1 million), an increase of 17.5% from RMB2.99 billion for the full year 2017. Gross margin was 14.0% for the full year 2018, compared with 11.3% for the full year 2017. The year-over-year increase was mainly attributable to (i) an increase in the shipment of solar modules in 2018, which was partially offset by a decline in the average selling price of solar modules and (ii) the benefit of CVD reversal of RMB 209.7 million (US\$30.5 million), based on the amended final results of the fourth administrative review of the CVD order published by the U.S. Department of Commerce. Excluding the CVD reversal benefit, gross margin was 13.2% for the full year 2018. The year-over-year increase was attributable to decrease in solar module cost, which was partially offset by decline in the average selling price of solar modules in 2018.

Income from Operations and Operating Margin

Income from operations for the full year 2018 was RMB644.9 million (US\$93.8 million), compared with RMB325.3 million for the full year 2017. Operating margin for the full year 2018 was 2.6%, compared with 1.2% for the full year 2017.

Total operating expenses for the full year 2018 were RMB2.87 billion (US\$417.3 million), an increase of 7.6% from RMB2.67 billion for the full year 2017. Operating expenses represented 11.5% of total revenues for the full year 2018, compared with 10.1% for the full year 2017. The increase in total

operating expenses was primarily due to the decrease in disposal gains of property, plant and equipment, and a decrease in the reversal of allowance for doubtful accounts upon subsequent collections.

Interest Expense, Net

Net interest expense for the full year 2018 was RMB295.7 million (US\$43.0 million), an increase of 20.4% from RMB245.5 million in 2017. The year-over-year increase was mainly due to the increase in borrowings.

Exchange Gain / (Loss), Net and Change in Fair Value of Forward Contracts

The Company recorded a net exchange loss (including change in fair value of forward contracts) of RMB10.4 million (US\$1.5 million) for the full year 2018 due primarily to appreciation of US dollars against RMB. The Company had net exchange loss of RMB122.6 million in 2017. The year-over-year decrease was mainly due to appreciation of US dollars against RMB.

Change in Fair Value of Interest Rate Swap

The Company entered into Interest Rate Swap agreements with several banks for the purpose of reducing interest rate risk exposure. The Company recorded a gain of RMB9.7 million (US\$1.4 million) arising from change in fair value of the Interest Rate Swap agreements, compared to a loss of RMB16.1 million in 2017. The year-over-year changes were primarily due to an increase in the long-term interest rates. The Company did not elect hedge accounting for any of its derivatives.

Change in Fair Value of Foreign Exchange Options

The Company bought foreign exchange options from several banks for the purpose of reducing exchange rate risk exposure. The Company recorded a loss of RMB9.7 million (US\$1.4 million) arising from change in fair value of the foreign exchange options. The loss from foreign exchange options was primarily due to the appreciation of the US dollar against the RMB.

Equity in Income of Affiliated Companies

The Company indirectly holds a 20% equity interest of Sweihan PV Power Company P.J.S.C, a developer and operator of solar power projects in Dubai, and accounts for its investments using the equity method. The Company also holds a 30% equity interest in Jiangsu Jinko-Tiansheng Co., Ltd, which processes and assembles PV modules as an OEM manufacturer, and accounts for its investments using the equity method. The Company recorded equity in income of affiliated companies of RMB2.6 million (US\$0.4 million) for the full year 2018, compared with a loss of RMB2.1 million in 2017.

Income Tax Expense, Net

The Company recognized an income tax expense of RMB4.4 million (US\$0.6 million) for the full year 2018, compared with an income tax expense of RMB4.6 million in 2017.

Net Income and Earnings per Share

Net income attributable to the Company's ordinary shareholders for the full year 2018 was RMB406.5 million (US\$59.1 million), compared with a net income of RMB141.7 million in 2017.

Basic and diluted earnings per share for the full year 2018 were RMB2.64 (US\$0.38) and RMB2.63 (US\$0.38), respectively. This translates into basic and diluted earnings per ADS of RMB10.56 (US\$1.52) and RMB10.52 (US\$1.52), respectively.

Non-GAAP net income for the full year 2018 was RMB435.8 million (US\$63.4 million), compared with non-GAAP net income of RMB209.0 million in 2017.

Non-GAAP basic and diluted earnings per share for the full year 2018 were RMB2.83 (US\$0.41) and RMB2.82 (US\$0.41), respectively, which translates into non-GAAP basic and diluted earnings per ADS of RMB11.32 (US\$1.64) and RMB11.28 (US\$1.64), respectively.

Fourth Quarter and Full Year 2018 Operational Highlights

Solar Module Shipments

Total solar module shipments in the fourth quarter of 2018 were 3,618 MW.

Total solar module shipments in 2018 were 11.4 GW (including 209 MW to be used in the Company's overseas downstream solar projects), compared to 9.8 GW in 2017.

Solar Products Production Capacity

As of December 31, 2018, the Company's in-house annual silicon wafer, solar cell and solar module production capacity was 9.7 GW, 7.0 GW and 10.8 GW, respectively.

JinkoSolar expects its annual silicon wafer, solar cell and solar module production capacity to reach 15 GW (including 11 GW of mono wafers), 10 GW (including 9.2 GW of PERC cells) and 15 GW, respectively, by the end of 2019.

Recent Business Developments

- In October 2018, JinkoSolar announced that it had entered into the Contract for the Supply of PV Modules with Decmil Australia Pty Ltd on September 27, 2018, for supply 255MWp of its high efficient solar panels for the Sunraysia Solar Farm developed by Maoneng Group.
- In November 2018, JinkoSolar announced that it was awarded the 2018 World Brand Award by the World Brand Forum, a

global non-profit organization dedicated to advancing branding standards for the good of the branding community as well as consumers.

- In December 2018, JinkoSolar announced that it supplied 55.7MW of high-efficiency modules to the Garissa Solar Power Plant, which is expected to be one of the largest solar power plants in central and eastern Africa once completed.
- In December 2018, JinkoSolar announced that it supplied 132 MWdc of PV modules to Swinerton Renewable Energy for the construction of the Techren Solar 1 Project in Boulder City, Nevada.
- In December 2018, JinkoSolar announced that it had contributed to the Business 20 (B20) Energy, Resource Efficiency & Sustainability (ERES) Task Force for inclusion of the task force's policy proposal in the G20 Leaders' Declaration, Buenos Aires.
- In January 2019, JinkoSolar announced that a record high efficiency of 24.2% was achieved by its large-area N-type TOPCon monocrystalline silicon solar cell.
- In January 2019, JinkoSolar announced that its products underwent LeTID testing by Wind Power Systems Quality Test Center, IEE, and CAS.

Operations and Business Outlook

First Quarter and Full Year 2019 Guidance

For the first quarter of 2019, the Company estimates total solar module shipments to be in the range of 2.8 GW to 3.0 GW.

For the full year 2019, the Company estimates total solar module shipments to be in the range of 14.0 GW to 15.0 GW.

Conference Call Information

JinkoSolar's management will host an earnings conference call on Friday, March 22, 2019 at 8:30 a.m. U.S. Eastern Time (8:30 p.m. Beijing / Hong Kong the same day).

Dial-in details for the earnings conference call are as follows:

| | |
|----------------------------|-----------------|
| Hong Kong / International: | +852 3027 6500 |
| U.S. Toll Free: | +1 855-824-5644 |
| Passcode: | 58454648# |

Please dial in 10 minutes before the call is scheduled to begin and provide the passcode to join the call.

A telephone replay of the call will be available 2 hours after the conclusion of the conference call through 23:59 U.S. Eastern Time, March 29, 2019. The dial-in details for the replay are as follows:

| | |
|----------------|-----------------|
| International: | +61 2 8325 2405 |
| U.S.: | +1 646 982 0473 |
| Passcode: | 319314070# |

Additionally, a live and archived webcast of the conference call will be available on the Investor Relations section of JinkoSolar's website at www.jinkosolar.com.

About JinkoSolar Holding Co., Ltd.

JinkoSolar (NYSE: JKS) is one of the world's largest and foremost solar module manufacturers. JinkoSolar distributes its solar products and sells its solutions and services to a diversified international utility, commercial and residential customer base in China, the United States, Japan, Germany, the United Kingdom, Chile, South Africa, India, Mexico, Brazil, the United Arab Emirates, Italy, Spain, France, Belgium, and other countries and regions. JinkoSolar has built a vertically integrated solar product value chain, with an integrated annual capacity of 9.7 GW for silicon wafers, 7.0 GW for solar cells, and 10.8 GW for solar modules, as of December 31, 2018.

JinkoSolar has over 12,000 employees across its 6 production facilities globally, 15 oversea subsidiaries in Japan, Korea, Singapore, India, Turkey, Germany, Italy, Switzerland, United States, Canada, Mexico, Brazil, Chile, Australia and United Arab Emirates, and global sales teams in United Kingdom, France, Netherlands, Spain, Bulgaria, Greece, Romania, Ukraine, Jordan, Saudi Arabia, Tunisia, Egypt, Morocco, Nigeria, Kenya, South Africa, Costa Rica, Colombia, Panama and Argentina.

To find out more, please see: www.jinkosolar.com

Use of Non-GAAP Financial Measures

To supplement its consolidated financial results presented in accordance with United States Generally Accepted Accounting Principles ("GAAP"), JinkoSolar uses certain non-GAAP financial measures including, non-GAAP net income, non-GAAP earnings per Share, and non-GAAP earnings per ADS, which are adjusted from the comparable GAAP results to exclude certain expenses or incremental ordinary shares relating to share-based compensation and, convertible senior notes:

- Non-GAAP net income is adjusted to exclude the expenses relating to interest expenses of convertible senior notes, exchange gain on the convertible senior notes, and stock-based compensation; given these Non-GAAP net income adjustments above are either related to the Company or its subsidiaries incorporated in Cayman Islands, which are not subject to tax exposures, or related to those subsidiaries with tax loss positions which result in no tax impacts, therefore no tax adjustment is needed in conjunction with these Non-GAAP net income adjustments; and

- Non-GAAP earnings per Share and non-GAAP earnings per ADS are adjusted to exclude interest expenses of convertible senior notes and exchange gain on the convertible senior notes, and stock-based compensation.

The Company believes that the use of non-GAAP information is useful for analysts and investors to evaluate JinkoSolar's current and future performances based on a more meaningful comparison of net income and diluted net income per ADS when compared with its peers and historical results from prior periods. These measures are not intended to represent or substitute numbers as measured under GAAP. The submission of non-GAAP numbers is voluntary and should be reviewed together with GAAP results.

Currency Convenience Translation

The conversion of Renminbi into U.S. dollars in this release, made solely for the convenience of the readers, is based on the noon buying rate in the city of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York as of December 31, 2018, which was RMB6.8755 to US\$1.00. No representation is intended to imply that the Renminbi amounts could have been, or could be, converted, realized, or settled into U.S. dollars at that rate or any other rate. The percentages stated in this press release are calculated based on Renminbi.

Safe-Harbor Statement

This press release contains forward-looking statements. These statements constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in 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 press release and the Company's operations and business outlook, contain forward-looking statements. Such statements involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Further information regarding these and other risks is included in JinkoSolar's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F. Except as required by law, the Company does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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JINKOSOLAR HOLDING CO., LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except ADS and Share data)

| | 2017 | 2018 | |
|---------------------------------|--------------|--------------|-------------|
| | RMB | RMB | USD |
| Continuing operations | | | |
| Revenues from third parties | 24,791,272 | 23,586,834 | 3,430,563 |
| Revenues from related parties | 1,681,671 | 1,455,779 | 211,734 |
| Total revenues | 26,472,943 | 25,042,613 | 3,642,297 |
| Cost of revenues | (23,481,375) | (21,528,868) | (3,131,244) |
| Gross profit | 2,991,568 | 3,513,745 | 511,053 |
| Operating expenses: | | | |
| Selling and marketing | (1,901,358) | (1,708,270) | (248,458) |
| General and administrative | (470,845) | (779,423) | (113,362) |
| Research and development | (294,103) | (366,577) | (53,316) |
| Impairment of long-lived assets | - | (14,548) | (2,116) |
| Total operating expenses | (2,666,306) | (2,868,818) | (417,252) |
| Income from operations | 325,262 | 644,927 | 93,801 |
| Interest expenses, net | (245,530) | (295,692) | (43,007) |

| | | | |
|---|-----------|----------|---------|
| Subsidy income | 147,917 | 52,176 | 7,589 |
| Exchange gain/(loss), net | (114,345) | 33,681 | 4,899 |
| Change in fair value of interest rate swap | (16,122) | 9,701 | 1,411 |
| Change in fair value of foreign exchange options | - | (9,720) | (1,414) |
| Change in fair value of forward contracts | (8,211) | (44,090) | (6,413) |
| Other income, net | 59,647 | 25,817 | 3,755 |
| (Loss)/gain on disposal of subsidiaries | 257 | (9,425) | (1,371) |
| Income before income taxes | 148,875 | 407,375 | 59,250 |
| Income tax expense | (4,627) | (4,411) | (641) |
| Equity in income/(loss) of affiliated companies | (2,056) | 2,610 | 379 |
| Net income | 142,192 | 405,574 | 58,988 |
| Less: Net (loss)/income attributable to non-controlling interests | 486 | (903) | (132) |
| Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders | 141,706 | 406,477 | 59,120 |

Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per share:

| | | | |
|---------|------|------|------|
| Basic | 1.10 | 2.64 | 0.38 |
| Diluted | 1.08 | 2.63 | 0.38 |

Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per ADS:

| | | | |
|---------|------|-------|------|
| Basic | 4.40 | 10.56 | 1.52 |
| Diluted | 4.32 | 10.52 | 1.52 |

Weighted average ordinary shares outstanding:

| | | | |
|---------|-------------|-------------|-------------|
| Basic | 128,944,330 | 153,806,379 | 153,806,379 |
| Diluted | 131,687,230 | 154,704,166 | 154,704,166 |

Weighted average ADS outstanding:

| | | | |
|---------|------------|------------|------------|
| Basic | 32,236,083 | 38,451,595 | 38,451,595 |
| Diluted | 32,921,808 | 38,676,041 | 38,676,041 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | | |
|---|----------|---------|--------|
| Net income | 142,192 | 405,574 | 58,988 |
| Other comprehensive income/(loss): | | | |
| -Foreign currency translation adjustments | (81,488) | 47,005 | 6,836 |
| Comprehensive income | 60,704 | 452,579 | 65,824 |
| Less: comprehensive (loss)/income attributable to non-controlling interests | 486 | (903) | (132) |
| Comprehensive income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders | 60,218 | 453,482 | 65,956 |

Reconciliation of GAAP and non-GAAP Results

1. Non-GAAP earnings per share and non-GAAP earnings per ADS

| | | | |
|---|---------|---------|--------|
| GAAP net income attributable to ordinary shareholders | 141,706 | 406,477 | 59,120 |
| 4% of interest expense of convertible senior notes | 1,558 | 3 | 0 |
| Exchange loss on convertible senior notes and capped call options | 840 | 4 | 1 |
| Stock-based compensation expense | 64,868 | 29,308 | 4,263 |
| Non-GAAP net income attributable to ordinary shareholders | 208,972 | 435,792 | 63,384 |

Non-GAAP earnings per share attributable to ordinary shareholders -

| | | | |
|---------|------|------|------|
| Basic | 1.62 | 2.83 | 0.41 |
| Diluted | 1.59 | 2.82 | 0.41 |

Non-GAAP earnings per ADS attributable to ordinary shareholders -

| | | | |
|---------|------|-------|------|
| Basic | 6.48 | 11.32 | 1.64 |
| Diluted | 6.36 | 11.28 | 1.64 |

Non-GAAP weighted average ordinary shares outstanding

| | | | |
|---------|-------------|-------------|-------------|
| Basic | 128,944,330 | 153,806,379 | 153,806,379 |
| Diluted | 131,687,230 | 154,704,166 | 154,704,166 |

Non-GAAP weighted average ADS outstanding

| | | | |
|---------|------------|------------|------------|
| Basic | 32,236,083 | 38,451,595 | 38,451,595 |
| Diluted | 32,921,808 | 38,676,041 | 38,676,041 |

JINKOSOLAR HOLDING CO., LTD.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except ADS and Share data)

| | For the quarter ended | | | |
|--|-----------------------|--------------------|-------------------|-------------|
| | December 31, 2017 | September 30, 2018 | December 31, 2018 | |
| | RMB | RMB | RMB | USD |
| Continuing operations | | | | |
| Revenues from third parties | 5,171,540 | 6,601,414 | 7,695,214 | 1,119,223 |
| Revenues from related parties | 1,181,100 | 93,401 | 25,118 | 3,653 |
| Total revenues | 6,352,640 | 6,694,815 | 7,720,332 | 1,122,876 |
| Cost of revenues | (5,617,326) | (5,697,186) | (6,587,907) | (958,171) |
| Gross profit | 735,314 | 997,629 | 1,132,425 | 164,705 |
| Operating expenses: | | | | |
| Selling and marketing | (446,956) | (476,640) | (551,658) | (80,235) |
| General and administrative | (113,744) | (228,862) | (249,221) | (36,248) |
| Research and development | (83,271) | (104,105) | (94,183) | (13,698) |
| Total operating expenses | (643,971) | (809,607) | (895,062) | (130,181) |
| Income from operations | 91,343 | 188,022 | 237,363 | 34,524 |
| Interest expenses, net | (55,551) | (55,600) | (74,047) | (10,770) |
| Subsidy income | 29,533 | 4,742 | 8,234 | 1,199 |
| Exchange (loss)/gain | (31,827) | 118,712 | (36,006) | (5,237) |
| Change in fair value of interest rate swap | 3,333 | 12,781 | (38,467) | (5,595) |
| Change in fair value of foreign exchange options | - | (8,522) | (1,198) | (174) |
| Change in fair value of forward contracts | (2,031) | (25,204) | 2,148 | 311 |
| Other (expense)/income, net | 20,823 | 9,983 | (2,287) | (333) |
| Gain on disposal of subsidiaries | 257 | - | - | - |
| Income before income taxes | 55,880 | 244,914 | 95,740 | 13,925 |
| Income tax benefit/(expense) | (31,095) | (61,157) | 43,451 | 6,320 |
| Equity in (loss)/income of affiliated companies | (1,424) | 4,916 | (25,090) | (3,649) |
| Net income | 23,361 | 188,673 | 114,101 | 16,596 |
| Less: Net (loss)/income attributable to non-controlling interests | 889 | (415) | (712) | (103) |
| Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders | 22,472 | 189,088 | 114,813 | 16,699 |
| Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per share: | | | | |
| Basic | 0.17 | 1.21 | 0.73 | 0.11 |
| Diluted | 0.17 | 1.21 | 0.73 | 0.11 |
| Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per ADS: | | | | |
| Basic | 0.68 | 4.84 | 2.92 | 0.44 |
| Diluted | 0.68 | 4.84 | 2.92 | 0.44 |
| Weighted average ordinary shares outstanding: | | | | |
| Basic | 130,432,074 | 156,485,510 | 156,855,085 | 156,855,085 |
| Diluted | 134,572,596 | 156,703,443 | 156,859,208 | 156,859,208 |
| Weighted average ADS outstanding: | | | | |
| Basic | 32,608,019 | 39,121,378 | 39,213,771 | 39,213,771 |
| Diluted | 33,643,149 | 39,175,861 | 39,214,802 | 39,214,802 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | | | |
|---|----------|---------|---------|--------|
| Net income | 23,361 | 188,673 | 114,101 | 16,596 |
| Other comprehensive income: | | | | |
| -Foreign currency translation adjustments | (16,308) | 28,720 | 3,670 | 534 |

| | | | | |
|---|--------------|----------------|----------------|---------------|
| Comprehensive income | 7,053 | 217,393 | 117,771 | 17,130 |
| Less: Comprehensive (loss)/income attributable to non-controlling interests | 889 | (415) | (712) | (103) |
| Comprehensive income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders | <u>6,164</u> | <u>217,808</u> | <u>118,483</u> | <u>17,233</u> |

Reconciliation of GAAP and non-GAAP Results

1. Non-GAAP earnings per share and non-GAAP earnings per ADS

| | | | | |
|--|---------------|----------------|----------------|---------------|
| GAAP net income attributable to ordinary shareholders | 22,472 | 189,088 | 114,813 | 16,699 |
| 4% of interest expense of convertible senior notes | 1 | 1 | 1 | - |
| Exchange loss/(gain) on convertible senior notes and capped call options | (1) | 3 | - | - |
| Stock-based compensation (benefit)/expense | 19,000 | 17,255 | (3,023) | (440) |
| Non-GAAP net income attributable to ordinary shareholders | <u>41,472</u> | <u>206,347</u> | <u>111,791</u> | <u>16,259</u> |
| Non-GAAP earnings per share attributable to ordinary shareholders - | | | | |
| Basic | 0.32 | 1.32 | 0.71 | 0.10 |
| Diluted | 0.31 | 1.32 | 0.71 | 0.10 |
| Non-GAAP earnings per ADS attributable to ordinary shareholders - | | | | |
| Basic | 1.28 | 5.28 | 2.84 | 0.40 |
| Diluted | 1.24 | 5.28 | 2.84 | 0.40 |
| Non-GAAP weighted average ordinary shares outstanding | | | | |
| Basic | 130,432,074 | 156,485,510 | 156,855,085 | 156,855,085 |
| Diluted | 134,572,596 | 156,703,443 | 156,859,208 | 156,859,208 |
| Non-GAAP weighted average ADS outstanding | | | | |
| Basic | 32,608,019 | 39,121,378 | 39,213,771 | 39,213,771 |
| Diluted | 33,643,149 | 39,175,861 | 39,214,802 | 39,214,802 |

JINKOSOLAR HOLDING CO., LTD.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

| | <u>December 31, 2017</u> | <u>December 31, 2018</u> | |
|--|--------------------------|--------------------------|------------------|
| | RMB | RMB | USD |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 1,928,303 | 3,104,917 | 451,591 |
| Restricted cash | 833,072 | 377,111 | 54,849 |
| Restricted short-term investments | 3,237,773 | 4,058,419 | 590,273 |
| Short-term investments | 2,685 | - | - |
| Accounts receivable, net - related parties | 2,113,042 | 675,768 | 98,286 |
| Accounts receivable, net - third parties | 4,497,635 | 5,436,371 | 790,687 |
| Notes receivable, net - third parties | 571,232 | 1,010,469 | 146,967 |
| Advances to suppliers, net - third parties | 397,076 | 665,221 | 96,752 |
| Inventories, net | 4,273,730 | 5,743,328 | 835,332 |
| Forward contract receivables | - | 1,192 | 173 |
| Other receivables - related parties | 46,592 | 67,730 | 9,851 |
| Derivative assets | - | 847 | 123 |
| Prepayments and other current assets | 1,706,717 | 1,712,889 | 249,129 |
| Total current assets | <u>19,607,857</u> | <u>22,854,262</u> | <u>3,324,013</u> |
| Non-current assets: | | | |
| Restricted cash | 248,672 | 921,300 | 133,998 |
| Project Assets | 473,731 | 1,770,621 | 257,526 |
| Long-term investments | 22,322 | 25,531 | 3,713 |
| Property, plant and equipment, net | 6,680,187 | 8,275,900 | 1,203,680 |

| | | | |
|--------------------------------|-----------|------------|-----------|
| Land use rights, net | 443,269 | 574,945 | 83,622 |
| Intangible assets, net | 25,743 | 35,361 | 5,143 |
| Deferred tax assets | 275,372 | 338,069 | 49,170 |
| Other assets - related parties | 146,026 | 144,984 | 21,088 |
| Other assets - third parties | 713,226 | 912,210 | 132,675 |
| Total non-current assets | 9,028,548 | 12,998,921 | 1,890,615 |

| | | | |
|--------------|-------------------|-------------------|------------------|
| Total assets | 28,636,405 | 35,853,183 | 5,214,628 |
|--------------|-------------------|-------------------|------------------|

LIABILITIES

Current liabilities:

| | | | |
|--|------------|------------|-----------|
| Accounts payable - related parties | 5,329 | 698 | 102 |
| Accounts payable - third parties | 4,658,202 | 5,327,094 | 774,794 |
| Notes payable - related parties | - | 35,000 | 5,091 |
| Notes payable - third parties | 5,672,497 | 6,036,577 | 877,984 |
| Accrued payroll and welfare expenses | 721,380 | 810,921 | 117,944 |
| Advances from related parties | 37,400 | 910 | 132 |
| Advances from third parties | 748,959 | 2,395,229 | 348,372 |
| Income tax payable | 27,780 | 70,240 | 10,216 |
| Other payables and accruals | 1,804,799 | 2,281,025 | 331,758 |
| Other payables due to related parties | 12,333 | 20,819 | 3,028 |
| Forward contract payables | 4,521 | 9,464 | 1,376 |
| Convertible senior notes - current | - | 69 | 10 |
| Derivative liability - current | 26,486 | 12,786 | 1,860 |
| Bond payable and accrued interests | 10,257 | 10,318 | 1,501 |
| Short-term borrowings from third parties, including current portion of long-term bank borrowings | 6,204,440 | 7,103,399 | 1,033,147 |
| Guarantee liabilities to related parties | 28,034 | 26,639 | 3,874 |
| Total current liabilities | 19,962,417 | 24,141,188 | 3,511,189 |

Non-current liabilities:

| | | | |
|---|-----------|-----------|---------|
| Long-term borrowings | 379,789 | 1,954,831 | 284,318 |
| Accrued income tax - non current | 6,041 | - | - |
| Long-term payables | 538,410 | 338,412 | 49,220 |
| Bond payables | 298,425 | 299,475 | 43,557 |
| Accrued warranty costs - non current | 571,718 | 573,641 | 83,433 |
| Convertible senior notes | 65 | - | - |
| Deferred tax liability | 70,122 | 25,893 | 3,766 |
| Guarantee liabilities to related parties - non current | 120,154 | 65,765 | 9,565 |
| Total non-current liabilities | 1,984,724 | 3,258,017 | 473,859 |

| | | | |
|-------------------|-------------------|-------------------|------------------|
| Total liabilities | 21,947,141 | 27,399,205 | 3,985,048 |
|-------------------|-------------------|-------------------|------------------|

SHAREHOLDERS' EQUITY

Ordinary shares (US\$0.00002 par value, 500,000,000 shares authorized, 126,733,266 and 156,864,737 shares issued and outstanding as of December 31, 2017 and December 31, 2018, respectively)

| | | | |
|--|-----------|-----------|---------|
| | 19 | 22 | 3 |
| Additional paid-in capital | 3,313,608 | 4,010,740 | 583,338 |
| Statutory reserves | 516,886 | 570,176 | 82,929 |
| Accumulated other comprehensive income | 23,296 | 70,301 | 10,225 |
| Treasury stock, at cost; 1,723,200 ordinary shares as of December 31, 2017 and December 31, 2018 | (13,876) | (13,876) | (2,018) |
| Accumulated retained earnings | 2,849,341 | 3,202,528 | 465,788 |

| | | | |
|---|------------------|------------------|------------------|
| Total JinkoSolar Holding Co., Ltd. shareholders' equity | 6,689,274 | 7,839,891 | 1,140,265 |
|---|------------------|------------------|------------------|

| | | | |
|---------------------------|------|---------|--------|
| Non-controlling interests | (10) | 614,087 | 89,315 |
|---------------------------|------|---------|--------|

| | | | |
|--|-------------------|-------------------|------------------|
| Total liabilities and shareholders' equity | 28,636,405 | 35,853,183 | 5,214,628 |
|--|-------------------|-------------------|------------------|

