JinkoSolar - Q1 2022 Transcript

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Call participants:

Stella Wang -- *Investor Relations*

Li Xiande -- *Chief Executive Officer, JinkoSolar Holding Company Limited*

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

Pan Li -- *Chief Financial Officer, JinkoSolar Holding Company Limited*

Alan Lau -- *Jefferies -- Analyst*

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

William Grippin -- *UBS -- Analyst*

Philip Shen -- *ROTH Capital Partners -- Analyst*

Brian Lee -- *Goldman Sachs -- Analyst*

Prepared Remarks:

Operator

Hello, ladies and gentlemen, and thank you for standing by for JinkoSolar Holding's first quarter 2022 conference call. At this time, all participants are in a listen-only mode. After management's prepared remarks, there will be a questions and answer session. As a reminder, today's conference call is being recorded.

I would like now to turn the meeting over to your host for today's call, Ms. Stella Wang, JinkoSolar's investor relations. Please proceed, Stella.

Stella Wang -- *Investor Relations*

Thank you, operator. Thank you, everyone, for joining us today for JinkoSolar's first quarter 2021 earnings conference call. The company's results were released earlier today and available on the company's IR website at www.jinkosolar.com, as well as on Newswire services. We have also provided a supplemental presentation for today's earnings call, which can also be found on the IR website.

On the call today from JinkoSolar are Mr. Li Xiande, chairman of the board of directors and chief executive officer of JinkoSolar Holding Company Limited; Mr. Gener Miao, chief marketing officer of JinkoSolar Company Limited; Mr. Pan Li, chief financial officer of JinkoSolar Holding Company Limited; and Mr.

Charlie Cao, chief financial officer of JinkoSolar Company Limited. Mr. Li will discuss JinkoSolar's business operations and the company highlights, followed by Mr. Miao, who will talk about the sales and marketing, and then Mr.

Pan Li, who will go through the financials. They will also -- they will all be available to answer your questions during Q&A session that follows. Please note that today's discussion will contain forward-looking statements made under the Safe Harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995.

Forward-looking statements involve inherent risks and uncertainties. As such, our future results may be materially different from the views expressed today. Further information regarding this and other risks is included in JinkoSolar's public filings with the Securities and Exchange Commission. JinkoSolar does not assume any obligation to update any forward-looking statements, except as required under the applicable law.

It is now my pleasure to introduce Mr. Li Xiande, chairman and CEO of JinkoSolar Holding. Mr. Li will speak in Mandarin, and I will translate his comments into English.

Please go ahead, Mr. Li.

Li Xiande -- *Chief Executive Officer, JinkoSolar Holding Company Limited*

[Foreign language]

Stella Wang -- *Investor Relations*

Leveraging our competitive advantages in supply chain management and our global network, we delivered solid results in the first quarter of 2022 with

total revenues of RMB 14.8 billion, an increase of 86% year over year and quarterly shipments up by 57% year over year to 8.4 gigawatt. Despite a very challenging environment due to macroeconomic uncertainties and supply chain disruptions from the resurgence of COVID-19 in many parts of the world, we continue to improve our in-house cost structure and our gross profit in the first quarter, increased by more than 60% year over year.

Li Xiande -- *Chief Executive Officer, JinkoSolar Holding Company Limited*

[Foreign language]

Stella Wang -- *Investor Relations*

Polysilicon prices and shipping costs remained high and volatile during the quarter. Since March, the surge in COVID -19 cases in China triggered academic prevention and containment policies. This have led material and finished product deliveries and increasing cost pressures for many enterprises. To mitigate the risks and production uncertainties caused by the pandemic, we took early actions to ensure ample stock supply of newer raw materials as well as closed cooperation and coordination of production, supply chain, and sales department in order to meet production and delivery time lines.

Li Xiande -- *Chief Executive Officer, JinkoSolar Holding Company Limited*

[Foreign language]

Stella Wang -- *Investor Relations*

In China, deliveries for some projects were to some extent delays due to the slight imbalance and logistic disruptions as a result of COVID-19 resurgence in certain parts of the countries. However, domestic demand has remained solid. Since the beginning of 2022, many Chinese provinces have issued time-of-use tariff policies, which have further stimulated demand for distributed generation, especially for systems designed for the industrial and commercial sectors. For utility projects, consistently high prices along the supply chain convinced some of the customers to not wait any longer to start new projects.

During the quarter, the number of biddings for large-scale projects grow gradually, and by the end of March, the bidding business for more than 60 gigawatts of such project had been completed. In Europe, the Russia-Ukraine war has largely boosted demand for solar energy and incremental demand is expected to be released within the year and will steadily increase over time. In addition, with the low-carbon nature and economies of scale of PV, the demand for distributed generation will rapidly increase in countries with a high proportion of gaswide power and thermal power in their energy mix. We remain confident and optimistic about the year's outlook with the total global installations expected to reach about 250 gigawatts.

Li Xiande -- *Chief Executive Officer, JinkoSolar Holding Company Limited*

[Foreign language]

Stella Wang -- *Investor Relations*

In short, we believe that the impact of the pandemic on production and operations is temporary and under control. The PV industry's resilience in the face of volatility and large locations has been increasing with the gradual recovery of logistics and the gradual release of polysilicon, we are confident about the gradual recovery of the industry and the growth in shipments and installations. We reiterate our guidance on total shipments, which remains unchanged for the full year of 2022.

Li Xiande -- *Chief Executive Officer, JinkoSolar Holding Company Limited*

[Foreign language]

Stella Wang -- *Investor Relations*

Let's move on to our N-type R&D and commercialize mass production sectors of our business. We continue to lead the industry in both areas of technical development and mass production volumes. Currently, over 16 gigawatts of N-type TOPCon cell capacity in Hefei and the hedging that ramping up smoothly with mass produced cell conversion efficiency exceeding 24.6%. We are consistently investing in technology for new cell structure upgrades and new metallization methods to increase efficiency and reduce costs.

Recently, we set a new world record for our N-type TOPCon cell with maximum conversion efficiency, reaching 25.7%. At the same time, we are also performing iterations on the N-type cell technology platform to optimize and apply the latest technologies for mass production and achieve technical leadership among other peers.

Li Xiande -- *Chief Executive Officer, JinkoSolar Holding Company Limited*

[Foreign language]

Stella Wang -- *Investor Relations*

As the prominence and benefits of the N-type module growth, we have been seeing wider acceptance and increasing demand from global customers for other N-type products. We are confident about ramping up to full capacity and increase the sales for the Tiger Neo modules, giving us the advantage of growing our classic shares and increase in profit. In addition, we are optimistic on China's demand and are expanding our resources and local deployment to grow in the domestic market for our DG business in China. At present, all our efforts on building different channels are already seeing results.

In future, we will further coordinate our market strategy, pricing systems, and brand development. We believe this will give us technical advantages in the distributed generation sector and bring low-carbon, reliable, and highly economical products and solutions to our customers.

Li Xiande -- *Chief Executive Officer, JinkoSolar Holding Company Limited*

[Foreign Language]

Stella Wang -- *Investor Relations*

We have successfully ramped up the 16 gigawatts of N-type cell's production capacity. Taking into account our advantages in N-type cells and strong market demand, we plan to invest in the second phase of N-type cells with a total production capacity of approximately 16 gigawatts. The increase in N-type cell production capacity will further optimize our production infrastructure and to reduce integration costs. As a result, we are increasing our full year guidance.

At this time, we are expecting the annual -- we are expecting the annual production capacity of mono wafer, solar cells, and modules to reach 55 gigawatts -- 55 gigawatts and 60 gigawatts, respectively, by the end of 2022.

Li Xiande -- *Chief Executive Officer, JinkoSolar Holding Company Limited*

[Foreign Language]

Stella Wang -- *Investor Relations*

Before turning over to Gener, I would like to go over our guidance for the second quarter of 2022. We expect the total shipments to be in the range of 8.5 to 9.5 gigawatts for the second quarter of 2022.

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

Thank you, Ms. Li. Module shipments in the fourth quarter were approximately eight gigawatt and less than 400 megawatt of wafers and cells are sold in China additionally. By the first quarter, our accumulated global module shipment has surpassed 100 gigawatts, and thus, becoming the first company in the industry to achieve this historic milestone.

Regarding regional landscape, Europe, Asia Pacific, and emerging markets were the regions with the most of shipments. In terms of absolute numbers, our shipments to Europe increased by more than 30% quarter over quarter, and our shipments in China nearly tripled year over year. In Europe, the Russia Ukraine war boosted solar demand, and it is expected to grow steadily in the future. The high demand of distributed generation combined with successful for large-scale projects continue to demonstrate strong growth momentum in the Chinese market.

Although deliveries for some domestic projects, has been delayed due to logistic restrictions caused by the resurgence of COVID-19 and the supply chain disruptions, we are still bullish on China's market demand and are moving forward with our tends to enhance deployment in China. As a responsible global enterprise, we advocate the freedom of trade. We believe our competitive products and professional services are key to envision the wide adoption of clean and green energy on a global scale. In the U.S., policies have temporarily disrupted the market and the short-term supply becomes difficult, but we remain bullish about the market potential in the long-term.

Therefore, we have been proactively deploying and working with all parties to come up with a feasible solution. The wafer cell module capacity of our integrated production facilities overseas have been ramping up very smoothly. With profound and comprehensive overseas supply chain, we are confident in our ability to flexibly respond to the changes in the U.S. market.

In terms of contracts, we have high visibility for the full year's order book. Global customers are increasingly interested in our target new products. We are confident about ramping our production to full capacity and sell out the hybrid new series. We hope entire product will contribute more than 20% of our total shipments.

In the face of market and price fluctuations, demand for distributed generation remains strong. We have proactively expanded our global market share in DG, for example, in Europe, APAC, and emerging markets. The proportion of distributed generation in our shipment is expected to be in the range of 35% to 40% this year. And we expect that the proportion will steadily grow quarter over quarter.

In terms of product mix, the proportion of our Tiger Pro 182-millimeter large-sized products has already exceeded 80% in the fourth quarter and is expected to exceed 90% in the whole year. Recently, we launched a new series of the PV products, covering three major application scenarios, including wafer, industrial and commercial rooftops, and residential rooftop. With high efficiency and cloud technology adopted those new and innovative products will provide customers with high quality and a green building solution. To conclude, we remain optimistic about the global PV demand in 2022, confident by dedicated future global marketing network as well as vertical integrated overseas supply chain advantage, we are confident about delivering the most competitive products and services to customers and further improve our market share.

With that, I will turn it over to Pan.

Pan Li -- *Chief Financial Officer, JinkoSolar Holding Company Limited*

Thank you, Gener. For the first quarter of 2022, total revenues increased significantly year over year as a result of strong shipment growth and competitive module prices to mitigate the impact of higher ore material prices, we strengthened our supply chain management. Nevertheless, gross margin decreased both sequentially and year over year as we ramp up capacity of more cost-effective anti-modules and increased sales of premium anti-products, we expected a strong recovery and improvement in profitability for the coming quarters. Let me go into more details.

Total revenue was 2.33 billion, a significant increase of about 86 percentage year over year. Gross margin was 15.1%, compared with 16.1% in the fourth quarter last year and 17.1% in the first quarter last year. Total operating expenses were 344.8 million, basically flat sequentially by a significant increase year over year. Logistic constraints in many parts of the world drove up shipping costs, increasing sales expenses.

To mitigate this, reflectively adjust the shipping arrangements domestically and overseas as to market conditions and we're able to benefit from several strategic agreements with major shipping companies. We also flexibly adjusted to other means of transport in order to reduce the impact of shipping costs on profitability. Total operating expenses accounted for 14.8 percentage of total revenues in the first quarter this year, up from 13% in the fourth quarter and down from 15 percentage in the first quarter of last year. We will continue to control operating expenses.

And as revenues continue to grow as we scale up, we expect that the operating expense ratio will gradually decrease. EBITDA was 126 million, compared with 183 million in the fourth quarter last year. Net income attributable to JinkoSolar Holding ordinary shareholders was 4.6 million, resulting in diluted earnings per ADS of one time. The change in fair value of convertible senior loans due to an increase in the company's stock price in the fourth quarter this year led to a loss of 16.6 million.

Our foreign exchange hedging mechanism has proven to be effective. In the first quarter of 2022, we realized a net foreign exchange gain, including change in fair value of foreign exchange derivatives of approximately 12 million, compared with a net loss of 165 million in the fourth quarter last year. We will continue our strategies to hedge against foreign exchange risk. Moving to the balance sheet.

At the end of the first quarter, the company had cash and cash equivalents of 2.66 billion, up from 1.4 billion at the end of fourth quarter and 1 billion at the end of first quarter last year. Our cash position has significantly improved, and we will continue to strengthen our liquidity. AR turnover days were 66 days in the first quarter, compared with 52 days in the first quarter last year. Inventory turnover days 170 days in the first quarter this year, compared with 88 days in the fourth quarter last year.

Total debt was 4.33 billion at the end of the first quarter of 2022, compared with about 4 billion at the end of fourth quarter last year. Net debt was 1.6 billion, compared with 2.56 billion at the end of fourth quarter last year. After the listing of the Jiangxi Jinko earlier this year, our finance structure is expected to improve with access to competitive financing. This concludes our prepared remarks.

We are now happy to take your questions. Operator, please proceed.

Questions & Answers:

Operator

Thank you. [Operator instructions]. We have a first question from Philip Shen from ROTH Capital. Please go ahead.

Mr. Philip Shen, please your line is open. You may ask your questions. The person from ROTH Capital, please your line is open, you may ask your questions.

Apologies, ladies and gentlemen, for this. [Operator instructions]. We have a question from Alan Lau from Jefferies. Please go ahead.

Alan Lau -- *Jefferies -- Analyst*

Thank you, operator. Thanks a lot management for taking my questions. I have a couple of questions. So we have -- we know that for the Asia subsidiary of the company, they had issued a preliminary first quarter results, which indicates a net profit of around RMB 400 million.

This number has -- is quite different from the net profit at the U.S. level. So, we also know that the company has not -- has no longer issued non-GAAP income, which have excluded the changes in fair value of these compares. So, I would like to know how to compare the profit level, what's the difference between the profit levels in these two entities? And what is the more fair estimates of the -- like core profits of the U.S.

level?

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

This is Charlie speaking. And there is -- in terms of net income translations, basically, the JinkoSolar Holding its holding companies and report under the U.S. GAAP under the subsidiaries, the shares is reported on the currency GAAP. And one of the most significant difference is the holding company is only have let's say, 58%, right, of the share of the companies.

On top of that, the holding companies had convertible bonds, which had, I think, a loss of -- because of fair value triggering from the ADS shares is up during the first quarter. And on top of that, there's -- I think there is some GAAP differences and except for that, there are also some, let's say, the holding companies have some international projects. So I think in fact to your questions, the big difference is because of the holding the difference of the 58% of the underlying each year. On top of that, convertible bonds is a big change because of the increase of the share price.

And there are some small differences because of the GAAP reporting differences as well as international party assets.

Alan Lau -- *Jefferies -- Analyst*

Understood. Thank you. And my second question is about the investment in polysilicon with [Inaudible]. So I would like to know, would there be a material contribution in profit super spec that in other companies.

So I wonder if that raw materialize later in later quarters of this year, what is the magnitude of that amount?

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

OK. So no -- it's -- so the answer is no. We don't expect any income or investment income in the future because we did have arrangements with TBA. We invested 9% of equities for the polysilicon plant and which has the capacity, I think, 10,000 tons, and we hold 9% of equity and invested around, I think, RMB 300 million.

But from the accounting perspective, because we don't -- we only have 9%, it's a very small minority, and we recorded under the cost method. And if we hold, its over 20%, we can pick up the net income from the accounting perspective. And we -- on top of that, we also have arrangement with the [Inaudible] polysilicon and we have -- we plan to have 18%. So it's the same situation, and we -- from an accounting perspective, we are not record any investment income unless the underlying -- the subsidiaries declared dividends.

Alan Lau -- *Jefferies -- Analyst*

Understood. Thanks a lot. So it's basically because of costing method. OK.

So my last question is about the increased capacity guidance. So I would like to know how much of shipment has been materialized in the first quarter for the N-type TOPCon and -- or how much of orders had been secured for like a second quarter for the N-type products? Because I suppose the

amount is huge that the company is confident that span have actually 16 gigawatt, isn't it?

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

Sure. Sure. For any time, the new capacity is 16 gigawatts, the large-sized N-type TOPCon capacities is under ramping up states. The output is very small and we were small in the first quarter and are expected to reach to full capacity by the end of the second quarter.

So the first quarter, we didn't have the shipments from the new capacity – and from the order perspective, it's very attractive from the customer perspective, we are confident we are able to ship over 10 gigawatts segments and for the full year. And I think first -- second quarter may take a 10%, 15%. And the second half year is taking up around 85%, 90%.

Alan Lau -- *Jefferies -- Analyst*

Thanks a lot. Thanks a lot for Charlie and I'll leave the floor to other. Thanks. Once again, thank you.

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

Thank you.

Operator

Thank you. [Operator instructions]. We have a following question from William Grippin from UBS. Please go ahead.

William Grippin -- *UBS -- Analyst*

Thanks and good morning. Just curious if you could help us understand any initial impact you're seeing from the ongoing antidumping countervailing tariff investigation in the U.S. and how that's impacted your plan and potential future shipments as of now?

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

So, Gener, would you like to take the question?

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

OK. Sure. Let me take that one. For the anti-circ investigation, yes, it is impacting the whole industry a lot, right? So because the potential risk of retroactive tariffs even the potential -- the higher end of the range of possible tariffs might put a lot of uncertainty for the manufacturer side.

That's why many factories and peers choose to take a stop and wait to see the consequence or the announcement from the U.S. government side. And for Jinko, I think we have established a vertical integrated supply from a wafer on to sell and the module together with the long-term contracts we have secured with many -- quite several key non-China poly silicon suppliers. So combine all those factors together, I think we are – we can or we are capable to offer one of the sane of the most comfortable and reliable solutions from the solar panel manufacturing side.

That's why we have seen many positive feedback about the customers from US about their strong interest to secure the supply from Jinko side. But meanwhile, we are still cautiously manage the manufacturing process to make sure that the company's risk within the tolerances we can afford.

William Grippin -- *UBS -- Analyst*

Thanks. And just a follow-up on that. I mean, could you speak to kind of how your contracts with your customers are structured in terms of -- it should there be a retroactive tariff who is actually responsible for that? Does it vary based on your contracts? And just help us understand kind of how that works? Thank you.

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

I don't think we are capable to disclose the details of the contract. But from the company's perspective, definitely, we can -- we cannot afford the huge potential risk of [Inaudible]. That's why we are reaching different solutions with different customers. Some of the customers choose to ship the modules themselves.

Some of the customers choose to take the risk. Some of the customers may choose to delay the projects. Some customers may take a stop for a while until the announcement happens, so different customer has different appetite and different solutions.

William Grippin -- *UBS -- Analyst*

Got it, very helpful. Thanks. Appreciate the help.

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

Thank you very much.

Operator

Thank you. [Operator instructions]. We have a next question from Philip Shen from ROTH Capital. Please go ahead.

Philip Shen -- *ROTH Capital Partners -- Analyst*

Hi, guys. Thanks for taking my question. Sorry about the mix up earlier. I was navigating two earnings calls.

In terms of the anti-circumvention case, I think you guys had before the anti-circ came up a clear solution to address the U.S. market that would avoid the WRO situation. And so, can you talk to us about how much you're expecting to ship into the U.S. before anti-circumvention hit in 2022? And then now how much do you expect the shipments into the U.S.

could be. So maybe before you're in the three to four gigawatts and maybe now you're maybe sub-500 or something? Is that directionally accurate? Just trying to get a sense for the magnitude of the change. And then if -- given that difference in the chain or that delta, because you didn't change your annual guidance, where do you expect those modules to be going if it's not the U.S.? Is Europe taking up the slack? Thanks.

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

Thank you, Phil. For that, I think Jinko is one of the earlier victim of the WRO. We got disrupted, I think by second half of last year. So that's why we have prepared several solutions to make sure we can find our ultimate supply solutions to the U.S.

market. That's why currently, our wafer capacity in Vietnam is ramping up smoothly. And we believe we could be very -- we could offer a very unique solution to the U.S. market.

And to quantify that or quantify for the volume is still difficult to tell because the logistics is not very predictable as a current status, especially considering the customer clearance timing is totally out of our control as well. So I -- sorry to say, but we don't have a very detailed number to disclose that before the anti-circ case investigation started. But in general, our current capacity ramping up plan is still on schedule as smooth, and we are expecting to supply U.S. market with our unique solution very soon.

And the second question for the guidance. We still are bullish about the global demand this year, especially for U.S. -- after the U.S got hit by is anti-servicing. We have seen this European demand is booming rapidly and strongly.

And together with the China demand picking up, we believe that's quite a lot in terms of demand. So I think that will be good enough to cover the loss we had in U.S. market earlier this year.

Philip Shen -- *ROTH Capital Partners -- Analyst*

OK. Thank you for the color.

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

Hope I answered your question.

Philip Shen -- *ROTH Capital Partners -- Analyst*

Yes. Thank you. Shifting gears to Q2, you gave some guidance there. I was wondering if you could talk through the margin outlook.

Do you expect with the pricing power of module pricing going higher? And just pricing through the whole supply chain going higher, is there any chance that you could expand margins in Q2? Or is there a risk that it can contract? Or do you expect it to be flat in Q2? Thanks.

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

So, Pan, would you like to take the question?

Pan Li -- *Chief Financial Officer, JinkoSolar Holding Company Limited*

This is Pan. For Q2, we expect that the gross profit margin would be stable.

Philip Shen -- *ROTH Capital Partners -- Analyst*

OK. Stable versus Q1, Pan?

Pan Li -- *Chief Financial Officer, JinkoSolar Holding Company Limited*

Yes. Versus Q1 this year, yes.

Philip Shen -- *ROTH Capital Partners -- Analyst*

Great. OK. Thanks. And then in terms of the dividend that you guys talked about, the dividend to shareholders for the ADR, since you guys received it from the subsidiary, do you expect to pay out to do a buyback? Or do you -- is there a chance that you just keep it? Or what's the -- can you talk through the plans a little bit more? Sorry, if somebody addressed this earlier, again, I was navigating two calls earlier.

Thanks.

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

OK. For the dividend, it's not a big number. It's a -- it's a small number, and we are expecting to receive the dividend after paying the tax. I think in late May and we didn't -- we haven't taken the position how we are used to dividends.

And we may discuss with the board and to make the decision later.

Philip Shen -- *ROTH Capital Partners -- Analyst*

OK. Thanks, Charlie. Can you talk through the options? Would you consider a buyback? Or is the -- what's on the table? Thanks.

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

Yes, it's -- it could be the holding companies, we don't have any significant operating assets, except for the equities for the eight years. And so we may consider to take some investment opportunities, particularly for the solar -- for the companies we supply our impairments or the materials and which we can do the -- through the minority investment to build some ecosystem for the solar. This is one of the option. And the second opportunity maybe pay dividend as well for the U.S.

investors. And I think just about it's small numbers. And so we didn't have a decision yet.

Philip Shen -- *ROTH Capital Partners -- Analyst*

Got it. OK. Thanks, Charlie. And then in terms of module pricing, can you talk about, Gener, how do you expect that to trend in Q2, 3 and 4? Is the idea that should we be forecasting or thinking about module pricing increasing as we get through the year? And do you think that continues into 2023? Or do you think it comes back down in 2023?

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

Thank you for the question. So in our opinion, the module price is stabilizing. It's stabilizing in the range around the current market price. Maybe up and down half on this, but it's more or less a stabilized range and which is broadly accepted by more and more customers and end customers day by day.

The reason is we have seen a very robust polysilicon prices from last year to this year. And also, we -- meanwhile, we are taking -- we have seen the demand is picking up significantly, even if there are some turbulent in U.S. market, but considering other markets, for example, China, Europe, etc., the market demand is still there and it's strong as well. So considering both in many projects, many customers started to adjust their plan and they don't wish to wait for the -- they don't wish for the price sharply going down overnight.

They started to build up their business plan based on the current module pricing or the solar system cost, which will be -- will make the whole ecosystem of solar industry more sustainable, in my opinion. Meanwhile, Jinko's N-type product itself will provide added value to the customers who has a very limited budget or have a very high IRR target. So I think that give us a perfect window to promote the taken products. And that's partially that's the reason why we are continuing to expand our entire capacity.

Philip Shen -- *ROTH Capital Partners -- Analyst*

That's it. Thanks for the color. One last one. I appreciate all taking our question.

And that's on just a housekeeping question. Can you share what the Q1 cash flow from operations was? Thanks.

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

The number [Inaudible] back to you after the call. I think it's a positive. I can't remember the exact numbers.

Philip Shen -- *ROTH Capital Partners -- Analyst*

OK. Great. Thank you very much, Charlie and Gener, I'll pass it on.

Gener Miao -- *Chief Marketing Officer, JinkoSolar Holding Company Limited*

Thank you.

Operator

Thank you. We have a last question from Brian Lee. If you would please unmute your line, go ahead with your questions.

Brian Lee -- *Goldman Sachs -- Analyst*

Hi, guys. Good evening. Thanks for taking the questions. Sorry, I jumped on late, so I apologize if some of this has already been covered.

But I guess one question on the AD CVD circumvention investigation as it relates to your operations or your shipments into the U.S., have you considered or are your customers asking you about taking products, panel products from your Mainland China operations as opposed to buying from your sites in Southeast Asia? I guess is that an option that either you are exploring or your customers are asking you about just so they can avoid some of the uncertainty that exists around the Southeast Asian countries right now?

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

Thank you for the question. I think we covered that a little bit in the previous answers, but let me briefly repeat it again. So, for the customer end, I think we have -- we are experiencing many different customers' appetite about the risks about these solutions. So, I think we -- from a Jinko's perspective, we are not ruling out any solutions from a customer end, but our bottom line is very clear.

We are only capable to accept the risk -- very limited risk from company's position, right? So anything beyond our tolerance, risk tolerance, we have to find our solutions. Otherwise, we prefer to stay quiet for a while like others to wait and to more clarity on the tariff side. So that's the direction we are going. And we are experiencing many different solutions again or some of them taking the goods themselves.

Some of them put it in a warehouse somewhere, some of them saying they want to delay, some of them saying, just taking the product to the other markets or many different solutions. So, every customer is different from one to another.

Brian Lee -- *Goldman Sachs -- Analyst*

Yes. No, I can appreciate that. And I understand the situation is quite fluid and sensitive. Maybe just technically speaking, if a customer were to purchase panels from you that were shipped in from Mainland China, could you remind us, because I know these rates have changed over the years.

What is your company-specific antidumping and countervailing duty tariff assessed on the Chinese made products right now?

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

It's -- yes. It's just like what you said, different companies have different server rates. And -- but some of the rate is still ongoing. And for example, we are expecting that the [Inaudible].

The final rate is going to come out. But based on the preliminary rate for Jinko, the ACV is roughly, I think, 50%. On top of that, we need to pay in 201 and 14%, 15% and the 301, I think 25%. So, it's totally, I think 90% to 100%.

Brian Lee -- *Goldman Sachs -- Analyst*

OK. That's quite significant and helpful. Thank you, Charlie. And then last question for me.

I'm sure you covered it, so apologies again, but the capacity increases here, I would assume it means there is a capex increase as well. What's the new capex budget you're outlining for 2022?

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

Yes. So, Pan, would you like to take the capex?

Pan Li -- *Chief Financial Officer, JinkoSolar Holding Company Limited*

OK. This is Pan. And as you mean the capex for this quarter?

Brian Lee -- *Goldman Sachs -- Analyst*

Just the capex forecast for the full year?

Pan Li -- *Chief Financial Officer, JinkoSolar Holding Company Limited*

OK. And for the full year of this year, the expected capex would be $3 billion.

Brian Lee -- *Goldman Sachs -- Analyst*

3 billion. $3 billion?

Pan Li -- *Chief Financial Officer, JinkoSolar Holding Company Limited*

Yes, exactly. Yes.

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

It's right, because I think we got 1.5 billion through the China IPO, and we're expecting to generate positive cash flows as well as we also increased some project loans from financial institutions.

Brian Lee -- *Goldman Sachs -- Analyst*

OK. Fair enough.

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

To build up the capacities for the next generating technology and tie top comp capacities

Brian Lee -- *Goldman Sachs -- Analyst*

OK. But it's still unclear. I think in March, you had said $1.8 billion to $1.9 billion. So now that's going to $3 billion, correct?

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

Yes, yes, because we increased the capacity outlook by the end of this year and up to, I think, up to 55, 55, 60 gigawatts for wafers margin.

Brian Lee -- *Goldman Sachs -- Analyst*

OK. I guess this doesn't seem like -- this is the last question, I promise, and I'll let you go. It doesn't seem like your -- this capacity increase isn't impacting your shipment guidance, which you reiterated. So this is all mainly going to be end of the year and then flow into 2023.

Any kind of early sense of what the growth you could anticipate in shipments for next year would be because it's a lot of capex, and you're not getting any benefit of it in your P&L this year. It will be next year. So what's sort of the general sense of growth we should expect?

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

You're right, the price for some more capacity, the new capacity starting of construction from second quarter is for the preparations next year. So if you look at the capacity, 55, 55, 60, I think it's our range at least 55 to 60 gigawatts. And we are -- overall, I think we are optimistic for the next year. And this year, the polysilicon still at a high price and the volume, poly volume is still relatively negative.

And we believe next year with the bottleneck -- without the bottleneck of the polysilicon, where we think the market will accelerate again.

Brian Lee -- *Goldman Sachs -- Analyst*

OK. Fair enough. Makes sense. Thank you.

Appreciate it.

Charlie Cao -- *Chief Financial Officer, JinkoSolar Company Limited*

Thank you.

Operator

[Operator signoff]