

JinkoSolar Holding Co., Ltd.
Form 20-F
April 24, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE
SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2017.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

OR

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

☐

Date of event requiring this shell company report

For the transition period from to

Commission file number: 001-34615

JinkoSolar Holding Co., Ltd.
(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

Cayman Islands
(Jurisdiction of incorporation or organization)

1 Jingke Road
Shangrao Economic Development Zone
Jiangxi Province, 334100
People's Republic of China
(86-793) 846-9699
(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing four ordinary shares, par value US\$0.00002 per share	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report.

132,146,074 ordinary shares, excluding 4,524,544 ADSs representing 18,098,176 ordinary shares reserved for future grants under our share incentive plans and follow-on offering, and 1,723,200 ordinary shares as treasury stock, as of December 31, 2017.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U S GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act ☐

[†] The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP <input checked="" type="checkbox"/>	International Financial Reporting Standards as issued by the International Accounting Standards Board <input type="checkbox"/>	Other “ <input type="checkbox"/>
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If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

Table of Contents

	Page
Part I	<u>5</u>
Item 1. <u>IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	<u>5</u>
Item 2. <u>OFFER STATISTICS AND EXPECTED TIMETABLE</u>	<u>5</u>
Item 3. <u>KEY INFORMATION</u>	<u>5</u>
Item 4. <u>INFORMATION ON THE COMPANY</u>	<u>48</u>
Item 4A. <u>UNRESOLVED STAFF COMMENTS</u>	<u>71</u>
Item 5. <u>OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	<u>72</u>
Item 6. <u>DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	<u>103</u>
Item 7. <u>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	<u>112</u>
Item 8. <u>FINANCIAL INFORMATION</u>	<u>115</u>
Item 9. <u>THE OFFER AND LISTING</u>	<u>119</u>
Item 10. <u>ADDITIONAL INFORMATION</u>	<u>120</u>
Item 11. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>126</u>
Item 12. <u>DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	<u>128</u>
Part II	<u>130</u>
Item 13. <u>DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	<u>130</u>
Item 14. <u>MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	<u>130</u>
Item 15. <u>CONTROLS AND PROCEDURES</u>	<u>130</u>
Item 16. <u>AUDIT COMMITTEE FINANCIAL EXPERT</u>	<u>131</u>
Item 16A. <u>CODE OF ETHICS</u>	<u>131</u>
Item 16B. <u>PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	<u>131</u>
Item 16C. <u>EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES</u>	<u>132</u>
Item 16D. <u>PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS</u>	<u>132</u>
Item 16E. <u>CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT</u>	<u>132</u>
Item 16F. <u>CORPORATE GOVERNANCE</u>	<u>132</u>
Item 16G. <u>MINE SAFETY DISCLOSURE</u>	<u>133</u>
Part III	<u>133</u>
Item 17. <u>FINANCIAL STATEMENTS</u>	<u>133</u>
Item 18. <u>FINANCIAL STATEMENTS</u>	<u>133</u>
Item 19. <u>EXHIBITS</u>	<u>134</u>

CONVENTIONS THAT APPLY TO THIS ANNUAL REPORT

Unless otherwise indicated and except where the context otherwise requires, references in this annual report on Form 20-F to:

“we,” “us,” “our company,” “our” or “JinkoSolar” refer to JinkoSolar Holding Co., Ltd., a Cayman Islands holding company, current and former subsidiaries for the relevant periods;

“2009 Long Term Incentive Plan” refers to the 2009 Long Term Incentive Plan adopted on July 10, 2009, which was subsequently amended and restated;

“2014 Equity Incentive Plan” refers to the 2014 Equity Incentive Plan adopted on August 18, 2014;

“2015”, “2016” and “2017” refers to our fiscal years ended December 31, 2015, 2016 and 2017, respectively;

“ADSs” refers to our American depositary shares, and “ADRs” refers to the American depositary receipts evidencing our ADSs;

“CE” refers to CE certification, a verification of electromagnetic compatibility (EMC) compliance issued by SGS Taiwan Ltd. certifying compliance with the principal protection requirement of directive 2004/108/EC of the European Union and EN61000-6-3:2001+A11:2004 and EN61000-6-1:2001 standards;

“CQC” refers to the certificate issued by China Quality Certification Centre certifying that our solar modules comply with IEC61215:2005 and IEC61730-2:2004 standards;

“DG projects” refers to distributed generation solar power projects, including ground-mounted distributed generation projects and rooftop distributed generation projects;

“EPC” refers to engineering, procurement and construction;

“Euro,” “EUR” or “€” refers to the legal currency of the European Union;

“FIT” refers to feed-in tariff(s), the government guaranteed and subsidized electricity sale price at which solar power projects can sell to the national power grids. FIT in China is set by the central government consisting of the applicable national government subsidies paid from the Renewable Energy Development Fund, as well as the desulphurized coal benchmark electricity price paid by State Grid;

“ground-mounted projects” refers to solar power projects built on the ground, consisting of ground-mounted DG projects and utility-scale projects;

“ground-mounted DG projects” refers to small-scale ground-mounted projects with capacity less than or equal to 20 MW and 35 kV or lower grid connection voltage grade (except in the northeastern regions, where connection voltage must be 66 kV or lower) and with a substantial portion of the electricity generated to be consumed within the substation area of the grid connection points;

“JET” refers to the certificate issued by Japan Electrical Safety & Environment Technology Laboratories certifying that our modules comply with IEC61215:2005, IEC61730-1:2004 and IEC61730-2:2004 standards;

“Jiangxi Desun” refers to Jiangxi Desun Energy Co., Ltd., an entity in which our founders and substantial shareholders, Xiande Li, Kangping Chen and Xianhua Li, each holds more than 10%, and collectively hold 73%, of the equity interest;

“Jiangxi Jinko” refers to Jinko Solar Co., Ltd., our wholly-owned operating subsidiary incorporated in the PRC;

“Jiangxi Jinko Engineering” refers to Jiangxi JinkoSolar Engineering Co., Ltd., previously one of our indirect subsidiaries, and its subsidiaries;

“Jiangxi Materials” refers to Jiangxi Photovoltaic Materials Co., Ltd., our wholly-owned operating subsidiary incorporated in the PRC by Jiangxi Jinko on December 1, 2010;

“JinkoSolar Power” refers to JinkoSolar Power Engineering Group Limited;

“JIS Q 8901” refers to the certificate for the Japanese market from TÜV that demonstrates that a company’s management system ensures the highest standards of reliability in their products;

“JPY” refers to Japanese Yen;

“kV” refers to kilovolts;

“long-term supply contracts” refers to our polysilicon supply contracts with terms of one year or above

“kWh” refers to kilowatt hour(s);

“local grid companies” refers to the subsidiaries of the State Grid in China;

“MCS” refers to MCS certificate of factory production control issued by British Approvals Board for Telecommunications certifying that the production management system of our certain types of solar panels complies with MCS005 Issue 2.3 and MCS010 Issue 1.5 standards;

“NEA” refers to the National Energy Administration in China;

“NYSE” or “New York Stock Exchange” refers to the New York Stock Exchange Inc.;

“OEM” refers to an original equipment manufacturer who manufactures products or components that are purchased by another company and retailed under that purchasing company’s brand name;

“PRC” or “China” refers to the People’s Republic of China, excluding, for purposes of this annual report, Taiwan, Hong Kong and Macau;

“PV” refers to photovoltaic;

“RMB” or “Renminbi” refers to the legal currency of China;

“shares” or “ordinary shares” refers to our ordinary shares, par value US\$0.00002 per share;

“State Grid” refers to State Grid Corporation of China and the local grid companies;

“TÜV” refers to TÜV certificates, issued by TÜV Rheinland Product Safety GmbH certifying that certain types of our solar modules comply with IEC 61215:2005, EN 61215:2005, IEC 61730-1:2004, IEC 61730-2:2004, EN 61730-1:2007 and EN 61730-2:2007 standards;

“UL” refers to the certificate issued by Underwriters Laboratories Inc., to certify that certain types of our solar modules comply with its selected applicable standards;

“US\$,” “dollars” or “U.S. dollars” refers to the legal currency of the United States;

“utility-scale projects” refers to ground-mounted projects that are not ground-mounted DG projects;

“watt” or “W” refers to the measurement of electrical power, where “kilowatt” or “kW” means one thousand watts, “megawatt” or “MW” means one million watts and “gigawatt” or “GW” means one billion watts; and

“Zhejiang Jinko” refers to Zhejiang Jinko Solar Co., Ltd., formerly Zhejiang Sun Valley Energy Application Technology Co., Ltd., a solar cell supplier incorporated in the PRC which has been our wholly-owned subsidiary since June 30, 2009.

Names of certain companies provided in this annual report are translated or transliterated from their original Chinese legal names.

Discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

This annual report on Form 20-F includes our audited consolidated financial statements for 2015, 2016 and 2017 and as of December 31, 2016 and 2017.

Part I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable.

Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

Item 3. KEY INFORMATION

A. Selected Financial Data

Our Selected Consolidated Financial Data

The following table presents the selected consolidated financial information of our company. The selected consolidated statements of comprehensive income/(loss) from continuing operations data for the years ended December 31, 2015, 2016 and 2017 and the selected consolidated balance sheets data as of December 31, 2016 and 2017 have been derived from our audited consolidated financial statements, which are included in this annual report beginning on page F-1. The selected consolidated statements of comprehensive income/(loss) from continuing operations data for the year ended December 31, 2014, and the selected consolidated balance sheets data as of December 31, 2015 are derived from our audited financial statements not included in this annual report, after giving effect to the reclassification of deferred tax assets and deferred tax liabilities on adoption of ASU 2015-17, “Income Tax(Topic 740): Balance sheet Classification of Deferred Taxes. The selected consolidated statements of comprehensive income/(loss) from continuing operations data for the year ended December 31, 2013 and the selected consolidated balance sheets data as of December 31, 2013 and 2014 are derived from our unaudited financial statements and reflect the impact of retrospective adjustments for our disposition of Jiangxi Jinko Engineering, which has been classified as discontinued operations and balance sheet reclassification of deferred tax assets and deferred tax liabilities on adoption of ASU 2015-17, “Income Tax (Topic 740): Balance Sheet Classification of Deferred Taxes.” The selected consolidated financial data should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements and related notes and “Item 5. Operating and Financial Review and Prospects” included elsewhere in this annual report. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. The historical results are not necessarily indicative of results to be expected in any future periods.

	2013 (RMB) (in thousands, except share, per share and per ADS data)	2014 (RMB)	2015 (RMB)	2016 (RMB)	2017 (RMB)	(US\$)
Consolidated Statements of Operations Data: Continuing operations:						
Revenues	6,465,937.9	9,740,876.5	15,454,374.4	21,400,638.1	26,472,943.5	4,068,816.9
Cost of revenues	(5,095,392.3)	(7,643,687.8)	(12,522,913.8)	(17,531,299.2)	(23,481,375.1)	(3,609,021.3)
Gross profit	1,370,545.6	2,097,188.7	2,931,460.6	3,869,338.9	2,991,568.4	459,795.6
Total operating expenses	(761,124.7)	(1,253,134.6)	(1,809,655.4)	(2,520,235.7)	(2,666,306.2)	(409,803.8)
Income from operations	609,420.9	844,054.1	1,121,805.2	1,349,103.2	325,262.2	49,991.9
Interest expenses, net	(205,213.0)	(226,342.6)	(311,018.6)	(359,296.3)	(245,529.6)	(37,737.2)
Convertible senior notes issuance costs	-	(26,052.9)	-	-	-	-
Subsidy income	7,583.1	48,829.6	101,873.6	168,646.6	147,916.8	22,734.4
Exchange (loss)/ gain	(39,585.2)	(139,566.6)	(86,517.7)	208,811.4	(114,344.6)	(17,574.4)
Other income/(expense), net	6,871.7	(1,558.6)	1,036.3	8,768.4	59,646.9	9,167.6
Investment income	-	-	-	4,902.5	-	-
Gain on disposal of subsidiaries	-	-	-	5,017.9	257.1	39.5
Change in fair value of forward contracts	48,390.4	(714.7)	56,931.9	(52,561.8)	(8,211.4)	(1,262.1)

	2013 (RMB) (in thousands, except share, per share and per ADS data)	2014 (RMB)	2015 (RMB)	2016 (RMB)	2017 (RMB)	(US\$)
Change in fair value of call spread options	-	-	(370.4)	-	-	-
Change in fair value of derivative liability	-	-	(2,096.0)	24,573.3	(16,122.3)	(2,478.0)
Change in fair value of convertible senior notes and capped call options	(212,906.6)	64,101.7	(14,571.2)	(110,242.6)	-	-
Income from continuing operations before income taxes	214,561.3	562,750.0	867,073.1	1,247,722.6	148,875.0	22,881.7
Income tax (expense)/benefit	(18,532.4)	135,392.9	(100,533.8)	(257,487.0)	(4,628.0)	(711.3)
Equity in loss of affiliated companies	-	-	-	-	(2,055.7)	(316.0)
Income from continuing operations, net of tax	196,028.9	698,142.9	766,539.3	990,235.6	142,919.4	21,854.4
Discontinued operations						
Gain on disposal of discontinued operations before income taxes	-	-	-	1,007,884.1	-	-
Income/(loss) from discontinued operations before income taxes	(6,537.0)	29,112.9	105,089.6	48,146.2	-	-
Income tax expense, net	-	(1,058.9)	(11,329.8)	(54,466.1)	-	-
Income/(loss) from discontinued operations, net of tax	(6,537.0)	28,054.0	93,759.8	1,001,564.2	-	-
Net income	189,491.9	726,196.9	860,299.1	1,991,799.8	142,191.4	21,854.4
Less: Net income/(loss) attributable to non-controlling interests from continuing operations	-	-	(63.3)	(432.5)	485.7	74.6
Less: Net income attributable to non-controlling interests from discontinued operations	1,480.1	851.2	4,270.5	6,044.5	-	-
Less: Accretion to redemption value of redeemable non-controlling interests of discontinued operations	-	52,320.7	172,340.4	159,477.9	-	-
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders	188,011.8	673,025.1	683,751.5	1,826,710.0	141,705.7	21,779.8
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per share from continuing operations						
Basic	2.09	5.67	6.15	7.87	1.10	0.17
Diluted	2.04	4.02	6.00	7.63	1.08	0.17
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per ADS from continuing operations						

	2013 (RMB) (in thousands, except share, per share and per ADS data)	2014 (RMB)	2015 (RMB)	2016 (RMB)	2017 (RMB)	(US\$)
Basic	8.36	22.68	24.60	31.48	4.40	0.68
Diluted	8.16	16.08	24.00	30.52	4.32	0.68
Net income/(loss) attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per share from discontinued operations						
Basic	(0.09	) (0.20	) (0.66	) 6.64	-	-
Diluted	(0.08	) (0.16	) (0.65	) 6.40	-	-
Net income/(loss) attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per ADS from discontinued operations						
Basic	(0.36	) (0.80	) (2.64	) 26.56	-	-
Diluted	(0.32	) (0.64	) (2.60	) 25.60	-	-
Weighted average ordinary shares outstanding						
Basic	94,018,394	122,980,870	124,618,416	125,870,272	128,944,330	128,944,330
Diluted	96,035,985	153,786,531	127,802,961	130,590,441	131,687,230	131,687,230
Weighted average ADS outstanding						
Basic	23,504,560	30,745,218	31,154,604	31,467,568	32,236,083	32,236,083
Diluted	24,008,996	38,446,633	31,950,740	32,647,610	32,921,808	32,921,808

(1) Each ADS represents four ordinary shares.

	As of December 31, 2013 (RMB) (in thousands)	2014 (RMB)	2015 (RMB)	2016 (RMB)	2017 (RMB)	(US\$)
Consolidated Balance Sheet Data:						
Cash and cash equivalents	400,583.8	1,316,175.7	2,392,591.1	2,501,417.5	1,928,302.8	296,374.7
Restricted cash	398,299.7	517,055.4	555,723.9	318,784.9	833,072.0	128,040.8
Restricted short-term investments	729,593.3	1,134,362.9	1,160,518.1	3,333,450.4	3,237,772.9	497,636.6

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Short-term investments	-	112,000.0	29,427.1	71,301.1	2,684.5	412.6
Account receivable, net – related parties	284,142.0	174,533.98	60,973.8	1,414,084.1	2,113,042.1	324,768.6
Accounts receivable, net – third parties	1,591,022.5	2,947,680.1	2,690,519.0	4,753,715.3	4,497,634.5	691,273.8
Notes receivable – related parties	42,900.0	-	-	610,200.0	-	-
Notes receivable, net – third parties	233,886.4	70,080.6	515,441.9	915,314.8	571,231.8	87,796.7
Advances to suppliers, net – related parties	-	1,183.8	1,021.1	661.8	-	-
Advances to suppliers, net – third parties	68,986.0	80,922.3	251,389.9	325,766.3	397,076.2	61,029.5
Inventories, net	708,679.0	1,891,148.1	3,203,325.0	4,473,514.7	4,273,730.0	656,860.3
Total current assets	5,342,722.6	10,407,319.6	22,494,804.1	19,695,296.4	19,607,856.4	3,013,672.3
Project assets	-	-	-	55,063.5	473,731.2	72,811.2
Property, plant and equipment, net	3,061,606.8	2,968,484.7	3,766,435.6	4,738,681.4	6,680,187.2	1,026,726.0
Land use rights, net	359,084.9	371,932.2	349,914.1	450,940.6	443,269.2	68,129.2
Total assets	10,611,225.1	19,087,636.4	27,144,548.5	26,090,639.8	28,636,404.7	4,401,334.8
Accounts payable – related parties	2,468.4	1,478.5	1,478.5	-	5,328.9	819.0
Accounts payable – third parties	1,764,812.9	2,402,625.3	3,783,304.9	4,290,070.5	4,658,202.1	715,952.6

	As of December 31,					
	2013	2014	2015	2016	2017	(US\$)
	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	
	(in thousands)					
Notes payable – third parties	1,212,994.1	1,653,082.7	1,924,495.8	4,796,766.3	5,672,496.6	871,846.8
Accrued payroll and welfare expenses	237,012.3	304,601.8	454,210.9	582,275.7	721,380.1	110,874.1
Advance from related parties	-	-	-	60,541.5	37,399.9	5,748.3
Advance from third parties	147,583.3	423,028.7	1,299,491.4	1,376,919.5	748,958.8	115,112.9
Bonds payable and accrued interests	66,725.8	66,725.8	866,725.8	-	10,256.6	1,576.4
Short-term borrowings (including current portion of long-term borrowings)	1,970,593.9	2,547,366.5	2,589,864.1	5,488,629.0	6,204,440.3	953,605.0
Total current liabilities	7,237,114.3	10,523,364.6	18,622,441.9	18,362,656.9	19,962,416.9	3,068,167.3
Long-term borrowings	8,000.0	8,000.0	1,308,679.8	488,519.6	379,788.9	58,372.5
Convertible senior notes	-	1,540,398.6	856,064.4	-	65.3	10.0
Total liabilities	8,590,611.5	14,119,231.9	21,184,825.5	19,630,426.8	21,947,141.6	3,373,213.9
Redeemable non-controlling interests	-	1,435,585.3	1,607,925.7	-	-	-
Total JinkoSolar Holding Co., Ltd. shareholders' equity	2,009,742.8	3,507,097.3	4,321,868.2	6,460,708.9	6,689,273.3	1,028,122.5
Non-controlling interests	10,870.8	25,721.9	29,929.0	(495.9)	(10.2)	(1.6)
Total liabilities, redeemable non-controlling interests and shareholders' equity	10,611,225.1	19,087,636.4	27,144,548.5	26,090,639.8	28,636,404.7	4,401,334.8
Outstanding shares as of the year end	108,051,630	124,292,030	125,473,930	126,733,266	132,146,074	132,146,074

Exchange Rate Information

We publish our consolidated financial statements in Renminbi. The conversion of Renminbi into U.S. dollars in this annual report is solely for the convenience of readers. The exchange rate refers to the exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board. Unless otherwise noted, all translations from Renminbi to U.S.

dollars and from U.S. dollars to Renminbi in this annual report were made at a rate of RMB6.5063 to US\$1.00, the noon buying rate in effect as of December 29, 2017. The Renminbi is not freely convertible into foreign currency. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. On April 20, 2018, the exchange rate, as set forth in the H.10 statistical release of the Federal Reserve Board, was RMB6.2945 to US\$1.00.

The following table sets forth information concerning exchange rates between the RMB and the U.S. dollar for the periods indicated.

Period	Period End	Average⁽¹⁾	Low	High
		(RMB per US\$1.00)		
2013	6.0537	6.1412	6.2438	6.0537
2014	6.2046	6.1704	6.2591	6.0402
2015	6.4778	6.2869	6.4896	6.1870
2016	6.9430	6.6549	6.9580	6.4480
2017	6.5063	6.7350	6.9575	6.4773
September	6.6533	6.5690	6.6591	6.4773
October	6.6328	6.6254	6.6533	6.5712

Period	Period End	Average ⁽¹⁾	Low	High
November	6.6090	6.6200	6.6385	6.5967
December	6.5063	6.5932	6.6210	6.5063
2018				
January	6.2841	6.4233	6.5263	6.2841
February	6.3280	6.3183	6.3471	6.2649
March	6.2726	6.3174	6.3565	6.2685
April (through April 20, 2018)	6.2945	6.2859	6.3045	6.2655

(1) Annual averages are calculated by averaging the rates on the last business day of each month during the annual period. Monthly averages are calculated by averaging the rates on each business day during the month.

B. Capitalization and Indebtedness

Not Applicable.

C. Reasons for the Offer and Use of Proceeds

Not Applicable.

D. Risk Factors

Our business, financial condition and results of operations are subject to various changing business, competitive, economic, political and social conditions in China and worldwide. In addition to the factors discussed elsewhere in this annual report, the following are some of the important factors that could adversely affect our operating results, financial condition and business prospects, and cause our actual results to differ materially from those projected in any forward-looking statements.

Risks Related to Our Business and Industry

Our future growth and profitability depend on the demand for and the prices of solar power products and the development of photovoltaic technologies.

The rate and extent of market acceptance for solar power depends on the availability of government subsidies and the cost-effectiveness, performance and reliability of solar power relative to conventional and other renewable energy sources. Changes in government policies towards solar power and advancements in PV, technologies could significantly affect the demand for solar power products.

Demand for solar power products is also affected by macroeconomic factors, such as energy supply, demand and prices, as well as regulations and policies governing renewable energies and related industries. For example, in June 2016, the FIT in China for utility-scale projects was significantly cut down. As a result, subsequent to a strong demand in the first half of 2016, the domestic market was almost frozen and the competition in the global market also intensified in the second half of 2016. Meanwhile, in the United States, another major solar market of ours, the solar PV projects faced great uncertainties under the administration of U.S. President Donald Trump because it is believed that his administration favors traditional energy industries. Despite the significant decrease in demand, the global solar module production capacity still increased by over 20%, from December 31, 2016 to December 31, 2017, which further intensified competition over pricing. Consequently, the average selling price of our solar modules, which represented 96.9% of our total revenue in 2017, decreased from RMB3.57 per watt for 2015 to RMB3.33 per watt for 2016, and further decreased to RMB2.62 per watt (US\$0.38 per watt) for 2017. Our gross margin decreased from 18.1% in 2016 to 11.3% in 2017, primarily due to continued declines in the average selling price of solar modules. We believe that the conditions that contributed to a lower gross margin in 2017 have persisted and the prices of polysilicon have remained relatively high in the fourth quarter of 2017. In 2018, the price of polysilicon has decreased and we believe our gross margin will improve in the near future.

Any reduction in the price of solar modules will have a negative impact on our business and results of operations, including our margins. As a result, we may not continue to be profitable on a quarterly or annual basis. For example, we experienced net losses in each quarter from the fourth quarter of 2011 to the first quarter of 2013. In addition, if demand for solar power products weakens in the future, our business and results of operations may be materially and adversely affected.

The reduction, modification, delay or elimination of government subsidies and other economic incentives in solar energy industry may reduce the profitability of our business and materially adversely affect our business.

We believe that market demand for solar power and solar power products in the near term will continue to substantially depend on the availability of government incentives because the cost of solar energy currently exceeds, and we believe will continue to exceed in the near term, the cost of conventional fossil fuel energy and certain non-solar renewable energy, particularly in light of the low level of oil prices in recent years. Examples of government sponsored financial incentives to promote solar energy include subsidies from the central and local governments, preferential tax rates and other incentives. The availability and size of such subsidies and incentives depend, to a large extent, on political and policy developments relating to environmental concerns and other macro-economic factors. Moreover, government incentive programs are expected to gradually decrease in scope or be discontinued as solar power technology improves and becomes more affordable relative to other types of energy. Negative public or community response to solar energy projects could adversely affect the government support and approval of our business. Adverse changes in government regulations and policies relating to solar energy industry and their implementation, especially those relating to economic subsidies and incentives, could significantly reduce the profitability of our business and materially adversely affect the state of the industry.

We received government grants totaling RMB103.6 million, RMB168.6 million and RMB147.9 million (US\$22.7 million) for 2015, 2016 and 2017, respectively, which included government grants for our production scale expansion, technology upgrades, export market development and solar power project development. We cannot assure you that we will continue to receive government grants and subsidies in future periods at a similar level or at all.

As a substantial part of our operations are in the PRC, the policies and regulations adopted by the PRC government towards the solar energy industry are important to the continuing success of our business. Although regulatory support for solar power generation such as subsidies, preferential tax treatment and other economic incentives has increased in recent years, future government policies may not be as supportive. The PRC central government may reduce or eliminate existing incentive programs for economic, political, financial or other reasons. In addition, the provincial or local governments may delay the implementation or fail to fully implement central government regulations, policies or initiatives. We disposed of our downstream solar power project business in the PRC in November 2016, which relied more heavily on governmental support. However, until the solar energy industry becomes commercially profitable without subsidies, a significant reduction in the scope or the discontinuation of government incentive programs in the PRC or other jurisdictions could materially adversely affect market demand for our products and negatively impact our revenue and profitability.

Besides the PRC, various governments have used policy initiatives to encourage or accelerate the development and adoption of solar power and other renewable energy sources, including certain countries in Europe, notably Italy, Germany, France, Belgium and Spain; certain countries in Asia, including Japan, India and South Korea; countries in North America, such as the United States and Canada; as well as Australia and South Africa. Examples of government-sponsored financial incentives to promote solar power include capital cost rebates, FIT, tax credits, net

metering and other incentives to end-users, distributors, project developers, system integrators and manufacturers of solar power products.

Governments may reduce or eliminate existing incentive programs for political, financial or other reasons, which will be difficult for us to predict. Reductions in FIT programs may result in a significant fall in the price of and demand for solar power and solar power products. For example, subsidies have been reduced or eliminated in some countries such as Germany, Italy, Spain and Canada. The German market represents a major portion of the world's solar market due in large part to government policies that established high FIT rates. However, since 2010, the German government has introduced legislation to reduce the FIT program due to the strong growth of its domestic solar market. In 2009, the Spanish government continued reductions in the FIT as a result of its government's spending cut backs, which resulted in a weakened solar market. In 2010, Italy also announced annual reductions to FIT beginning in 2011 in an effort to impede overheating of its solar market. Starting from 2011, major export markets for solar power and solar power products such as Japan, Germany, Italy, Spain and the United Kingdom continued to reduce their FIT as well as other incentive measures. For example, from 2012 to 2017, the Japanese government cut down its FIT from 40 Yen to 28 Yen for projects below 10KW and from 42 Yen to 21 Yen for projects above 10 KW.

In 2017, we generated 62.8% of our total revenue from overseas markets, and the United States, Mexico and Brazil, our three largest export markets, represented 15.3%, 10.4% and 5.1% of our total revenue, respectively. As a result, any significant reduction in the scope or discontinuation of government incentive programs in the overseas markets, especially where our major customers are located, could cause demand for our products and our revenue to decline and have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, the announcement of a significant reduction in incentives in any major market may have an adverse effect on the trading price of our ADSs.

We are exposed to significant guarantee liabilities and if the debtors default, our financial position would be materially and adversely affected.

In connection with our disposal of Jiangxi Jinko Engineering — a downstream business in 2016, we entered into a master service agreement with Jiangxi Jinko Engineering, where we agreed to provide a guarantee for Jiangxi Jinko Engineering's financing obligations under certain of its loan agreements, which amounted to RMB5.84 billion (US\$897.8 million) as of December 31, 2017, for a three-year period starting from October 2016. In addition, we give guarantees to certain of our related parties. As of December 31, 2017, we had guarantee liabilities to related parties of RMB148.2 million (US\$22.8 million). In the event that Jiangxi Jinko Engineering or the relevant related parties (as the case may be) fail to perform their respective obligations or otherwise default under the relevant loan agreements or other contracts, we will become liable for their respective obligations under those loan agreements or other contracts, which could materially and adversely affect our financial condition.

We require a significant amount of cash to fund our operations and future business developments; if we cannot obtain additional funding on terms satisfactory to us when we need it, our growth prospects and future profitability may be materially adversely affected.

We require a significant amount of cash to fund our operations, including payments to suppliers for our polysilicon feedstock. We may also require additional cash due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue, as well as our research and development activities in order to remain competitive.

We had negative working capital as of December 31, 2017. Our management believes that our cash position as of December 31, 2017, the cash expected to be generated from operations, net proceeds of US\$71.1 million from our follow-on offering closed in February 2018, and funds available from borrowings under our bank credit facilities will be sufficient to meet our working capital and capital expenditure requirements for at least the next 12 months from April 24, 2018, the date of issuance of our consolidated financial statements for 2017 included in this annual report.

Our ability to obtain external financing is subject to a number of uncertainties, including:

- our future financial condition, results of operations and cash flow;
- the general condition of the global equity and debt capital markets;
- regulatory and government support, such as subsidies, tax credits and other incentives;
- the continued confidence of banks and other financial institutions in our company and the solar power industry;
- economic, political and other conditions in the PRC and elsewhere; and
- our ability to comply with any financial covenants under the debt financing.

Any additional equity financing may be dilutive to our shareholders and any debt financing may require restrictive covenants. Additional funds may not be available on terms commercially acceptable to us. Failure to manage discretionary spending and raise additional capital or debt financing as required may adversely impact our ability to achieve our intended business objectives. See “—Our substantial indebtedness could adversely affect our business, financial condition and results of operations.”

The oversupply of solar cells and modules in the solar industry may cause substantial downward pressure on the prices of our products and reduce our revenue and earnings.

In 2011, the solar industry experienced oversupply across the value chain, and by the end of the year, solar module, cell and wafer pricing all decreased. Demand for solar products remained soft in 2012 and at the end of 2012, solar module, cell and wafer pricing had all further decreased. Although the global economy has improved since 2013, demand for solar modules in Europe fell significantly in 2013. As a result, many solar power producers that typically purchase solar power products from manufacturers like us were unable or unwilling to expand their operations.

Our average module selling price decreased from RMB3.57 per watt for 2015, to RMB3.33 per watt for 2016, and further decreased to RMB2.62 per watt (US\$0.38 per watt) for 2017. Continued increases in solar module production in excess of market demand may result in further downward pressure on the price of solar cells and modules, including our products. Increasing competition could also result in us losing sales or market share. If we are unable, on an ongoing basis, to procure silicon, solar wafers and solar cells at reasonable prices, or mark up the price of our solar modules to cover our manufacturing and operating costs, our revenue and gross margin will be adversely impacted, either due to higher costs compared to our competitors or due to inventory write-downs, or both. In addition, our market share may decline if our competitors are able to price their products more competitively.

We face risks associated with the manufacturing, marketing, distribution and sale of our products internationally and the construction and operation of our overseas manufacturing facilities, and if we are unable to effectively manage these risks, our ability to expand our business abroad may be restricted.

We commenced export sales in May 2008 when we exported a small portion of our products to Hong Kong, and have since continued to increase export sales. In 2015, 2016 and 2017, we generated 62.7%, 61.5%, and 62.8%, respectively, of our total revenue from export sales. We also have manufacturing facilities in Portugal and Malaysia. As our global expansion strategies continue to evolve and in order to stay cost efficient, we have decided to fulfill the demand for our solar products in South Africa through other overseas manufacturing facilities, and closed our manufacturing facility in South Africa in the fourth quarter of 2017. In January 2018, we entered into a major supply agreement with NextEra Energy, Inc., or NextEra. Under such master agreement, as amended in March 2018, we will supply NextEra up to 2,750 MW of high-efficiency solar modules over approximately four years. In conjunction with this agreement, we are opening our first U.S. factory in Jacksonville, Florida, which is expected to commence

production in the third quarter of 2018 and reach full production capacity in the first half of 2019. We plan to continue to increase manufacturing and sales outside China and expand our customer base overseas.

The manufacturing, marketing, distribution and sale of our products internationally, as well as the construction and operation of our manufacturing facilities outside of China may expose us to a number of risks, including those associated with:

- fluctuations in currency exchange rates;
- costs associated with understanding local markets and trends;
- costs associated with establishment of overseas manufacturing facilities;
- marketing and distribution costs;
- customer services and support costs;
- risk management and internal control structures for our overseas operations;
- compliance with the different commercial, operational, environmental and legal requirements;
- obtaining or maintaining certifications for production, marketing, distribution and sales of our products or, if applicable, services;

- maintaining our reputation as an environmentally friendly enterprise for our products or services;

- obtaining, maintaining or enforcing intellectual property rights;

- changes in prevailing economic conditions and regulatory requirements;

- transportation and freight costs;

- employing and retaining manufacturing, technology, sales and other personnel who are knowledgeable about, and can function effectively in, overseas markets;

- trade barriers such as trade remedies, which could increase the prices of the raw materials for our solar products, and export requirements, tariffs, taxes and other restrictions and expenses, which could increase the prices of our products and make us less competitive in some countries;

- challenges due to our unfamiliarity with local laws, regulation and policies, our absence of significant operating experience in local market, increased cost associated with establishment of overseas operations and maintaining a multi-national organizational structure; and

- other various risks that are beyond our control.

Our manufacturing capacity outside China requires us to comply with different laws and regulations, including national and local regulations relating to production, environmental protection, employment and the other related matters. Due to our limited experience in doing business in the overseas markets, we are unfamiliar with local laws, regulation and policies. Our failure to obtain the required approvals, permits, licenses, filings or to comply with the conditions associated therewith could result in fines, sanctions, suspension, revocation or non-renewal of approvals, permits or licenses, or even criminal penalties, which could have a material adverse effect on our business, financial condition and results of operations.

As we enter into new markets in different jurisdictions, we will face different business environments and industry conditions, and we may spend substantial resources familiarizing ourselves with the new environment and conditions. To the extent that our business operations are affected by unexpected and adverse economic, regulatory, social and political conditions in the jurisdictions in which we have operations, we may experience project disruptions, loss of assets and personnel, and other indirect losses that could adversely affect our business, financial condition and results of operations. For instance, the construction of our planned manufacturing facility in the United States will expose us to various risks, including, among others, failure to obtain the required approvals, permits or licenses, or to comply with the conditions associated therewith, failure to procure economic incentives or financing on satisfactory terms, and

failure to procure construction materials, production equipment and qualified personnel for the manufacturing facility in a timely and cost-effective manner. Any of these events may delay the construction of this manufacturing facility or increase the related costs, or impair our ability to run our operations in the future on a cost effective basis, which could in turn have a material adverse effect on our business and results of operations. For instance, we plan to ship products from our planned manufacturing facility in the United States to satisfy our supply obligation under a master solar module supply agreement (the “Master Agreement”), which we signed with a U.S. counterparty in January 2018, and other supply obligations for other customers located in the United States. Under the Master Agreement, we have agreed to provide around 1.75 GW of high efficiency solar modules over approximately three years. If we fail to construct and ramp up the facility in time or as planned, we may need to ship products from other manufacturing facilities located outside of the United States, which may be subject to the tariff due to the Section 201 Investigation, the anti-dumping and countervailing duties imposed by the U.S. government and any other trade restrictions.

We are subject to anti-dumping and countervailing duties imposed by the U.S. government and the European Union. We are also subject to safeguard investigation and other foreign trade investigations initiated by the U.S. government and anti-dumping investigation and safeguard investigations initiated by governments in our other markets.

Our direct sales to the U.S. market accounted for 26.8%, 36.0%, and 15.3% of our total revenues in 2015, 2016 and 2017, respectively. In 2011, SolarWorld Industries America Inc., a solar panel manufacturing companies in the United States, filed anti-dumping and countervailing duty petitions with the United States Department of Commerce (the “U.S. Department of Commerce”) and United States International Trade Commission (the “U.S. International Trade Commission”) against the Chinese solar industry, accusing Chinese producers of CSPV cells, whether or not assembled into modules, of selling their products (i.e., CSPV cells or modules incorporating these cells) in the United States at less than fair value, and of receiving financial assistance from the Chinese governments that benefited the production, manufacture, or exportation of such products. JinkoSolar is on the list of the solar companies subject to such investigations by the U.S. Department of Commerce. On November 9, 2011, the U.S. Department of Commerce announced that it launched the antidumping duty and countervailing duty investigation into the accusations. On December 7, 2012, the U.S. Department of Commerce issued the antidumping duty order and countervailing duty order. As a result, the cash deposits are required to pay on import into the United States of the CSPV cells, whether or not assembled into modules from China. The announced cash deposit rates applicable to us were 13.94% (for antidumping) and 15.24% (for countervailing). The actual antidumping duty and countervailing duty rates at which entries of covered merchandise will be finally assessed may differ from the announced deposit rates because they are subject to the following administrative reviews by U.S. Department of Commerce.

In January 2014, the U.S. Department of Commerce initiated the first administrative review of the antidumping duty order and countervailing duty order with respect to CSPV cells, whether or not assembled into modules, from China. In July 2015, the U.S. Department of Commerce issued the final results of this first administrative review, according to which, our tariff rates for dumping and subsidy are 9.67% and 20.94%, respectively. Such rates apply as the final rates on the import into the United States of the CSPV cells, whether or not assembled into modules from China, from May 25, 2012 to November 30, 2013 for dumping, and from March 26, 2012 to December 31, 2012 for countervailing, respectively. Such rates will be the cash deposit rates applicable to us from July 14, 2015. In February 2015 and February 2016, the U.S. Department of Commerce initiated the second administrative and the third administrative review of the antidumping duty order and countervailing duty order with respect to CSPV cells, whether or not assembled into modules, from China, respectively. The U.S. Department of Commerce issued the final results of the second administrative review in June and July of 2016 and the final results of the third administrative review in July 2017. As we were not included in the second and the third administrative review, the tariff rates applicable to us remained at 9.67% (for antidumping) and 20.94% (for countervailing) after this review. In February 2017, the U.S. Department of Commerce initiated the fourth administrative review of the antidumping duty order and countervailing duty order with respect to CSPV cells, whether or not assembled into modules, from China. The fourth administrative reviews are pending as of the date of this annual report, and therefore, the final tariff rates applicable to us are subject to change. In November 2017, the U.S. Department of Commerce and the U.S. International Trade Commission initiated five-year reviews to determine whether revocation of the antidumping and countervailing duty orders with respect to crystalline silicon photovoltaic cells, whether or not assembled into modules from China, would likely lead to continuation or recurrence of material injury. In March 2018, the U.S. Department of Commerce determined that revocation of the countervailing order would likely lead to continuation or recurrence of a net

countervailable subsidy. The U.S. International Trade Commission's determination of the five-year review is pending as of the date of this annual report. In February 2018, the U.S. Department of Commerce initiated the fifth administrative review of the antidumping duty order and countervailing duty order with respect to CSPV cells, whether or not assembled into modules, from China. The fifth administrative reviews are pending as of the date of this annual report, and therefore, the final tariff rates applicable to us are subject to change.

In 2013, SolarWorld Industries America Inc. filed a separate petition with the U.S. Department of Commerce and the U.S. International Trade Commission resulting in the institution of new antidumping and countervailing duty investigations against import of certain CSPV products from China. The petitions accused Chinese producers of such certain CSPV modules of dumping their products in the United States and receiving countervailable subsidies from the Chinese government. This action excludes from its scope the CSPV cells, whether or not assembled into modules, from China. In February 2015, following the affirmative injury determination made by U.S. International Trade Commission, the U.S. Department of Commerce issued the antidumping duty order and countervailing duty order. As a result, the final cash deposits are required to pay on import into the United States of the CSPV modules assembled in China consisting of CSPV cells produced in a customs territory other than China. The announced cash deposit rates applicable to us are 65.36% (for antidumping) and 38.43% (for countervailing). The actual antidumping duty and countervailing duty rates at which entries of covered merchandise will be finally assessed may differ from the announced deposit rates because they are subject to the administrative reviews by the U.S. Department of Commerce. In April 2016 and April 2017, the U.S. Department of Commerce initiated the first and the second administrative reviews of the antidumping duty order and countervailing duty order with respect to CSPV modules assembled in China consisting of CSPV cells produced in a customs territory other than China, respectively. In July and September 2017, the U.S. Department of Commerce issued the final results of this first administrative review. The second administrative reviews of the antidumping duty order and countervailing duty order were rescinded by the U.S. Department of Commerce in August 2017 and November 2017, respectively. The tariff rates applicable to us remained at 65.36% (for antidumping) and 38.43% (for countervailing).

In May 2017, U.S. International Trade Commission initiated global safeguard investigation to determine whether CSPV cells (whether or not partially or fully assembled into other products) are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported articles (“Section 201 Investigation”). The Section 201 Investigations are not country specific. They involve imports of the products under investigation from all sources, including China. In September 2017, the U.S. International Trade Commission voted affirmatively in respect of whether imports of CSPV cells (whether or not partially or fully assembled into other products) are causing serious injury to domestic producers of CSPV products. On January 22, 2018, the U.S. President made the final decision to provide a remedy to the U.S. industry, and the CSPV cells/modules concerned are subject to the safeguard measures established in the U.S. President’s final result, which includes that the CSPV cells and modules imported will be subject to additional duties of 30%, 25%, 20% and 15% from the first year to the fourth year, respectively, except for the first 2.5 GW of all imported CSPV cells concerned in each of those four years, which are excluded from the additional tariff. It is believed that the costs of solar power projects in the United States may increase and the demand for solar PV products in the United States may be adversely impacted due to the decision of the White House under the Section 201 Investigation. Although we are planning to construct a manufacturing facility in the United States, and the products manufactured in such facility will not be subject to tariffs, we will still be subject to tariffs if we ship our products from our manufacturing facilities overseas into the United States before our U.S. facility commences manufacturing. Our imports of solar cells and modules into the United States are expected to be subject to the duties imposed by Section 201 Investigation starting in February 2018. Accordingly, our business and profitability of these products may be materially and adversely impacted by the decision of the White House under the Section 201 Investigation.

In August 2017, the United States Trade Representative initiated an investigation pursuant to the Trade Act of 1974, as amended (the “Trade Act”), to determine whether acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation are actionable under the Trade Act (“Section 301 Investigation”). The findings from the United States Trade Representative with the assistance of the interagency Section 301 committee show that the acts, policies, and practices of the Chinese government related to technology transfer, intellectual property and innovation are unreasonable or discriminatory and burden or restrict the U.S. commerce. On March 22, 2018, the U.S. President directed his administration to take a range of actions responding to China’s acts, policies, and practices involving the unfair and harmful acquisition of U.S. technology. These actions include imposing an additional duty of 25 percent on products from China in aerospace, information and communication technology, and machinery. On April 3, 2018, the United States Trade Representative proposes a list of products from China which will be subject to the additional duty. The list of products, which the United States Trade Representative may further revise, may affect the solar industry and the establishment of our new manufacturing facility in the United States.

We made provisions of RMB12.1 million (US\$1.9 million) for preliminary U.S. countervailing and anti-dumping duties in 2017. Our sales in the United States may be adversely affected by these anti-dumping and countervailing duties, which may in turn materially adversely affect our business, financial condition and results of operations. Our direct sales to the European market accounted for 12.4%, 3.5% and 3.5% of our total revenue in 2015, 2016 and 2017, respectively. On June 6, 2013, the European Union imposed provisional anti-dumping duty on the solar panels originating in or consigned from China, including JinkoSolar’s products, at the starting rate of 11.8% until August 5, 2013, and followed by an increased rate averaging 47.6%.

On July 27, 2013, the European Union and Chinese trade negotiators announced that a price undertaking has been reached pursuant to which Chinese manufacturers, including JinkoSolar, would limit their exports of solar panels to the European Union and for no less than a minimum price, in exchange for the European Union agreeing to forgo the imposition of anti-dumping duties on these solar panels from China. The offer was approved by the European Commission on August 2, 2013. The China Chamber of Commerce for Import and Export of Machinery and Electronic Products (the “CCCME”), is responsible for allocating the quota among Chinese export producers, and JinkoSolar has been allocated a portion of the quota. Solar panels imported exceeding the annual quota will be subject to anti-dumping duties. On December 5, 2013, the European Council announced its final decision imposing definitive anti-dumping and anti-subsidy duties on imports of crystalline silicon PV cells and modules originating in or consigned from China. An average duty of 47.7%, consisting of the anti-dumping and anti-subsidy duties, will be applied for a period of two years beginning on December 6, 2013 to Chinese solar panel exporters who cooperated with the European Commission’s investigations. On the same day, the European Commission announced its decision to confirm the acceptance of the price undertaking offered by Chinese export producers, including JinkoSolar, with CCCME in connection with the anti-dumping proceeding and to extend the price undertaking to the anti-subsidy proceeding, which will exempt them from both anti-dumping and anti-subsidy duties. From November 17, 2016, we have officially withdrawn from the European Union price undertaking agreement.

In May 2015, the European Commission initiated an investigation concerning the possible circumvention of anti-dumping measures and countervailing measures imposed on imports of CSPV modules and key components (i.e. cells) originating in or consigned from China by imports of CSPV modules and key components (i.e. cells) consigned from Malaysia and Taiwan, whether declared as originating in Malaysia and Taiwan or not (“Anti-circumvention Investigations”). In February 2016, the European Commission made definitive result of this Anti-circumvention Investigations. According to the definitive results, the 53.4% of the anti-dumping duty and 11.5% of the countervailing duty are applicable to the imports of CSPV modules and key components (i.e. cells) originating in or consigned from the People’s Republic of China, is hereby extended to imports of CSPV modules and key components (i.e. cells) consigned from Malaysia and Taiwan whether declared as originating in Malaysia and in Taiwan or not.

In December 2015, the European Commission initiated expiry reviews of the existing countervailing measures and anti-dumping measures applicable to imports of CSPV modules and key components (i.e. cells) originating in or consigned from the People’s Republic of China. Such expiry reviews will determine whether the existing countervailing measures and anti-dumping measures will expire or continue to apply. In March 2017, the European Commission made final determination to continue the existing countervailing measures and anti-dumping measures for another 18 months.

In March 2017, the European Commission initiated a partial interim review of the anti-dumping and countervailing measures applicable to imports of CSPV modules and key components (i.e. cells) originating in or consigned from China. Such partial interim review examined whether the then existing anti-dumping and countervailing measures, including European Union price undertaking agreement, can still be considered as an appropriate form for the measures. In September 2017, the European Commission determined that the price undertaking shall be replaced with a new variable duty minimum import price and a new measure to the Chinese companies that withdrew voluntarily from price undertaking without any non-compliance issues, including certain Chinese affiliates of us.

In October 2016, Jinko Solar Technology SDN.BHD, our manufacturing facility in Malaysia, lodged a request to European Commission for an exemption from the antidumping and countervailing measures extended to imports of crystalline silicon PV modules and key components, including solar cells, consigned from Malaysia and Taiwan, despite the declaration of their originations. In November 2017, the European Commission concluded that Jinko Solar Technology SDN.BHD fulfils the criteria laid down in the basic anti-dumping Regulation and basic anti-subsidy Regulation and should be exempted from such extended measures.

The European Union is one of the most important markets for solar products. Anti-dumping, countervailing duties or both imposed on imports of our products into the European Union could materially adversely affect our affiliated European Union import operations, increase our cost of selling into the European Union, and adversely affect our European Union export sales.

In December 2014, Canada initiated the anti-dumping and countervailing investigations on imports of CSPV modules from China. In June 2015, the Canada Border Services Agency (“CBSA”) found that the CSPV modules under investigation have been dumped and subsidized. In July 2015, the Canadian International Trade Tribunal found that the dumping and subsidizing of the above-mentioned goods have not caused injury, but are threatening to cause injury to the domestic industry. As a result, import into Canada of our CSPV modules under investigation from China is subject to the anti-dumping and countervailing duties. The countervailing duty rate (RMB per Watt) applicable to Jiangxi Jinko and Zhejiang Jinko are 0.028 and 0.046, respectively. For anti-dumping duties, CBSA set normal value for the imported CSPV modules and the anti-dumping duty will be the difference between the export price and normal value if the export price is lower the normal value. No anti-dumping duties will apply if the export price is equal or more than the normal value.

In May 2014, Australian Anti-dumping Commission initiated anti-dumping investigation against CSPV modules imported from China. In October 2015, the Australian Anti-dumping Commission decided to terminate this investigation and decided no imposition of any anti-dumping duty on imported CSPV modules from China. However, in January 2016, the Australian Anti-dumping Commission resumed this investigation.

In October 2016, Australian Anti-dumping Commission made final determination to uphold its original results, i.e. to terminate the investigation and decided no imposition of any anti-dumping duty on imported CSPV modules from China.

In July 2016, Turkish Ministry of Economy initiated anti-dumping investigation against photovoltaic panels and modules classified in Turkish Customs Tariff Code 8541.40.90.00.14, from China. In July 2017, Turkish Ministry of Economy made the final affirmative result of this investigation, pursuant to which import into Turkey of our CSPV panels and modules under investigation from China is subject to the anti-dumping duty. The anti-dumping duty applicable to us is US\$20 per m².

In July 2017, the Department of Commerce of India initiated anti-dumping investigation concerning imports of solar cells whether or not assembled partially or fully in modules or panels or on glass or some other suitable substrates originating in or exported from mainland China, Taiwan and Malaysia. Such investigation was terminated in March 2018 by the Department of Commerce of India as requested by Indian Solar Manufacturers Association, representing applicants of the domestic industry.

In December 2017, the Directorate General of Safeguards of India initiated a Safeguard investigations concerning imports of “solar cells whether or not assembled in modules or panels” (“PUC”) into India to protect the domestic producers of like and directly competitive articles (to the solar cells whether or not assembled in modules or panels) from serious injury/threat of serious injury caused by such increased imports (the “India Safeguard Investigations”). The India Safeguard Investigation is not country specific. It involves imports for the products under investigation from all sources, including China. In January 2018, the Directorate General of Safeguards Customs and Central Excise recommended a provisional safeguard duty to be imposed at the rate of 70% *ad valorem* on the imports of PUC falling under Customs Tariff Item 85414011 of the Customs Tariff Act, 1975 from all countries, including PRC and Malaysia, except some developing countries. This investigation is pending as of the date of this annual report.

Imposition of anti-dumping and countervailing orders in one or more markets may result in additional costs to us, our customers or both, which could materially adversely affect our business, financial condition, results of operations and future prospects.

Volatility in the prices of silicon raw materials makes our procurement planning challenging and could have a material adverse effect on our results of operations and financial condition.

The prices of polysilicon, the essential raw material for solar cell and module products and silicon wafers have been subject to significant volatility. Historically, increases in the price of polysilicon had increased our production costs. Since the first half of 2010, as a result of the growth of newly available polysilicon manufacturing capacity worldwide, there has been an increased supply of polysilicon, which has driven down its price and the price of its downstream products. Since the second half of 2011, the prices of polysilicon and silicon wafers further fell significantly. From 2011 to 2012, the prices of solar products declined, and prices began to stabilize in the first half of 2013. From 2013 to 2017, the price of polysilicon slightly fluctuated. However, the price of polysilicon decreased in 2018.

We expect that the prices of virgin polysilicon feedstock may continue to be subject to volatility, making our procurement planning challenging. For example, if we refrain from entering into fixed-price, long-term supply contracts, we may miss the opportunities to secure long-term supplies of virgin polysilicon at favorable prices if the spot market price of virgin polysilicon increases significantly in the future. On the other hand, if we enter into more fixed-price, long-term supply contracts, we may not be able to renegotiate or otherwise adjust the purchase prices under such long-term supply contracts if the spot market price declines. As a result, our cost of silicon raw materials could be higher than that of our competitors who source their supply of silicon raw materials through floating-price arrangements or spot market purchases. To the extent we may not be able to fully pass on higher costs and expenses to our customers, our profit margins, results of operations and financial condition may be materially adversely affected.

We may not be able to obtain sufficient silicon raw materials in a timely manner or on commercially reasonable terms, which could have a material adverse effect on our results of operations and financial condition.

In 2015, 2016 and 2017, our five largest suppliers accounted for approximately 52.8%, 59.2% and 72.5%, respectively, of our total silicon purchases by value. In 2015, three of our suppliers individually accounted for more than 10% and our largest supplier accounted for 16.9% of our total silicon purchases by value. In 2016, one of our suppliers individually accounted for more than 10%, and our largest supplier accounted for 17.7% of our total silicon purchases by value. In 2017, four of our suppliers individually accounted for more than 10%, and our largest supplier accounted for 23.9% of our total silicon purchases by value.

Although the global supply of polysilicon has increased significantly, we may experience interruption to our supply of silicon raw materials or late delivery in the future for the following reasons, among others:

suppliers under our silicon material supply contracts may delay deliveries for a significant period of time without incurring penalties;

- our virgin polysilicon suppliers may not be able to meet our production needs consistently or on a timely basis;

compared with us, some of our competitors who also purchase virgin polysilicon from our suppliers have longer and stronger relationships with and have greater buying power and bargaining leverage over some of our key suppliers; and

our supply of silicon raw materials is subject to the business risk of our suppliers, some of whom have limited operating history and limited financial resources, and one or more of which could go out of business for reasons beyond our control in the current economic environment.

Our failure to obtain the required amounts of silicon raw materials in a timely manner and on commercially reasonable terms could increase our manufacturing costs and substantially limit our ability to meet our contractual obligations to our customers. Any failure by us to meet such obligations could have a material adverse effect on our reputation, ability to retain customers, market share, business and results of operations and may subject us to claims from our customers and other disputes. Furthermore, our failure to obtain sufficient silicon raw materials would result in under-utilization of our production facilities and an increase in our marginal production costs. Any of the above events could have a material adverse effect on our growth, profitability and results of operations.

The loss of, or a significant reduction in orders from, any of our customers could significantly reduce our revenue and harm our results of operations.

In 2015, 2016 and 2017, sales to our top five customers represented 20.0%, 28.5% and 21.8% of our total revenue, respectively. In 2017, our largest customer accounted for 5.7% of our total revenue. In 2016, our largest customer accounted for 9.7% of our total revenue. In 2015, our largest customer accounted for 7.2% of our total revenue. Our relationships with our key customers for solar modules have been developed over a relatively short period of time and are generally in nascent stages. Our key module customers include Sterling and Wilson International FZE, NextEra and ConEdison Development. We cannot assure you that we will be able to continue to generate significant revenue from these customers or that we will be able to maintain these customer relationships. In addition, we purchase solar wafers and cells and silicon raw materials through toll manufacturing arrangements that require us to make significant capital commitments to support our estimated production output. In the event our customers cancel their orders, we may not be able to recoup prepayments made to suppliers, which could adversely influence our financial condition and results of operations. The loss of sales to any of these customers could also have a material adverse effect on our business, prospects and results of operations.

We manufacture a majority of our products in three locations in China, which exposes us to various risks relating to long-distance transportation of our silicon wafers and solar cells in the manufacturing process.

The geographical separation of our manufacturing facilities in China necessitates constant long-distance transportation of substantial volumes of our silicon wafers and solar cells between Jiangxi Province, Zhejiang Province and Xinjiang Uygur Autonomous Region. We produce silicon wafers in Jiangxi and Xinjiang, solar cells in Zhejiang, and solar modules in Jiangxi and Zhejiang. As a result, we transport a substantial volume of our silicon wafers and solar cells within China.

The constant long-distance transportation of a large volume of our silicon wafers and solar cells may expose us to various risks, including (i) increases in transportation costs, (ii) loss of our silicon wafers or solar cells as a result of any accidents that may occur in the transportation process; (iii) delays in the transportation of our silicon wafers or solar cells as a result of any severe weather conditions, natural disasters or other conditions adversely affecting road traffic; and (iv) disruptions to our production of solar cells and solar modules as a result of delays in the transportation of our silicon wafers and solar cells. Any of these risks could have a material adverse effect on our business and results of operations.

Prepayment arrangements to our suppliers for the procurement of silicon raw materials expose us to the credit risks of such suppliers and may also significantly increase our costs and expenses, which could in turn have a material adverse effect on our financial condition, results of operations and liquidity.

Our supply contracts generally include prepayment obligations for the procurement of silicon raw materials. As of December 31, 2017, we had approximately RMB397.1 million (US\$61.0 million) of advances to our suppliers. We generally do not receive collateral to secure such payments for these contracts and the collateral we received are deeply subordinated and shared with all other customers and other senior lenders of the supplier.

Our prepayments, secured or unsecured, expose us to the credit risks of our suppliers, and reduce our chances of obtaining the return of such prepayments in the event that our suppliers become insolvent or bankrupt. Moreover, we may have difficulty recovering such prepayments if any of our suppliers fails to fulfill its contractual delivery obligations to us. Accordingly, a default by our suppliers to whom we have made substantial prepayment may have a material adverse effect on our financial condition, results of operations and liquidity. For example, in January 2013, we notified Wuxi Zhongcai Technological Co. Ltd. (“Wuxi Zhongcai”), one of our former polysilicon providers, to terminate our long-term supply agreement, in response to adverse developments in Wuxi Zhongcai’s business. In February 2013, we became involved in litigation with Wuxi Zhongcai over the supply agreement. We provided full provision for the RMB93.2 million of the outstanding balance of prepayments to Wuxi Zhongcai in 2012. The first court hearing was held on November 22, 2017. The related two lawsuits are pending before the Supreme People’s Court as of the date of this annual report. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal and Administrative Proceedings.”

Decreases in the price of solar power products, including solar modules, may result in additional provisions for inventory losses.

We typically plan our production and inventory levels based on our forecasts of customer demand, which may be unpredictable and can fluctuate materially. Recent market volatility has made it increasingly difficult for us to accurately forecast future product demand trends. Due to the decrease in the prices of solar power products, including solar modules, which have been our principal products since 2010, we recorded inventory provisions of RMB98.8 million, RMB439.0 million and RMB313.7 million (US\$48.2 million) in 2015, 2016 and 2017, respectively. If the prices of solar power products continue to decrease, the carrying value of our existing inventory may exceed its market price in future periods, thus requiring us to make additional provisions for inventory valuation, which may have a material adverse effect on our financial position and results of operations.

Shortage or disruption of electricity supply may adversely affect our business.

We consume a significant amount of electricity in our operations. With the rapid development of the PRC economy, demand for electricity has continued to increase. There have been shortages or disruptions in electricity supply in various regions across China, especially during peak seasons, such as the summer, or when there are severe weather conditions. We cannot assure you that there will not be disruptions or shortages in our electricity supply or that there will be sufficient electricity available to us to meet our future requirements. Shortages or disruptions in electricity supply and any increases in electricity costs may significantly disrupt our normal operations, cause us to incur additional costs and adversely affect our profitability.

We face intense competition in solar power product markets. If we fail to adapt to changing market conditions and to compete successfully with existing or new competitors, our business prospects and results of operations would be materially adversely affected.

The markets for solar power products are intensely competitive. We compete with manufacturers of solar power products such as Trina Solar Ltd., Canadian Solar Inc. and JA Solar Holdings Co., Ltd, in a continuously evolving market. Certain downstream manufacturers, some of which are also our customers and suppliers, have also built out or expanded their silicon wafer, solar cell, or solar module production operations.

Some of our current and potential competitors have a longer operating history, stronger brand recognition, more established relationships with customers, greater financial and other resources, a larger customer base, better access to raw materials and greater economies of scale than we do. Furthermore, some of our competitors are integrated players in the solar industry that engage in the production of virgin polysilicon. Their business models may give them

competitive advantages as these integrated players place less reliance on the upstream suppliers, downstream customers or both.

The solar industry faces competition from other types of renewable and non-renewable power industries.

The solar industry faces competition from other renewable energy companies and non-renewable power industries, including nuclear energy and fossil fuels such as coal, petroleum and natural gas. Technological innovations in these other forms of energy may reduce their costs or increase their safety. Large-scale new deposits of fossil fuel may be discovered, which could reduce their costs. Local governments may decide to strengthen their support for other renewable energy sources, such as wind, hydro, biomass, geothermal and ocean power, and reduce their support for the solar industry. The inability to compete successfully against producers of other forms of power would reduce our market share and negatively affect our results of operations.

Technological changes in the solar power industry could render our products uncompetitive or obsolete, which could reduce our market share and cause our revenue and net income to decline.

The solar power industry is characterized by evolving technologies and standards. These technological evolutions and developments place increasing demands on the improvement of our products, such as solar cells with higher conversion efficiency and larger and thinner silicon wafers and solar cells. Other companies may develop production technologies that enable them to produce silicon wafers, solar cells and solar modules with higher conversion efficiencies at a lower cost than our products. Some of our competitors are developing alternative and competing solar technologies that may require significantly less silicon than crystalline silicon wafers and solar cells, or no silicon at all. Technologies developed or adopted by others may prove more advantageous than ours for commercialization of solar power products and may render our products obsolete. As a result, we may need to invest significant resources in research and development to maintain our market position, keep pace with technological advances in the solar power industry, and effectively compete in the future. Our failure to further refine and enhance our products and processes or to keep pace with evolving technologies and industry standards could cause our products to become uncompetitive or obsolete, which could materially adversely reduce our market share and affect our results of operations.

Existing regulations and policies and changes to these regulations and policies may present technical, regulatory and economic barriers to the purchase and use of solar power products, which may significantly reduce demand for our products.

The market for electricity generation products is heavily influenced by government regulations and policies concerning the electric utility industry, as well as by policies adopted by electric utility companies. These regulations and policies often relate to electricity pricing and technical interconnection requirements for customer-owned electricity generation. In a number of countries, these regulations and policies are being modified and may continue to be modified. Customer purchases of, or further investment in the research and development of, alternative energy sources, including solar power technology, could be deterred by these regulations and policies, which could result in a significant reduction in the demand for our products. For example, without a regulatory mandated exception for solar power systems, utility customers may be charged interconnection or standby fees for putting distributed power generation on the electric utility grid. These fees could increase the cost of and reduce the demand for solar power, thereby harming our business, prospects, results of operations and financial condition.

In addition, we anticipate that solar power products and their installation will be subject to oversight and regulation in accordance with national and local regulations relating to building codes, safety, environmental protection, utility interconnection, and metering and related matters. Any new government regulations or utility policies pertaining to solar power products may result in significant additional expenses to the users of solar power products and, as a result, could eventually cause a significant reduction in demand for our products.

We may face termination and late charges and risks relating to the termination and amendment of certain equipment purchases contracts. Our reliance on equipment and spare parts suppliers may also expose us to potential risks.

We transact with a limited number of equipment suppliers for all our principal manufacturing equipment and spare parts, including our silicon ingot furnaces, squaring machines, wire saws, diffusion furnaces, firing furnaces and screen print machine. We may rely on certain major suppliers to provide a substantial portion of the principal manufacturing equipment and spare parts as part of our expansion plan in the future. If we fail to develop or maintain our relationships with these and other equipment suppliers, or should any of our major equipment suppliers encounter difficulties in the manufacturing or shipment of its equipment or spare parts to us, including due to natural disasters or otherwise fail to supply equipment or spare parts according to our requirements, it will be difficult for us to find alternative providers for such equipment on a timely basis and on commercially reasonable terms. As a result, our production and result of operation could be adversely affected.

Selling our products on credit terms may increase our working capital requirements and expose us to the credit risk of our customers.

To accommodate and retain customers in the negative market environment, many solar module manufacturers, including us, make credit sales and extend credit terms to customers, and this trend is expected to continue in the industry. Most of our sales are made on credit terms and we allow our customers to make payments after a certain period of time subsequent to the delivery of our products. Our accounts receivable turnover were 82 days, 108 days and 77 days in 2015, 2016 and 2017, respectively. In particular, in 2015, 2016 and 2017, our accounts receivable turnover in the United States were 25 days, 19 days and 39 days, respectively, and our accounts receivable turnover in China were 131 days, 144 days and 127 days, respectively. Correspondingly, we recorded provisions for accounts receivable of RMB335.7 million, RMB376.6 million and RMB264.7 million (US\$40.7 million) as of December 31, 2015, 2016 and 2017, respectively. We had reversal of bad debt provisions of RMB206.3 million, RMB191.5 million and RMB259.4 million (US\$39.9 million) for 2015, 2016 and 2017, respectively, as a result of the subsequent collection of long-aged accounts receivable. Based on our ongoing assessment of the recoverability of our outstanding accounts receivable, we may need to continue to provide for doubtful accounts and write off overdue accounts receivable we determine as not collectible.

Selling our products on credit terms has increased, and may continue to increase our working capital requirements, which may negatively affect our liquidity. We may not be able to maintain adequate working capital primarily through cash generated from our operating activities and may need to secure additional financing for our working capital requirements, which may not be available to us on commercially-acceptable terms or at all.

In addition, we are exposed to the credit risk of customers to which we have made credit sales in the event that any of such customers becomes insolvent or bankrupt or otherwise does not make timely payments. For example, we sell our products on credit to certain customers in emerging or promising markets in order to gain early access to such markets, increase our market share in existing key markets or to enhance the prospects of future sales with rapidly growing customers. There are high credit risks in doing business with these customers because they are often small, young and high-growth companies with significant unfunded working capital, inadequate balance sheets and credit metrics and limited operating histories. If these customers are not able to obtain satisfactory working capital, maintain adequate cash flow, or obtain construction financing for the projects where our solar products are used, they may be unable to pay for products they have ordered from us or for which they have taken delivery. Our legal recourse under such circumstances may be limited if the customers' financial resources are already constrained or if we wish to continue to do business with these customers.

We are exposed to various risks related to legal or administrative proceedings or claims that could adversely affect our financial condition, results of operations and reputation, and may cause loss of business.

Litigation in general can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. We and/or our directors and officers may be involved in allegations, litigation or legal or administrative proceedings from time to time.

On October 11, 2011, JinkoSolar, along with our directors and officers at the time of our initial public offering, or the Individual Defendants, and the underwriters of our initial public offering were named as defendants in a putative shareholder class action lawsuit filed in the United States District Court for the Southern District of New York captioned *Marco Peters v. JinkoSolar Holding Co., Ltd., et al.*, Case No. 11-CV-7133 (S.D.N.Y.). In an amended complaint filed on June 1, 2012, the plaintiff, representing a class of all purchasers and acquirers of ADSs of JinkoSolar between May 13, 2010 and September 22, 2011, inclusive, alleged that the defendants violated Sections 11 and 12(a)(2) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by making material misstatements or failing to disclose material information regarding, among other things, JinkoSolar's compliance with environmental regulations at its Haining facility. The amended complaint also asserted claims against the Individual Defendants for control person liability under Section 15 of the Securities Act and Section 20(a) of the Exchange Act. On January 22, 2013, the District Court issued a Memorandum and Order dismissing the amended complaint as against all defendants. The plaintiff appealed the District Court's Order to the United States Court of Appeals for the Second Circuit, which issued an order on July 31, 2014 vacating the District Court's Order and remanding the case to the District Court for further proceedings. Defendants filed a further motion to dismiss the amended complaint. On January 22, 2015, JinkoSolar agreed, subject to court approval, to settle the

lawsuit. The settlement, if approved, will also resolve all related claims against JinkoSolar's officers and directors as well as the underwriters involved in JinkoSolar's public offerings during the relevant period. Under the terms of the proposed settlement, the members of the proposed class will receive a settlement fund of \$5.05 million, less any court-approved fees. JinkoSolar will contribute a portion of the settlement fund, and JinkoSolar's insurers will fund the remaining portion. JinkoSolar will not take any charge in connection with the settlement. JinkoSolar has denied, and continues to deny, the allegations and is entering into this settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. On March 11, 2016, the District Court entered an Order and Final Judgment approving such settlement, certifying the proposed class for settlement purposes, and dismissing the amended complaint with prejudice.

In July 2008, Jiangxi Jinko entered into a long-term supply agreement with Wuxi Zhongcai, a producer of polysilicon materials. Jiangxi Jinko provided a prepayment of RMB95.6 million pursuant to such contract. Wuxi Zhongcai subsequently halted production as a result of the adverse changes in the polysilicon market. In February 2013, Jiangxi Jinko sued Wuxi Zhongcai in Shangrao City Intermediate People's Court for the refund of the outstanding balance of our prepayment of RMB93.2 million after deducting delivery made to Jiangxi Jinko by an affiliate of Wuxi Zhongcai. In February 2013, Wuxi Zhongcai sued Jiangxi Jinko in Shanghai Pudong New Area People's Court for approximately RMB2.7 million for breaching the contract by failing to make allegedly required payments and reject the refund of the prepayment of RMB 95.6 million to Jiangxi Jinko. In December 2015, Jiangxi Jinko made an alternation of the claim under which it requested the refund of the prepayment of RMB93.2 million, the interests accrued from such prepayment, and the liquidated damages in the amount of RMB93.2 million. In January, 2016, Wuxi Zhongcai also changed the complaint, in which it claimed for the liquidated damages amounting to approximately RMB102.0 million and the losses suffered from the termination of the agreement in the amount of RMB150.0 million, and rejected the refund of the prepayment of RMB95.6 million to Jiangxi Jinko. Shanghai High People's Court ruled on both lawsuits in June 2017. In Jiangxi Jinko v. Wuxi Zhongcai, the court sided with Wuxi Zhongcai and denied Jiangxi Jinko's complaint. In Wuxi Zhongcai v. Jiangxi Jinko, the court decided that Wuxi Zhongcai shall retain the balance of our prepayment in the amount of RMB93.2 million and the remaining claims of Wuxi Zhongcai were denied. Jiangxi Jinko appealed both court decisions. Wuxi Zhongcai appealed the decision on Wuxi Zhongcai v. Jiangxi Jinko. The first court hearing was held on November 22, 2017. The above two lawsuits are pending before the Supreme People's Court as of the date of this annual report. We provided full provision for the RMB93.2 million of the outstanding balance of prepayments to Wuxi Zhongcai in 2012.

In the fourth quarter of 2017, we decided to fulfill the demand for our solar products in South Africa through other overseas manufacturing facilities, and closed our manufacturing facility in South Africa. In December 2017, the South African Revenue Services ("SARS"), issued a letter of demand in terms of the Customs and Excise Act (the "Act"). The demand is for the amount of approximately ZAR573.1 million (US\$42.4 million) against JinkoSolar (Pty) Ltd, our subsidiary. SARS alleges that JinkoSolar (Pty) Ltd's importation of certain components for the manufacturer of solar panels and the rebate of customs duty did not comply with the Act. We are of the view that SARS' decision to persist with the letter of demand for the amounts in question is without any legal basis and intend on vigorously defending all claims against JinkoSolar (Pty) Ltd. JinkoSolar (Pty) Ltd has submitted an application to SARS for the suspension of payment for the amount demanded, pending the finalization of the dispute. JinkoSolar (Pty) Ltd intends to lodge an internal appeal in terms of section 77A – 77F of the Act against the decision of SARS to claim the amounts demanded and the basis thereof. We assessed the potential impact of the dispute and concluded that the potential exposure JinkoSolar (Pty) Ltd. would be subject to is less than RMB70,000, which is immaterial to our consolidated financial statements.

Regardless of the merits, responding to allegations, litigation or legal or administration proceedings and defending against litigation can be time consuming and costly, and may result in us incurring substantial legal and administrative expenses, as well as divert the attention of our management. Any such allegations, lawsuits or proceedings could have a material adverse effect on our business operations. Further, unfavorable outcomes from these claims or lawsuits could adversely affect our business, financial condition and results of operations.

We may continue to undertake acquisitions, investments, joint ventures or other strategic alliances, and such undertakings may be unsuccessful.

We may continue to grow our operations through acquisitions, participation in joint ventures or other strategic alliances with suppliers or other companies in China and overseas along the solar power industry value chain in the future. Such acquisitions, participation in joint ventures and strategic alliances may expose us to new operational, regulatory, market and geographical risks as well as risks associated with additional capital requirements and diversion of management resources. Our acquisitions may expose us to the following risks:

There may be unforeseen risks relating to the target's business and operations or liabilities of the target that were not discovered by us through our legal and business due diligence prior to such acquisition. Such undetected risks and liabilities could have a material adverse effect on our business and results of operations in the future.

There is no assurance that we will be able to maintain relationships with previous customers of the target, or develop new customer relationships in the future. Loss of our existing customers or failure to establish relationships with new customers could have a material adverse effect on our business and results of operations.

Acquisitions will generally divert a significant portion of our management and financial resources from our existing business and the integration of the target's operations with our existing operations has required, and will continue to require, significant management and financial resources, potentially straining our ability to finance and manage our existing operations.

There is no assurance that the expected synergies or other benefits from any acquisition or joint venture investment will actually materialize. If we are not successful in the integration of a target's operations, or are otherwise not successful in the operation of a target's business, we may not be able to generate sufficient revenue from its operations to recover costs and expenses of the acquisition.

Acquisition or participation in new joint venture or strategic alliance may involve us in the management of operation in which we do not possess extensive expertise.

The materialization of any of these risks could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to non-competition or other similar restrictions or arrangements relating to our business.

We may from time to time enter into non-competition, exclusivity or other restrictions or arrangements of a similar nature as part of our sales agreements with our customers. Such restrictions or arrangements may significantly hinder our ability to sell additional products, or enter into sales agreements with new or existing customers that plan to sell our products, in certain markets. As a result, such restrictions or arrangements may have a material adverse effect on our business, financial condition and results of operations.

In October 2016, we entered into a side agreement with Jiangxi Jinko Engineering and the investors of Jiangxi Jinko Engineering, pursuant to the non-compete provisions of which we undertake not to develop any downstream solar power project with a capacity of over 2 MW in China after the disposition of our equity interest in Jiangxi Jinko Engineering in the fourth quarter of 2016. As a result, we only operated several solar power projects outside China as of December 31, 2017. This non-competition covenant may adversely affect our growth prospects in China.

In September 2017, we provided a non-compete commitment to Jiangxi Jinko Engineering where we undertake to cease developing new downstream solar projects. In addition, for our existing offshore downstream solar power projects that we are constructing and will connect to the grid, we undertake to endeavor to cause those projects to be transferred to Jiangxi Jinko Engineering, its subsidiaries or other qualified third parties, to the extent that such transfers will not contravene with applicable laws and regulations and that we are able to obtain written consent of the relevant contracting parties for those projects. This non-competition undertaking may adversely affect our operating

results.

Our substantial indebtedness could adversely affect our business, financial condition and results of operations.

We typically require a significant amount of cash to meet our capital requirements, including the expansion of our production capacity, as well as to fund our operations. As of December 31, 2017, we had approximately RMB6.20 billion (US\$953.6 million) in outstanding short-term borrowings (including the current portion of long-term bank borrowings), RMB379.8 million (US\$58.4 million) in outstanding long-term bank borrowings (excluding the current portion) and approximately RMB65 thousand (US\$10 thousand) in convertible senior notes.

In November 2014, we signed a US\$20.0 million two-year credit agreement with Wells Fargo Bank, National Association (“Wells Fargo”), the term of which was later extended to October 2019. The credit limit was raised to US\$40.0 million in June 2015 and further to US\$60.0 million in July 2016 through amendments to the credit agreement. Borrowings under the credit agreement have been used to support our working capital and business operations in the United States.

In May 2015, we signed a US\$20.0 million three-year bank facility agreement with Barclay Bank, which was subsequently raised to US\$40.0 million, to support our working capital and business operations.

In September 2016, we signed a US\$25.0 million two-year bank facility agreement with Malayan Banking Berhad to support our working capital and business operations in Malaysia.

In May 2017, we provided a guarantee due April 2019 for a loan of Sweihan PV Power Company P.J.S.C, our equity investee, for developing overseas solar power projects, in an aggregate principal amount not exceeding US\$42.9 million.

In June 2017, we signed a JPY4.1 billion syndicated loan agreement up to two years with a bank consortium led by Sumitomo Mitsui Banking Corporation to provide working capital and support for our business operations in Japan.

In July 2017, we issued medium term notes of RMB300.0 million due July 2020 for working capital purposes.

In July 2017, we entered into a four-year financial lease in the amount of RMB600.0 million to support the improvement of our production efficiency.

In September 2017, we signed a JPY500.0 million one-year facility agreement with ORIX Bank Corporation to provide working capital and support for our business operations in Japan.

In December 2017, we signed a US\$20.0 million bank facility agreement due August 2018 with Societe Generale to support our working capital and business operations.

We may not have sufficient funds available to meet our payment obligations in light of the amount of bank borrowings due in the near term future. This level of debt and the imminent repayment of our notes and other bank borrowings could have significant consequences on our operations, including:

- reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes as a result of our debt service obligations, and limiting our ability to obtain additional financing;

- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy; and

potentially increasing the cost of any additional financing.

Any of these factors and other consequences that may result from our substantial indebtedness could have an adverse effect on our business, financial condition and results of operations as well as our ability to meet our payment obligations under our debt.

In addition, we are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes. As of December 31, 2017, RMB39.2 million (US\$6.0 million) of our long-term borrowings bears interest at variable rates, generally linked to market benchmarks such as the benchmark interest rate issued by People's Bank of China. Any increase in interest rates would increase our finance expenses relating to our variable rate indebtedness and increase the costs of refinancing our existing indebtedness and issuing new debt. Furthermore, since the majority of our short-term borrowings came from Chinese banks, we are exposed to lending policy changes by the Chinese banks. If the Chinese government changes its macroeconomic policies and forces Chinese banks to tighten their lending practices, or if Chinese banks are no longer willing to provide financing to solar power companies, including us, we may not be able to extend our short-term borrowings or make additional borrowings in the future.

We may also incur gain or loss in relation to our change in the fair value of our financial instruments. The change in fair value of financial instruments may fluctuate significantly from period to period due to factors that are largely beyond our control, and may result in us recording substantial gains or losses as a result of such changes. As a result of the foregoing, you may not be able to rely on period to period comparisons of our operating results as an indication of our future performance.

Our failure to maintain sufficient collateral under certain pledge contracts for our short-term loans may materially adversely affect our financial condition and results of operations.

As of December 31, 2017, we had short-term borrowings of RMB736.4 million (US\$113.2 million), including the current portion of long-term bank borrowings, secured by certain of our inventory with net book value of RMB171.1 million (US\$26.3 million), land use rights, property, plant and equipment with total net book value of RMB1.85 billion (US\$284.9 million). We cannot assure you that we will not be requested by the pledgees to provide additional collateral to bring the value of the collateral to the level required by the pledgees if our inventory depreciates in the future. If we fail to provide additional collateral, the pledgees will be entitled to require the immediate repayment of the outstanding bank loans. In addition, the pledgees may auction or sell the inventory. Furthermore, we may be subject to liquidated damages pursuant to relevant pledge contracts. Although the pledgees have conducted regular site inspections on our inventory since the pledge contracts were executed, they have not requested us to provide additional collateral or take other remedial actions. However, we cannot assure you the pledgees will not require us to provide additional collateral in the future or take other remedial actions or otherwise enforce their rights under the pledge contracts and loan agreements. If any of the foregoing occurs, our financial condition and results of operations may be materially adversely affected.

We rely principally on dividends and other distributions on equity paid by our principal operating subsidiaries, and limitations on their ability to pay dividends to us could have a material adverse effect on our business and results of operations.

We are a holding company and rely principally on dividends paid by our principal operating subsidiaries, including Jiangxi Jinko and Zhejiang Jinko, for cash requirements. Applicable PRC laws, rules and regulations permit payment of dividends by our PRC subsidiaries only out of their retained earnings, if any, determined in accordance with PRC accounting standards. Our PRC subsidiaries are required to set aside a certain percentage of their after-tax profit based on PRC accounting standards each year as reserve funds for future development and employee benefits, in accordance with the requirements of relevant laws and provisions in their respective articles of associations. The percentage should not be less than 10%, unless the reserve funds reach 50% of the company's registered capital. In addition, under PRC laws, our PRC subsidiaries are prohibited from distributing dividends if there is a loss in the current year. As a result, our PRC subsidiaries may be restricted in their ability to transfer any portion of their net income to us whether in the form of dividends, loans or advances. Any limitation on the ability of our subsidiaries to pay dividends to us could materially adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses, pay dividends or otherwise fund and conduct our business.

Any failure to maintain effective internal control could have a material adverse effect on our business, results of operations and the market price of the ADSs.

The SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), adopted rules requiring most public companies to include a management report on such company’s internal control over financial reporting in its annual report, which contains management’s assessment of the effectiveness of the company’s internal control over financial reporting. In addition, when a company meets the SEC’s criteria, an independent registered public accounting firm must report on the effectiveness of the company’s internal control over financial reporting.

Our management and independent registered public accounting firm have concluded that our internal control over financial reporting as of December 31, 2017 was effective. However, we cannot assure you that in the future our management or our independent registered public accounting firm will not identify material weaknesses during the Section 404 of the Sarbanes-Oxley Act audit process or for other reasons. In addition, because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. As a result, if we fail to maintain effective internal control over financial reporting or should we be unable to prevent or detect material misstatements due to error or fraud on a timely basis, investors could lose confidence in the reliability of our financial statements, which in turn could harm our business, results of operations and negatively impact the market price of the ADSs, and harm our reputation. Furthermore, we have incurred and expected to continue to incur considerable costs and to use significant management time and other resources in an effort to comply with Section 404 and other requirements of the Sarbanes-Oxley Act.

Failure to achieve satisfactory production volumes of our products could result in higher unit production costs.

The production of silicon wafers, solar cells, solar modules and recovered silicon materials involves complex processes. Deviations in the manufacturing process can cause a substantial decrease in output and, in some cases, disrupt production significantly or result in no output. From time to time, we have experienced lower-than-anticipated manufacturing output during the ramp-up of production lines. This often occurs during the introduction of new products, the installation of new equipment or the implementation of new process technologies. As we bring additional lines or facilities into production, we may operate at less than intended capacity during the ramp-up period. In addition, the decreased demand in global solar power product market, including the demand for solar modules, may also cause us to operate at less than intended capacity. This would result in higher marginal production costs and lower output, which could have a material adverse effect on our business, financial condition and results of operations.

Demand for solar power products may be adversely affected by seasonality.

Demand for solar power products tends to be weaker during the winter months partly due to adverse weather conditions in certain regions, which complicate the installation of solar power systems, our operating results may fluctuate from period to period based on the seasonality of industry demand for solar power products. Our sales in the first quarter of any year may also be affected by the occurrence of the Chinese New Year holiday during which domestic industrial activity is normally lower than that at other times. Such fluctuations may result in the underutilization of our capacity and increase our average costs per unit. In addition, we may not be able to capture all of the available demand if our capacity is insufficient during the summer months. As a result, fluctuations in the demand for our products may have a material adverse effect on our business, financial condition and results of operations.

Unsatisfactory performance of or defects in our products may cause us to incur additional expenses and warranty costs, damage our reputation and cause our sales to decline.

Our products may contain defects that are not detected until after they are shipped or inspected by our customers.

Our silicon wafer sales contracts normally require our customers to conduct inspection before delivery. We may, from time to time, allow those of our silicon wafer customers with good credit to return our silicon wafers within a stipulated period, which normally ranges from 7 to 15 working days after delivery, if they find our silicon wafers do not meet the required specifications. Our standard solar cell sales contract requires our customer to notify us within 7 days of delivery if such customer finds our solar cells do not meet the specifications stipulated in the sales contract. If our customer notifies us of such defect within the specified time period and provides relevant proof, we will replace

those defective solar cells with qualified ones after our confirmation of such defects.

Our solar modules are typically sold with a 10-year warranty for material and workmanship and a 25-year linear power output warranty against the maximum degradation of the actual power output for each year after the warranty start date. If a solar module is defective during the relevant warranty period, we will either repair or replace the solar module. As we continue to increase our sales to the major export markets, we may be exposed to increased warranty claims.

In May 2011, we engaged PowerGuard Specialty Insurance Services (“PowerGuard”), a firm specialized in unique insurance and risk management solutions for the wind and solar energy industries, to provide insurance coverage for the product warranty services of our solar modules worldwide effective from May 1, 2011. Since May 2011, we have renewed the insurance policy upon its expiration in May for each year for a period of one year. The policy offers back-to-back coverage through a maximum of ten-year limited product defects warranty, as well as a 10-year and 25-year linear warranty against declines of more than 10.0% and 20.0%, respectively, from the initial minimum power generation capacity at the time of delivery.

If we experience a significant increase in warranty claims, we may incur significant repair and replacement costs associated with such claims. In addition, product defects could cause significant damage to our market reputation and reduce our product sales and market share, and our failure to maintain the consistency and quality throughout our production process could result in substandard quality or performance of our products. If we deliver our products with defects, or if there is a perception that our products are of substandard quality, we may incur substantially increased costs associated with returns or replacements of our products, our credibility and market reputation could be harmed and our sales and market share may be materially adversely affected.

Fluctuations in exchange rates could adversely affect our results of operations.

We derive a substantial portion of our sales from international customers and a significant portion of our total revenue have been denominated in foreign currencies, particularly, Euros and U.S. dollars. Our export sales represented 62.7%, 61.5% and 62.8% of our total revenue in 2015, 2016 and 2017, respectively. As a result, we may face significant risks resulting from currency exchange rate fluctuations, particularly, among Renminbi, Euros and U.S. dollars. For example, we expect our revenue and gross margin to be adversely affected by the recent appreciation of Renminbi against U.S. dollars, as a substantial portion of our sales are denominated in U.S. dollars. Furthermore, we have outstanding debt obligations, and may continue to incur debts from time to time, denominated and repayable in foreign currencies. We incurred a foreign-exchange loss of approximately RMB86.5 million in 2015, a foreign-exchange gain of approximately RMB208.8 million in 2016, and a foreign-exchange loss of approximately RMB114.3 million (US\$17.6 million) in 2017. We cannot predict the impact of future exchange rate fluctuations on our results of operations and may incur net foreign currency losses in the future.

Our consolidated financial statements are expressed in Renminbi. The functional currency of our principal operating subsidiaries, Jiangxi Jinko and Zhejiang Jinko, is also Renminbi. To the extent we hold assets denominated in Euros or U.S. dollars, any appreciation of Renminbi against the Euro or U.S. dollar could reduce the value of our Euro-or U.S. dollar-denominated consolidated assets. On the other hand, if we decide to convert our Renminbi amounts into Euros or U.S. dollars for business purposes, including foreign debt service, a decline in the value of Renminbi against the Euro or U.S. dollar would reduce the Euro or U.S. dollar equivalent amounts of the Renminbi we convert. In addition, a depreciation of Renminbi against the U.S. dollar could reduce the U.S. dollar equivalent amounts of our financial results and the dividends we may pay in the future, if any, all of which may have a material adverse effect on the price of our ADSs.

Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. On November 30, 2015, the Executive Board of the International Monetary Fund completed the regular five-year review of the basket of currencies that make up the Special Drawing Right (the “SDR”), and decided that with effect from October 1, 2016, Renminbi will be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the RMB has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future. Any currency exchange losses we recognize may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

Limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. Although we have entered into a number of foreign-exchange forward contracts and call spread options with local banks to manage

our risks associated with foreign-exchange rates fluctuations, we cannot assure you that our hedging efforts will be effective. Our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on our results of operations.

Our operating history may not be a reliable predictor of our prospects and future results of operations.

We commenced processing recoverable silicon materials in June 2006, and manufacturing silicon wafers in 2008. We commenced producing solar cells in July 2009 following our acquisition of Zhejiang Jinko, which has manufactured solar cells since June 2007, and we commenced producing solar modules in August 2009. We commenced our solar power generation and solar system integration service business in late 2011 and disposed of our downstream solar power project business in the PRC to a related party in November 2016.

Although our revenue experienced significant growth in the past, we cannot assure you that our revenue will increase at previous rates or at all, or that we will be able to continue to operate profitably in future periods. We also experienced net losses in each quarter from the fourth quarter of 2011 to the first quarter of 2013. Our operating history may not be a reliable predictor of our future results of operations, and past revenue growth experienced by us should not be taken as indicative of the rate of revenue growth, if any, that can be expected in the future. We believe that period to period comparisons of our operating results and our results for any period should not be relied upon as an indication of future performance.

Our operations are subject to natural disasters, adverse weather conditions, operating hazards, environmental incidents and labor disputes.

We may experience earthquakes, floods, mudslides, snowstorms, typhoon, power outages, labor disputes or similar events beyond our control that would affect our operations. Our manufacturing processes involve the use of hazardous equipment, such as furnaces, squaring machines and wire saws. We also use, store and generate volatile and otherwise dangerous chemicals and waste during our manufacturing processes, which are potentially destructive and dangerous if not properly handled or in the event of uncontrollable or catastrophic circumstances, including operating hazards, fires and explosions, natural disasters, adverse weather conditions and major equipment failures, for which we cannot obtain insurance at a reasonable cost or at all.

In addition, our silicon wafer and solar module production and storage facilities are located in close proximity to one another in the Shangrao Economic Development Zone in Jiangxi Province, and our solar cell production and storage facilities are located in close proximity to one another in Haining, Zhejiang Province. The occurrence of any natural disaster, unanticipated catastrophic event or unexpected accident in either of the two locations could result in production curtailments, shutdowns or periods of reduced production, which could significantly disrupt our business operations, cause us to incur additional costs and affect our ability to deliver our products to our customers as scheduled, which may adversely affect our business, financial condition and results of operations. Moreover, such events could result in severe damage to property, personal injuries, fatalities, regulatory enforcement proceedings or in our being named as a defendant in lawsuits asserting claims for large amounts of damages, which in turn could lead to significant liabilities.

Our Haining facility suspended operation from September 17, 2011 to October 9, 2011 due to an environmental incident. Occurrences of natural disasters, as well as accidents and incidents of adverse weather in or around Shangrao, Haining and Penang in the future may result in significant property damage, electricity shortages, disruption of our operations, work stoppages, civil unrest, personal injuries and, in severe cases, fatalities. Such incidents may result in damage to our reputation or cause us to lose all or a portion of our production capacity, and future revenue anticipated to be derived from the relevant facilities.

Our founders collectively have significant influence over our management and their interests may not be aligned with our interests or the interests of our other shareholders.

As of the date of this annual report, our founders, Xiande Li who is our chairman, Kangping Chen who is our chief executive officer, and Xianhua Li who is our vice president, beneficially owned approximately 15.9%, 9.6% and 3.9%, respectively, or approximately 29.4% in the aggregate, of our outstanding ordinary shares. If the founders act collectively, they will have a substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors, dividend policy and other significant corporate actions. They may take actions that are not in the best interest of our company or our securities holders. For example, this concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of our ADSs. On the other hand, if the founders are in favor of any of these actions, these actions may be taken even if they are opposed by a majority of our other shareholders, including you and those who invest in ADSs. In addition, under our current articles of association, the quorum required for the general meeting of our shareholders is two shareholders entitled to vote and present in person or by proxy or, if the shareholder is a corporation, by its duly authorized representative representing not less than one-third in nominal value of our total issued voting shares. As such, a shareholders resolution may be passed at our shareholders meetings with the presence of our founders only and without the presence of any of our other shareholders, which may not represent the interests of our other shareholders, including holders of ADSs.

We have limited insurance coverage and may incur losses resulting from product liability claims, business interruption or natural disasters.

We are exposed to risks associated with product liability claims in the event that the use of our products results in property damage or personal injury. Since our products are ultimately incorporated into electricity generating systems, it is possible that users could be injured or killed by devices that use our products, whether as a result of product malfunctions, defects, improper installations or other causes. Due to our limited operating history, we are unable to predict whether product liability claims will be brought against us in the future or to predict the impact of any resulting adverse publicity on our business. The successful assertion of product liability claims against us could result in potentially significant monetary damages and require us to make significant payments. We carry limited product liability insurance and may not have adequate resources to satisfy a judgment in the event of a successful claim against us. In addition, we do not carry any business interruption insurance. As the insurance industry in China is still in its early stage of development, even if we decide to take out business interruption coverage, such insurance available in China offers limited coverage compared with that offered in many other countries. Any business interruption or natural disaster could result in substantial losses and diversion of our resources and materially adversely affect our business, financial condition and results of operations.

The grant of employee share options and other share-based compensation could adversely affect our net income.

As of the date of annual report, share options with respect to 9,322,380 ordinary shares have been granted to our directors, officers and employees pursuant to our 2009 Long Term Incentive Plan, and there are 1,468,688 ordinary shares issuable upon the exercise of outstanding options granted under the plan. As of the date of this annual report, share options with respect to 11,119,980 ordinary shares have been granted to our directors, officers and employees pursuant to our 2014 Equity Incentive Plan, and there are 7,583,980 ordinary shares issuable upon the exercise of outstanding options granted under the plan. U.S. GAAP requires us to recognize share-based compensation as compensation expense in the consolidated statement of operations based on the fair value of equity awards on the date of the grant, with the compensation expense recognized over the period in which the recipient is required to provide service in exchange for the equity award. If we grant more share options to attract and retain key personnel, the expenses associated with share-based compensation may adversely affect our net income. However, if we do not grant share options or reduce the number of share options that we grant, we may not be able to attract and retain key personnel.

Our lack of sufficient patent protection in and outside of China may undermine our competitive position and subject us to intellectual property disputes with third parties, both of which may have a material adverse effect on our business, results of operations and financial condition.

We have developed various production process related know-how and technologies in the production of our products. Such know-how and technologies play a critical role in our quality assurance and cost reduction. In addition, we have implemented a number of research and development programs with a view to developing techniques and processes that will improve production efficiency and product quality. Our intellectual property and proprietary rights from our research and development programs will be crucial in maintaining our competitive edge in the solar power industry. As of the date of this annual report, we had 351 patents and 285 pending patent applications in China. Our patents' validity is generally ten years. We plan to continue to seek to protect our intellectual property and proprietary knowledge by applying for patents for them. However, we cannot assure you that we will be successful in obtaining patents in China in a timely manner or at all. Moreover, even if we are successful, China currently affords less protection to a company's intellectual property than some other countries, including the United States. We also use contractual arrangements with employees and trade secret protections to protect our intellectual property and proprietary rights. Nevertheless, contractual arrangements afford only limited protection and the actions we may take to protect our intellectual property and proprietary rights may not be adequate.

In addition, others may obtain knowledge of our know-how and technologies through independent development. Our failure to protect our production process, related know-how and technologies, our intellectual property and proprietary rights or any combination of the above may undermine our competitive position. Third parties may infringe or misappropriate our proprietary technologies or other intellectual property and proprietary rights. Policing unauthorized use of proprietary technology can be difficult and expensive. Litigation, which can be costly and divert management attention and other resources away from our business, may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of our proprietary rights. We cannot assure you that the outcome of such potential litigation will be in our favor. An adverse determination in any such litigation will impair our intellectual property and proprietary rights and may harm our business, prospects and reputation.

We may be exposed to intellectual property infringement or misappropriation claims by third parties, which, if determined adversely to us, could cause us to pay significant damage awards and subject us to injunctions prohibiting sale of our products in certain markets.

Our success depends on our ability to use and develop our technology and know-how, and to manufacture and sell our recovered silicon materials, silicon wafers, solar cells and solar modules, develop solar power projects or otherwise operate our business in the solar industry without infringing the intellectual property or other rights of third parties. We may be subject to litigation involving claims of patent infringement or violation of intellectual property rights of third parties. The validity and scope of claims relating to solar power technology patents involve complex scientific, legal and factual questions and analyses and, therefore, may be highly uncertain. The defense and prosecution of intellectual property suits, patent opposition proceedings, trademark disputes and related legal and administrative proceedings can be both costly and time consuming and may significantly divert our resources and the attention of our technical and management personnel. An adverse ruling in any such litigation or proceedings could subject us to significant liability to third parties, require us to seek licenses from third parties, to pay ongoing royalties, or to redesign our products or subject us to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Protracted litigation could also result in our customers or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation.

Our business depends substantially on the continuing efforts of our executive officers and key technical personnel, as well as our ability to maintain a skilled labor force. Our business may be materially adversely affected if we lose their services.

Our success depends on the continued services of our executive officers and key personnel, in particular our founders, Mr. Xiande Li, Mr. Kangping Chen and Mr. Xianhua Li. We do not maintain key-man life insurance on any of our executive officers and key personnel. If one or more of our executive officers and key personnel are unable or unwilling to continue in their present positions, we may not be able to readily replace them, if at all. As a result, our business may be severely disrupted and we may have to incur additional expenses in order to recruit and retain new personnel. In addition, if any of our executives joins a competitor or forms a competing company, we may lose some of our customers. Each of our executive officers and key personnel has entered into an employment agreement with us that contains confidentiality and non-competition provisions. However, if any dispute arises between our executive officers or key personnel and us, we cannot assure you, in light of uncertainties associated with the PRC legal system, that these agreements could be enforced in China where most of our executive officers and key personnel reside and hold most of their assets. See “—Risks Related to Doing Business in China—Uncertainties with respect to the PRC legal system could have a material adverse effect on us” in this annual report.

Furthermore, recruiting and retaining capable personnel, particularly experienced engineers and technicians familiar with our products and manufacturing processes, is vital to maintain the quality of our products and improve our production methods. There is substantial competition for qualified technical personnel, and we cannot assure you that we will be able to attract or retain qualified technical personnel. If we are unable to attract and retain qualified

employees, key technical personnel and our executive officers, our business may be materially adversely affected.

Compliance with environmentally safe production and construction regulations can be costly, while non-compliance with such regulations may result in adverse publicity and potentially significant monetary damages, fines and suspension of our business operations.

We are required to comply with all national and local environmental protection regulations for our operations in China, Malaysia and Portugal. For example, regulations on emission trading and pollution permits in Zhejiang Province allow entities to increase their annual pollution discharge limit by purchasing emissions trading credits. Entities that purchase emission credits can increase their annual discharge limit by registering the credits with the relevant environmental authorities and amending their pollution permits or obtaining new ones. We have entered into several emissions trading contracts to purchase credits to increase our annual discharge limit and registered all credits as required under a local regulation that became effective on October 9, 2010. However, as our business grows, we may increase our discharge level in the future and we cannot guarantee you that we will continue to be below our annual discharge limit. The penalties for exceeding the annual discharge limit may include corrective orders, fines imposed by the local environmental authority of up to RMB50,000 or, in extreme circumstances, revocation of our pollution permit. Some of our subsidiaries need to obtain and maintain pollution discharge permits, which are subject to renewal or extension on an annual basis or within a longer period. We cannot assure you that we are or will be able to renew or extend these permits in a timely manner or at all.

We use, store and generate volatile and otherwise dangerous chemicals and wastes during our manufacturing processes, and are subject to a variety of government regulations related to the use, storage and disposal of such hazardous chemicals and waste. In accordance with the requirements of the Regulations on the Safety Management of Hazardous Chemicals, which became effective on March 15, 2002 and were amended on December 1, 2011 and December 7, 2013, we are required to engage state-qualified institutions to conduct the safety evaluation on our storage instruments related to our use of hazardous chemicals and file the safety evaluation report with the competent safety supervision and administration authorities every three years. In compliance with Jiaying City environmental authority's requests, we commenced efforts to meet their targets for hazardous chemical and wastes in May 2012. Environmental authorities of Haining City and Jiaying City evaluated our efforts and confirmed that we satisfied their targets in September 2012. Moreover, we also need to timely file a report with the competent safety supervision and administration authorities and public security agencies concerning the actual storage situation of our hyper-toxic chemicals and other hazardous chemicals that constitute major of hazard sources. We have not conducted the safety evaluation or filed safety evaluation reports with respect to certain of our storage instruments in compliance with the revised Regulation on the Safety Management of Hazardous Chemicals and we cannot assure you that we will be able to file the safety evaluation reports on time. Failure to conduct such safety evaluation or to make such filing on time may subject us to an order to rectify such conduct within a prescribed time period, fines of up to RMB100,000 or a revocation of our qualification certification and business license.

Moreover, we are required to obtain construction permits before commencing constructing production facilities. We are also required to obtain the approvals from PRC environmental protection authorities before commencing commercial operations of our manufacturing facilities. We commenced construction of a portion of our solar cell and solar module production facilities prior to obtaining the construction permits and commenced operations of certain of our production facilities prior to obtaining the environmental approvals for commencing commercial operation and completing the required safety evaluation procedure. Although we have subsequently obtained all required environmental approvals covering all of our existing production capacity except a portion of our solar cell and solar module production capacity, we cannot assure you that we will not be penalized by the relevant government authorities for our non-compliance with the PRC environmental protection, safe production and construction regulations.

In late August 2011, our Haining facility experienced a suspected leakage of fluoride into a nearby small water channel due to extreme and unforeseen weather conditions. On September 15, 2011, residents of Hongxiao Village in proximity to the Haining facility gathered to protest the discharge. The Haining facility suspended production on September 17, 2011. We also took steps recommended by an environmental engineering firm licensed by the PRC government ("Licensed Engineers"). On September 28, 2011, a committee of experts (the "Experts Committee") established by the Haining government approved a set of recommendations developed by the Licensed Engineers with our assistance and the Haining government to be implemented by us. On October 6, 2011, the Experts Committee, the Environmental Bureau of the Haining government and representatives of Hongxiao Village reviewed the steps taken by us based on the recommendations of the Experts Committee and provided their comments to JinkoSolar's management. On October 9, 2011, the Experts Committee notified us that the Experts Committee was satisfied with the steps taken by us and we resumed production at the Haining facility. In 2012, we carried out a series of environmental protection efforts intended to ensure our compliance with relevant standards and requirements. See "Item 4. Information on the Company—B. Business Overview—Environmental Matters." In January 2013, Haining City environmental authority issued the "Environmental Management Compliance Certificate for 2012" to us, confirming our

compliance with environmental requirements.

Although we will try to take measures to prevent similar incidents from occurring again in the future, we cannot assure you that our operations will not be disrupted by similar or other environmental incidents. In addition, the relevant authorities may issue more stringent environmental protection, safe production and construction regulations in the future that may impact our manufacturing facilities in China or abroad, and the costs of compliance with new regulations could be substantial. If we fail to comply with the future environmentally safe production and construction laws and regulations, we may be required to pay fines, suspend construction or production, or cease operations. Moreover, any failure by us to control the use of, or to adequately restrict the discharge of, dangerous substances could subject us to potentially significant monetary damages and fines or the suspension of our business operations.

Risks Related to Doing Business in China

We may fail to comply with laws and regulations regarding PV production in China.

On January 15, 2018, the Ministry of Industry and Information Technology of China (the “MIIT”) promulgated the Standard Conditions of Photovoltaic Production Industry, or the Photovoltaic Production Rule, in place of its old version, which establishes a basic regulatory framework for PV production industry. The Photovoltaic Production Rule provides, among other matters, requirements in relation to the production layout, project establishment filing and enterprise qualification, requirements with regard to the production scale, product quality, cell efficiency, energy consumption and operational life span of various PV products, and requirements related to quality management and obtaining the pollution discharge permits and other environmental requirements. Our failure to comply with the Photovoltaic Production Rule and the laws and regulations related thereto could result in fines, sanctions, suspension, revocation or non-renewal of approvals, permits or licenses, which could have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you that we will be able to promptly and adequately respond to changes of laws and regulations, or that our employees and contractors will act in accordance with our internal policies and procedures. Failure to comply with such laws and regulations relating to PV production may materially adversely affect our business, financial condition and results of operations.

PCAOB registered public accounting firms in China, including our independent registered public accounting firm, are not inspected by the U.S. Public Company Accounting Oversight Board, which deprives us and our investors of the benefits of such inspection.

Auditors of companies whose shares are registered with the U.S. Securities and Exchange Commission and traded publicly in the United States, including our independent registered public accounting firm, must be registered with the

U.S. Public Company Accounting Oversight Board (the “PCAOB”) and are required by the laws of the United States to undergo regular inspections by the PCAOB to assess their compliance with the laws of the United States and professional standards applicable to auditors. Our independent registered public accounting firm is located in, and organized under the laws of, the PRC, which is a jurisdiction where the PCAOB, notwithstanding the requirements of U.S. law, is currently unable to conduct inspections without the approval of the Chinese authorities. In May 2013, PCAOB announced that it had entered into a Memorandum of Understanding on Enforcement Cooperation with the China Securities Regulatory Commission (the “CSRC”) and the Ministry of Finance of China (the “MOF”), which establishes a cooperative framework between the parties for the production and exchange of audit documents relevant to investigations undertaken by PCAOB, the CSRC or the MOF in the United States and the PRC, respectively. PCAOB continues to be in discussions with the CSRC and the MOF to permit joint inspections in the PRC of audit firms that are registered with PCAOB and audit Chinese companies that trade on U.S. exchanges.

This lack of PCAOB inspections in China prevents the PCAOB from fully evaluating audits and quality control procedures of our independent registered public accounting firm. As a result, we and investors in our ADSs are deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our independent registered public accounting firm’s audit procedures or quality control procedures as compared to auditors outside of China that are subject to PCAOB inspections, which could cause investors and potential investors in our stock to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

If additional remedial measures are imposed on the Big Four PRC-based accounting firms, including our independent registered public accounting firm, in administrative proceedings brought by the SEC alleging the firms' failure to meet specific criteria set by the SEC, we may have difficulties complying with the requirements of the Securities Exchange Act of 1934.

In December 2012, the SEC instituted administrative proceedings against the Big Four PRC-based accounting firms, including our independent registered public accounting firm, alleging that these firms had violated U.S. securities laws and the SEC's rules and regulations thereunder by failing to provide to the SEC the firms' audit work papers with respect to certain PRC-based companies that are publicly traded in the United States. On January 22, 2014, the administrative law judge presiding over the matter rendered an initial decision that each of the firms had violated the SEC's rules of practice by failing to produce audit work papers to the SEC. The initial decision censured each of the firms and barred them from practicing before the SEC for a period of six months. The Big Four PRC-based accounting firms appealed the administrative law judge's initial decision to the SEC. The administrative law judge's decision does not take effect unless and until it is endorsed by the SEC.

In February 2015, the four China-based accounting firms each agreed to a censure and to pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC and audit U.S.-listed companies. The settlement required the firms to follow detailed procedures and to seek to provide the SEC with access to PRC firms' audit documents via the CSRC. If future document productions fail to meet specified criteria, the SEC retains the authority to impose a variety of additional remedial measures on the firms depending on the nature of the failure.

While we cannot predict if the SEC will further review the four China-based accounting firms' compliance with specified criteria or if the results of such a review would result in the SEC imposing penalties such as suspensions or restarting the administrative proceedings, if the accounting firms are subject to additional remedial measures, our ability to file our financial statements in compliance with SEC requirements could be impacted. A determination that we have not timely filed financial statements in compliance with SEC requirements could ultimately lead to the delisting of our ADSs from NYSE or the termination of the registration of our ADSs under the Exchange Act, or both, which would substantially reduce or effectively terminate the trading of our ADSs in the United States.

The approval of the MOFCOM for or in connection with our corporate restructuring in 2007 and 2008 may be subject to revocation, which will have a material adverse effect on our business, operating results and trading price of our ADSs.

On August 8, 2006, six PRC governmental and regulatory agencies, including the Ministry of Commerce of the People's Republic of China (the "MOFCOM"), and the CSRC promulgated a rule entitled "Provisions Regarding Mergers and Acquisitions of Domestic Enterprises by Foreign Investors", or Circular 10, which became effective on September 8, 2006 and was amended in June 2009. Article 11 of Circular 10 requires PRC domestic enterprises or domestic

natural persons to obtain the prior approval of MOFCOM when an offshore company established or controlled by them proposes to merge with or acquire a PRC domestic company with which such enterprises or persons have a connected relationship.

We undertook a restructuring in 2007, or the 2007 Restructuring, and our founders and JinkoSolar Technology Limited, previously Paker Technology Limited (“JinkoSolar Technology”), obtained the approval of Jiangxi MOFCOM, for the acquisition of certain equity interest in Jiangxi Desun and the pledge by our founders of their equity interest in Jiangxi Desun to Jinko Solar Technology, or the 2007 acquisition and pledge. However, because our founders are PRC natural persons and they controlled both JinkoSolar Technology and Jiangxi Desun, the 2007 acquisition and pledge would be subject to Article 11 of Circular 10 and therefore subject to approval by MOFCOM at the central government level. To remedy this past non-compliance, we undertook another corporate restructuring in 2008, or the 2008 Restructuring, under which the share pledge was terminated on July 28, 2008 and JinkoSolar Technology transferred all of its equity interest in Jiangxi Desun to Long Faith Creation Limited (“Long Faith”), an unrelated Hong Kong company, on July 31, 2008. In addition, on November 11, 2008, we received written confirmation from Jiangxi MOFCOM in its reply to our inquiry that there had been no modification to the former approvals for the 2007 acquisition and pledge and JinkoSolar Technology’s transfer of its equity interest in Jiangxi Desun to Long Faith, and we might continue to rely on those approvals for further transactions. Nevertheless, we cannot assure you that MOFCOM will not revoke such approval and subject us to regulatory actions, penalties or other sanctions because of such past non-compliance. If the approval of Jiangxi MOFCOM for the 2007 acquisition and pledge were revoked and we were not able to obtain MOFCOM’s retrospective approval for the 2007 acquisition and pledge, Jiangxi Desun may be required to return the tax benefits to which only a foreign-invested enterprise was entitled and which were recognized by us during the period from April 10, 2007 to December 31, 2007, and the profit distribution to JinkoSolar Technology in December 2008 may be required to be unwound. Under an indemnification letter issued by our founders to us, our founders have agreed to indemnify us for any monetary losses we may incur as a result of any violation of Circular 10 in connection with the restructuring we undertook in 2007. We cannot assure you, however, that this indemnification letter will be enforceable under the PRC law, our founders will have sufficient resources to fully indemnify us for such losses, or that we will not otherwise suffer damages to our business and reputation as a result of any sanctions for such non-compliance.

Meanwhile, given the uncertainty with respect to what constitutes a merger with or acquisition of a PRC domestic enterprise and what constitutes circumvention of its approval requirements under the Circular 10, we cannot assure you that the 2008 Restructuring is in all respects compliance with Circular 10. If MOFCOM subsequently determines that its approval of the 2008 Restructuring was required, we may face regulatory actions or other sanctions by MOFCOM or other PRC regulatory agencies. Such actions may include compelling us to terminate the contracts between Jiangxi Desun and us, the limitation of our operating privileges in China, the imposition of fines and penalties on our operations in China, restrictions or prohibition on the payment or remittance of dividends by Jiangxi Jinko or others that may have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs.

Adverse changes in political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of the PRC, which could reduce the demand for our products and materially adversely affect our competitive position.

Our business is primarily based in the PRC and a portion of our sales are made in the PRC. Accordingly, our business, financial condition, results of operations and prospects are affected significantly by economic, political and legal developments in the PRC. The PRC economy differs from the economies of most developed countries in many respects, including:

the level of government involvement;

the level of development;

the growth rate;

the control of foreign exchange; and

the allocation of resources.

While the PRC economy has grown significantly in the past 30 years, the growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may have a negative effect on us. For example, our financial condition and results of operations may be materially adversely affected by government control over capital investments or changes in tax regulations that are applicable to us.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of the productive assets in China is still owned by the PRC government. The continued control of these assets and other aspects of the national economy by the PRC government could materially adversely affect our business. The PRC government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. We cannot predict whether changes in China's political, economic and social conditions, laws, regulations and policies will have any material adverse effect on our current or future business, financial condition and results of operations.

Uncertainties with respect to the PRC legal system could have a material adverse effect on us.

We are incorporated in Cayman Islands and are subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to wholly foreign owned companies. The PRC legal system is based on written statutes. Prior court decisions have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to us. For example, we may have to resort to administrative and court proceedings to enforce the legal protection that we enjoy either by law or contract. However, since PRC administrative authorities and courts have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult than in more developed legal systems to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may impede our ability to enforce the contracts we have entered into with our business partners, clients and suppliers. In addition, such uncertainties, including the inability to enforce our contracts, could materially adversely affect our business and operations. Furthermore, intellectual property rights and confidentiality protections in China may not be as effective as in the United States or other countries. Accordingly, we cannot predict the effect of future developments in the PRC legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of national laws by local regulations. These uncertainties could limit the legal protections available to us and other foreign investors, including you. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

PRC regulations may subject our future mergers and acquisitions activity to national security review.

In February 2011, General Office of the State Council of China (the “State Council”) promulgated Circular 6, a notice on the establishment of a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Circular 6 became effective on March 3, 2011. To implement Circular 6, MOFCOM promulgated the MOFCOM Security Review Rules on August 25, 2011, which became effective on September 1, 2011. According to Circular 6 and the MOFCOM Security Review Rules, national security review is required to be undertaken to complete mergers and acquisitions (i) by foreign investors of enterprises relating to national defense and (ii) through which foreign investors may acquire de facto control of a domestic enterprise that could raise national security concerns. When determining whether to subject a specific merger or acquisition to national security review, the MOFCOM will look at the substance and actual impact of the transaction. Bypassing national security review by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions by foreign investors is prohibited.

In addition, even if a merger or acquisition by foreign investors is not currently subject to national security review, or is determined to have no impact on national security after such review, it may still be subject to future review. A change in conditions (such as change of business activities, or amendments to relevant documents or agreements) may

trigger the national security review requirement, then the foreign investor to the merger or acquisition must apply for the relevant approval with the MOFCOM.

Currently, there are no public provisions or official interpretations specifically providing that our current businesses fall within the scope of national security review and there is no requirement that foreign investors to those merger and acquisition transactions completed prior to the promulgation of Circular 6 take initiatives to submit such transactions to MOFCOM for national security review. However, as the MOFCOM Security Review Rules and Circular 6 are relatively new and there is no clear statutory interpretation on their implementation, there is no assurance that the relevant PRC regulatory authorities will have the same view as us when applying them. If our future merger and acquisition transactions are subject to the national security review, the application of the MOFCOM Security Review Rules and Circular 6 may further complicate our future merger and acquisition activities, and our expansion strategy may be adversely affected as a result.

PRC regulations relating to overseas investment by PRC residents may restrict our overseas and cross-border investment activities and adversely affect the implementation of our strategy as well as our business and prospects.

On July 4, 2014, the State Administration of Foreign Exchange of China (the “SAFE”) issued the Circular on the Administration of Foreign Exchange Issues Related to Overseas Investment, Financing and Roundtrip Investment by Domestic Residents through Offshore Special Purpose Vehicles (the “SAFE Circular 37”), which replaced the former circular commonly known as “SAFE Circular 75” promulgated on October 21, 2005. The SAFE Circular 37 requires PRC residents to register with the competent local SAFE branch in connection with their direct establishment or indirect control of an offshore special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests. The SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contribution by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

We believe that all of our beneficial owners who are PRC citizens or residents have completed their registrations with the competent local SAFE branch in accordance with the SAFE Circular 75 before the promulgation of SAFE Circular 37. However, we may not at all times be fully aware or informed of the identities of all of our beneficial owners who are PRC citizens or residents, and we may have little control over either our present or prospective direct or indirect PRC resident beneficial owners or the outcome of such registration procedures. We cannot assure you that the SAFE registrations of our present beneficial owners or future beneficial owners who are PRC citizens or residents have been or will be amended to reflect, among others, the shareholding information or equity investment as required by the SAFE Circular 37 and subsequent implementation rules at all times. The failure of these beneficial owners to comply with the registration procedures set forth in the SAFE Circular 37 may subject such beneficial owners and our PRC subsidiaries to fines and legal sanctions. Such failure may also result in restrictions on our PRC subsidiaries’ ability to distribute profits to us or our ability to inject capital into our PRC subsidiaries or otherwise materially adversely affect our business, financial condition and results of operations. Furthermore, since the SAFE Circular 37 was recently promulgated and it is unclear how this regulation, and any future regulation concerning offshore or cross-border transactions, will be interpreted and implemented by the relevant PRC government authorities. We cannot predict how these regulations will affect our business operations or future strategy.

On December 25, 2006, the People’s Bank of China promulgated the Measures for Administration of Individual Foreign Exchange, and on January 5, 2007, the SAFE promulgated relevant Implementation Rules. On February 15, 2012, the SAFE promulgated the Notice on Various Issues Concerning Foreign Exchange Administration for Domestic Individuals Participating in Equity Incentive Plans of Overseas Listed Companies (the “Stock Option Notice”). The Stock Option Notice terminated the Application Procedures of Foreign Exchange Administration of Domestic Individuals’ Participating in an Employee Stock Holding Plan or Stock Option Plan of an Overseas Listed

Company issued by the SAFE on March 28, 2007. According to the Stock Option Notice, PRC citizens who are granted shares or share options by a company listed on an overseas stock market according to its employee stock holding plan or stock incentive plan are required to register with the SAFE or its local counterparts by following certain procedures.

We and our employees who are PRC citizens and individual beneficiary owners, or have been granted restricted shares or share options, are subject to the Individual Foreign Exchange Rules and its relevant implementation regulations. The failure of our PRC individual beneficiary owners and the restricted holders to complete their SAFE registrations pursuant to the SAFE's requirement or the Individual Foreign Exchange Rules may subject these PRC citizens to fines and legal sanctions. It may also limit our ability to contribute additional capital into our PRC subsidiaries, and limit our PRC subsidiaries' ability to distribute dividends to us, or otherwise materially adversely affect our business.

On December 26, 2017, the National Development and Reform Commission of China (the “NDRC”) promulgated the Administrative Measures for the Outbound Investment of Enterprises (the “new ODI Measure”), which will take effect from March 1, 2018, and will replace the Administrative Measures for Approval and Record-filing on Overseas Investment Projects promulgated by the NDRC on April 8, 2014, or the former ODI Measure. The new ODI Measure will further enhance supervision of overseas investments through reports of seriously unfavorable events, inquiry letters and related supervision systems. Where PRC citizens make investments abroad through overseas enterprises under their control, the new ODI Measure will apply *mutatis mutandis*.

Besides overseas investments of PRC subsidiaries, all of our overseas investments may subject to supervision and inspection under the new ODI Measure, which may materially increase the complexity of regulatory compliance aspect of our overseas investments. However, the new ODI Measure has not yet come into effect and the implementation and interpretation of the new ODI Measure are uncertain and will subject to the practice of the NDRC.

Our China-sourced income is subject to PRC withholding tax under the CIT Law, and we may be subject to PRC corporate income tax at the rate of 25%.

We are a Cayman Islands holding company with a substantial part of our operations conducted through our operating subsidiaries in China. Under the Corporate Income Tax Law of the PRC (the “CIT Law”), which became effective on January 1, 2008 and was amended on February 24, 2017, and the Regulation on the Implementation of the CIT Law (the “Implementation Rules of the CIT Law”), both of which became effective on January 1, 2008, China-sourced passive income of non-PRC tax resident enterprises, such as dividends paid by a PRC subsidiary to its overseas parent, is generally subject to a 10% withholding tax. Under an arrangement between China and Hong Kong, such dividend withholding tax rate is reduced to 5% if the beneficial owner of the dividends is a Hong Kong tax resident enterprise which directly owns at least 25% of the PRC company distributing the dividends and has owned such equity for at least 12 consecutive months before receiving such dividends. For example, as JinkoSolar Technology is a Hong Kong company and has owned 100% of the equity interest in Jiangxi Jinko and 25% of the equity interest in Zhejiang Jinko directly for more than 12 consecutive months to date, any dividends paid by Jiangxi Jinko and Zhejiang Jinko to JinkoSolar Technology will be entitled to a withholding tax at the reduced rate of 5% after obtaining approval from the competent PRC tax authority, provided that JinkoSolar Technology is deemed the beneficial owner of such dividends and that JinkoSolar Technology is not deemed to be a PRC tax resident enterprise as described below. However, according to the Circular of the State Administration of Taxation on How to Understand and Identify a “Beneficial Owner” under Tax Treaties, effective on October 27, 2009, and the Announcement of the State Administration of Taxation on the Determination of “Beneficial Owners” in the Tax Treaties, effective on June 29, 2012, an applicant for treaty benefits, including benefits under the arrangement between China and Hong Kong on dividend withholding tax, that does not carry out substantial business activities or is an agent or a conduit company may not be deemed a “beneficial owner” of the PRC subsidiary and therefore, may not enjoy such treaty benefits. If JinkoSolar Technology is determined to be ineligible for such treaty benefits, any dividends paid by Jiangxi Jinko and Zhejiang Jinko to JinkoSolar Technology will be subject to the PRC withholding tax at a 10% rate instead of a reduced rate of 5%.

The CIT Law, however, also provides that enterprises established outside China whose “de facto management bodies” are located in China are considered “PRC tax resident enterprises” and will generally be subject to the uniform 25% PRC corporate income tax rate as to their global income. Under the Implementation Rules of the CIT Law, “de facto management bodies” is defined as the bodies that have, in substance, overall management control over such aspects as the production and business, personnel, accounts and properties of an enterprise. On April 22, 2009, the State Administration of Taxation of China (the “SAT”), promulgated the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (“SAT Circular 82”). According to SAT Circular 82, an offshore-incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China only if certain conditions are met. Despite of those conditions, as SAT Circular 82 only applies to enterprises incorporated outside China controlled by PRC enterprises or a PRC enterprise, it remains unclear how the PRC tax authorities will determine the location of “de facto management bodies” for offshore enterprises that are controlled by individual PRC tax residents or non-PRC enterprises, as our Company and JinkoSolar Technology. Therefore, it remains unclear whether the PRC tax authorities would regard our Company or JinkoSolar Technology as PRC tax resident enterprises. If our Company and JinkoSolar Technology are regarded by PRC tax authorities as PRC tax resident enterprises for PRC corporate income tax purposes, any dividends distributed from Jiangxi Jinko and Zhejiang Jinko to JinkoSolar Technology and ultimately to our company could be exempt from the PRC withholding tax, while our Company and JinkoSolar Technology will be subject to the uniform 25% corporate income tax rate on our global income at the same time.

Dividends payable by us to our foreign investors and gains on the sale of our shares or ADSs may become subject to PRC corporate income tax liabilities.

The Implementation Rules of the CIT Law provide that (i) if the enterprise that distributes dividends is domiciled in China, or (ii) if gains are realized from transferring equity interests of enterprises domiciled in China, then such dividends or capital gains are treated as China-sourced income. It is not clear how “domicile” will be interpreted under the CIT Law. It may be interpreted as the jurisdiction where the enterprise is incorporated or where the enterprise is a tax resident. Therefore, if our company and our subsidiaries in Hong Kong are considered PRC tax resident enterprises for tax purposes, any dividends we pay to our overseas shareholders or ADS holders, as well as any gains realized by such shareholders or ADSs holders from the transfer of our shares or ADSs, may be viewed as China-sourced income and, as a consequence, be subject to PRC corporate income tax at 10% or a lower treaty rate. If we are required to withhold PRC income tax on dividends we pay to our overseas shareholders or ADS holders, or if you are required to pay PRC income tax on gains from the transfer of our shares or ADSs, the value of your investment in our shares or ADSs may be materially adversely affected.

Our ability to make distributions and other payments to our shareholders depends to a significant extent upon the distribution of earnings and other payments made by our subsidiaries in the PRC.

We conduct a substantial part of our operations through our operating subsidiaries in China. Our ability to make distributions or other payments to our shareholders depends on payments from these operating subsidiaries in China, whose ability to make such payments is subject to PRC regulations. Regulations in the PRC currently permit payment of dividends only out of accumulated profits as determined in accordance with accounting standards and regulations in China. According to the relevant PRC laws and regulations applicable to our operating subsidiaries in China and their respective articles of association, these subsidiaries are each required to set aside at least 10% of their after-tax profits based on PRC accounting standards each year as general reserves until the accumulative amount of these reserves reaches 50% of their registered capital. These reserves are not distributable as cash dividends. As of December 31, 2017, these general reserves amounted to RMB516.9 million (US\$79.4 million), accounting for 7.0% of the total registered capital of all of our operating subsidiaries in China. In addition, under the CIT Law and its Implementation Rules, which became effective January 1, 2008, dividends from our operating subsidiaries in China to us are subject to withholding tax to the extent that we are considered a non-PRC tax resident enterprise under the CIT Law. See “—Our China-sourced income is subject to PRC withholding tax under the CIT Law, and we may be subject to PRC corporate income tax at the rate of 25%.” Furthermore, if our operating subsidiaries in China incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Restrictions on currency exchange may limit our ability to receive and use our revenue effectively.

Certain portions of our revenue and expenses are denominated in Renminbi. If our revenue denominated in Renminbi increases or expenses denominated in Renminbi decrease in the future, we may need to convert a portion of our revenue into other currencies to meet our foreign currency obligations, including, among others, payment of dividends declared, if any, in respect of our ADSs. Under China's existing foreign exchange regulations, foreign currency under current account transactions, such as dividend payments and trade-related transactions are generally convertible. Accordingly, our operating subsidiaries in China are able to pay dividends in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. However, the SAFE recently started to tighten such foreign exchange transactions. Among other things, the SAFE issued the Circular on Further Promoting the Reform of Foreign Exchange Administration and Improving Examination of Authenticity and Compliance on January 26, 2017, pursuant to which the SAFE restated the procedures and reemphasized the bona-fide principle for banks to follow during their review of certain cross-border profit remittance. We cannot assure you that the PRC government would not take further measures in the future to restrict access to foreign currencies for current account transactions. Foreign exchange transactions by our operating subsidiaries in China under capital accounts continue to be subject to significant foreign exchange controls and require the approval of, or registration with, PRC governmental authorities. In particular, if one of our operating subsidiaries in China borrows foreign currency loans from us or other foreign lenders, these loans must be registered with the SAFE.

If we finance our subsidiaries in China by means of additional capital contributions, these capital contributions must be approved by certain government authorities, including the MOFCOM or its local counterparts. On August 29, 2008, the SAFE promulgated Circular 142, which used to regulate the conversion by a foreign-invested company of foreign currency into Renminbi by restricting how the converted Renminbi may be used. On March 30, 2015, the SAFE issued the Circular on Reforming the Administration Approach Regarding the Foreign Exchange Capital Settlement of Foreign-invested Enterprises (“Circular 19”), which became effective on June 1, 2015 and replaced Circular 142. Circular 19 provides that the conversion from foreign currency registered capital of foreign-invested enterprises into the Renminbi capital may be at foreign-invested enterprises’ discretion, which means that the foreign currency registered capital of foreign-invested enterprises for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the book-entry of monetary contribution has been registered) can be settled at the banks based on the actual operational needs of the enterprises. However, Circular 19 does not materially change the restrictions on the use of foreign currency registered capital of foreign-invested enterprises that Circular 142 has set forth. On June 9, 2016, the SAFE promulgated the Circular on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange (“Circular 16”), which applies to all domestic enterprises in China. Circular 19 and Circular 16 continue to prohibit foreign-invested enterprises from, among other things, spending Renminbi capital converted from its foreign currency registered capital on expenditures beyond its business scope. Therefore, Circular 19 and Circular 16 may significantly limit the ability of our operating subsidiaries in China to transfer and use Renminbi funds from its foreign currency denominated capital, which may adversely affect our business, financial condition and results of operations.

The expiration or reduction of tax incentives by the PRC government may have a material adverse effect on our operating results.

The CIT Law imposes a uniform tax rate of 25% on all PRC enterprises, including foreign-invested enterprises, and eliminates or modifies most of the tax exemptions, reductions and preferential treatments available under the previous tax laws and regulations. Under the CIT Law, enterprises that were established before March 16, 2007 and already enjoyed preferential tax treatments have (i) in the case of preferential tax rates, continued to enjoy such tax rates that were gradually increased to the new tax rates within five years from January 1, 2008 or, (ii) in the case of preferential tax exemptions or reductions for a specified term, continued to enjoy the preferential tax holiday until the expiration of such term.

Zhejiang Jinko, Jiangxi Jinko and Jiangxi Materials were designated by the relevant local authorities as “High and New Technology Enterprises” under the CIT Law. Jiangxi Jinko, Jiangxi Materials and Zhejiang Jinko were subject to a preferential tax rate of 15% for 2015, 2016 and 2017. Zhejiang Jinko enjoyed the preferential tax rate of 15% in 2015, 2016 and 2017 and is in the process of obtaining this qualification for 2018, 2019 and 2020. In 2016, Jiangxi Jinko and Jiangxi Materials successfully renewed this qualification and will continue to enjoy the preferential tax rate of 15% in 2017 and 2018, if the relevant conditions are met. However, we cannot assure you that Zhejiang Jinko, Jiangxi Jinko or Jiangxi Materials will continue to qualify as “High and New Technology Enterprises” when subject to reevaluation in the near future. In addition, there are uncertainties on how the CIT Law and its Implementation Rules will be enforced, and whether its future implementation will be consistent with its current interpretation. If the corporate income tax rates of some of our PRC subsidiaries increase, our financial condition and results of operations

would be materially adversely affected. According to the Interim Regulations on Value-added Tax as amended on November 19, 2017, and the Implementing Rules of the Interim Regulations on Value-added Tax as amended on October 28, 2011, gross proceeds from sales and importation of goods and provision of services and tangible personal property leasing services are generally subject to a value-added tax (“VAT”), of 17% with exceptions for certain categories of goods that are taxed at a rate of 11%.

The State Council promulgated the Circular of the State Council on Cleaning up and Standardizing Preferential Policies on Tax and Other Aspects (“Circular 62”), on November 27, 2014 in an effort to render the preferential policies on tax, non-tax income, fiscal expenditure, and other aspects of the local government consistent with the PRC central laws and regulations. According to the Circular 62, the local tax authorities shall conduct the special clean-up action, which leads to preferential policies violating PRC central laws and regulations being declared ineffective and repealed and preferential policies not violating PRC central laws and regulations being retained. In addition, the special clean-up action requires that all provincial governments and relevant authorities shall, prior to the end of March 2015, report the outcome of the special clean-up action in respect of preferential policies on tax and other aspects to the MOF, and the MOF shall then forward the outcome to the State Council for final determination. On May 10, 2015, the State Council issued the Circular on Matters Relating to Preferential Policies for Tax and Other Aspects (“Circular 25”), which suspended the implementation of special clean-up action of Circular 62. Circular 25 provides that in respect of existing local preferential policies with specified time limit, such time limit shall still apply; if there is no specified time limit, the local governments shall have the discretion to set up a transitional period to adjust the policies. Furthermore, it provides that preferential tax policies stipulated in the agreements between local governments and enterprises remain valid and the implemented part of the policies shall not be retrospectively affected. However, it is not clear whether or not and when the special clean-up action will resume. The repeal of any preferential policy on tax and other aspects may materially adversely affect our financial condition and business operations.

We face uncertainty with respect to indirect transfers of equity interests in PRC tax resident enterprises by non-PRC holding companies.

Under the current PRC tax regulations, indirect transfers of equity interests and other properties of PRC tax resident enterprises by non-PRC holding companies may be subject to PRC tax. In accordance with the Announcement of the State Administration of Taxation on Several Issues concerning the Enterprise Income Tax on the Indirect Transfers of Properties by Non-Resident Enterprises (“SAT Announcement 7”), issued by the SAT on February 3, 2015, if a non-PRC tax resident enterprise indirectly transfers equities and other properties of a PRC tax resident enterprise and such indirect transfer will produce a result identical or substantially similar to direct transfer of equity interests and other properties of the PRC tax resident enterprise, the non-PRC tax resident enterprise may be subject to PRC withholding tax at a rate up to 10%. The Announcement of the State Administration of Taxation on Matters Concerning Withholding of Income Tax of Non-resident Enterprises at Source (“SAT Announcement 37”), which was issued by SAT on October 17, 2017 and became effective on December 1, 2017, renovates the principles and procedures concerning the indirect equity transfer tax withholding for a non-PRC tax resident enterprise. Failure to comply with the tax payment obligations by a non-PRC tax resident will result in penalties, including full payment of tax owed, fines and default interest on those tax.

According to SAT Announcement 7, where a non-resident enterprise indirectly transfers equity interests or other properties of PRC tax resident enterprises, (“PRC Taxable Property”) to avoid its tax liabilities by implementing arrangements without reasonable commercial purpose, such indirect transfer shall be recharacterized and recognized as a direct transfer of PRC Taxable Property. As a result, gains derived from such indirect transfer and attributable to PRC Taxable Property may be subject to PRC withholding tax at a rate of up to 10%. In the case of an indirect transfer of property of establishments of a foreign enterprise in the PRC, the applicable tax rate would be 25%. SAT

Announcement 7 also illustrates certain circumstances which would indicate a lack of reasonable commercial purpose. SAT Announcement 7 further sets forth certain “safe harbors” which would be deemed to have a reasonable commercial purpose. As a general principle, the SAT also issued the Administration of General Anti-Tax Avoidance (Trial Implementation) (“GATA”), which became effective on February 1, 2015 and empowers the PRC tax authorities to apply special tax adjustments for “tax avoidance arrangements.”

There is uncertainty as to the application of SAT Announcement 7 as well as the newly issued SAT Announcement 37 and GATA. For example, it may be difficult to evaluate whether or not the transaction has a reasonable commercial purpose, and such evaluation may be based on ambiguous criteria which have not been formally declared or stated by tax authorities. As a result, any of our disposals or acquisitions of the equity interests of non-PRC entities which indirectly hold PRC Taxable Property or any offshore transaction related to PRC Taxable Property, including potential overseas restructuring, might be deemed an indirect transfer under PRC tax regulations. Therefore, we may be at risk of being taxed under SAT Announcement 7 and SAT Announcement 37 and we may be required to expend valuable resources to comply with SAT Announcement 7 and SAT Announcement 37 or to establish that we should not be taxed thereunder, which may materially adversely affect our financial condition and results of operations.

As a foreign company, our acquisitions of PRC companies may take longer and be subject to higher level of scrutiny by the PRC government, which may delay or prevent any intended acquisition.

Circular 10 established additional procedures and requirements including the requirements that in certain instances foreign investors obtain MOFCOM's approval when they acquire equity or assets of a PRC domestic enterprise. In the future, we may want to grow our business in part by acquiring complementary businesses, although we do not have plans to do so at this time. Complying with Circular 10 to complete these transactions could be time-consuming and costly, and could result in an extensive review by the PRC government and its increased control over the terms of the transaction, and any required approval processes may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

Our failure to make payments of statutory social welfare and housing funds to our employees could adversely and materially affect our financial condition and results of operations.

According to the relevant PRC laws and regulations, we are required to pay certain statutory social security benefits, including medical care, injury insurance, unemployment insurance, maternity insurance and pension benefits, and housing funds, for our employees. Our failure to comply with these requirements may subject us to monetary penalties imposed by the relevant PRC authorities and proceedings initiated by our employees, which could materially adversely affect our business, financial condition and results of operations.

In line with local customary practices, we have made contributions to the social insurance funds which met the requirement of the local minimum wage standard, instead of the employees' actual salaries as required, and have not made full contribution to the housing funds. We estimate the aggregate amount of unpaid social security benefits and housing funds to be RMB281.0 million, RMB355.8 million and RMB484.8 million (US\$74.5 million), respectively, as of December 31, 2015, 2016 and 2017. We may be required by the relevant PRC authorities to pay these statutory social security benefits and housing funds within a designated time period. In addition, an employee is entitled to seek compensation by resorting to labor arbitration at the labor arbitration center or filing a labor complaint with the labor administration bureau within a designated time period. We have made provisions for such unpaid social security benefits and housing funds of our former and current PRC subsidiaries. All employee participants in our share incentive plans who are domestic individual participants may be required to register with SAFE. We may also face regulatory uncertainties that could restrict our ability to adopt additional option plans for our directors and employees under PRC law.

All employees participating in our share incentive plans who are domestic individual participants may be required to register with SAFE. We may also face regulatory uncertainties that could restrict our ability to adopt additional option plans for our directors and employees under PRC law.

On February 15, 2012, SAFE released the Stock Option Notice, which superseded the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in an Employee Stock Holding Plan or Stock Option Plan of an Overseas-Listed Company, issued by SAFE in 2007. According to the Stock Option Notice, PRC individual participants include directors, supervisors, senior management personnel and other employees who are PRC citizens (which includes citizens of Hong Kong, Macau and Taiwan) or foreign individuals who reside in the PRC for 12 months consecutively. Under the Stock Option Notice, PRC and foreign citizens who receive equity grants from an overseas listed company are required, through a PRC agent or PRC subsidiary of such listed company, to register with SAFE and complete certain other bank and reporting procedures. In addition, according to the Stock Option Notice, domestic individual participants must complete the registration with SAFE or its local branch within three days rather than 10 days from the beginning of each quarter.

Failure to comply with such provisions may subject us and the participants of our share incentive plans who are domestic individual participants to fines and legal sanctions and prevent us from further granting options under our share incentive plans to our employees, and we may become subject to more stringent review and approval processes with respect to our foreign-exchange activities, such as in regards to our PRC subsidiaries' dividend payment to us or in regards to borrowing foreign currency, which could adversely affect our business operations.

It may be difficult to effect service of process on, or to enforce any judgments obtained outside the PRC against, us, our directors, or our senior management members who live inside the PRC.

Substantially all of our existing directors and senior management members reside in the PRC and a substantial part of our assets and the assets of such persons are located in the PRC. Accordingly, it may be difficult for investors to effect service of process on any of these persons or to enforce judgments obtained outside of the PRC against us or any of these persons. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments awarded by courts in many developed countries, including the Cayman Islands, the United States and the United Kingdom. Therefore, the recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

Higher labor costs and inflation in China may adversely affect our business and our profitability.

Labor costs in China have risen in recent years as a result of the enactment of new labor laws and social development. In addition, inflation in China has increased. According to the National Bureau of Statistics of China, consumer price inflation in China was 1.4%, 2.0% and 1.6% in 2015, 2016 and 2017, respectively. Because we purchase raw materials from suppliers in China, higher labor cost and inflation in China increases the costs of labor and raw materials we must purchase for manufacturing. It is possible that China's inflation rates may rise further in 2017. As we expect our production staff to increase and our manufacturing operations to become more labor intensive when we commence silicon wafer and solar module production, rising labor costs may increase our operating costs and therefore negatively impact our profitability.

Because we source contractors and purchase raw materials in China, higher labor cost and inflation in China increases the costs of labor and raw materials we procure for production. In addition, our suppliers may also be affected by higher labor costs and inflation. Rising labor costs may increase our operating costs and partially erode the cost advantage of our China-based operations and therefore negatively impact our profitability.

We face risks related to health epidemics and other outbreaks.

Our business could be adversely affected by the effects of Ebola virus disease, influenza A ("H1N1"), avian flu, severe acute respiratory syndrome ("SARS"), or other epidemic outbreak. In April 2009, an outbreak of influenza A caused by the H1N1 virus occurred in Mexico and the United States, and spread into a number of countries rapidly. There have also been reports of outbreaks of a highly pathogenic avian flu, caused by the H1N1 virus, in certain regions of Asia and Europe. In past few years, there were reports on the occurrences of avian flu in various parts of China, including a few confirmed human cases. In April 2013, there were reports of cases of H7N9 avian flu in southeast China,

including deaths in Shanghai and Zhejiang Province. An outbreak of avian flu in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, particularly in Asia. Additionally, any recurrence of SARS, a highly contagious form of atypical pneumonia, similar to the occurrence in 2003 which affected China, Hong Kong, Taiwan, Singapore, Vietnam and certain other countries, would also have similar adverse effects. These outbreaks of contagious diseases and other adverse public health developments in China would have a material adverse effect on our business operations. These could include our ability to travel or ship our products outside China as well as temporary closure of our manufacturing facilities. Such closures or travel or shipment restrictions would severely disrupt our business operations and adversely affect our financial condition and results of operations. We have not adopted any written preventive measures or contingency plans to combat any future outbreak of avian flu, SARS or any other epidemic.

Risks Related to Our ADSs

The market price for our ADSs has been volatile, which could result in substantial losses to investors.

The market price for our ADSs has been and may continue to be highly volatile and subject to wide fluctuations, which could result in substantial losses to investors. The closing prices of our ADSs ranged from US\$14.08 to US\$29.89 per ADS in 2017. The price of our ADSs may continue to fluctuate in response to factors including the following:

· announcements of new products by us or our competitors;

- technological breakthroughs in the solar and other renewable power industries;
- reduction or elimination of government subsidies and economic incentives for the solar industry;
- news regarding any gain or loss of customers by us;
- news regarding recruitment or loss of key personnel by us or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- changes in the general condition of the global economy and credit markets;
- general market conditions or other developments affecting us or our industry;

the operating and stock price performance of other companies, other industries and other events or factors beyond our control;

- regulatory developments in our target markets affecting us, our customers or our competitors;
- announcements regarding patent litigation or the issuance of patents to us or our competitors;

announcements of studies and reports relating to the conversion efficiencies of our products or those of our competitors;

- actual or anticipated fluctuations in our quarterly results of operations;

changes in financial projections or estimates about our financial or operational performance by securities research analysts;

- changes in the economic performance or market valuations of other solar power technology companies;
- release or expiry of lock-up or other transfer restrictions on our outstanding ordinary shares or ADSs;

sales or perceived sales of additional ordinary shares or ADSs; and

commencement of, or our involvement in, litigation.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

We cannot give any assurance that these factors will not occur in the future again. In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our ADSs. In the past, following periods of volatility in the market price of their stock, many companies have been the subject of securities class action litigation. If we become involved in similar securities class action litigation in the future, it could result in substantial costs and diversion of our management's attention and resources and could harm our stock price, business, prospects, financial condition and results of operations.

You may not receive dividends or other distributions on our ordinary shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.

Under Cayman Islands law, we may only pay dividends out of our profits or our share premium account subject to our ability to repay our debts as they fall due in the ordinary course of our business. Our ability to pay dividends will therefore depend on our ability to generate sufficient profits. We cannot give any assurance that we will declare dividends of any amounts, at any rate or at all in the future. We have not paid any dividends in the past. Future dividends, if any, will be paid at the discretion of our board of directors and will depend upon our future operations and earnings, capital expenditure requirements, general financial conditions, legal and contractual restrictions and other factors that our board of directors may deem relevant. Our shareholders may, by ordinary resolution, declare a dividend, but no dividend may exceed the amount recommended by our board of directors. See “—Risks Related to Doing Business in China—We rely principally on dividends and other distributions on equity paid by our principal operating subsidiaries, and limitations on their ability to pay dividends to us could have a material adverse effect on our business and results of operations” above for additional legal restrictions on the ability of our PRC subsidiaries to pay dividends to us.

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary is not responsible for making such distribution if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing such distributions. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of our ADSs.

Holders of ADSs have fewer rights than shareholders and must act through the depositary to exercise those rights.

As a holder of ADSs, you will not be treated as one of our shareholders and you will not have shareholder rights. Instead, the depositary will be treated as the holder of the shares underlying your ADSs. However, you may exercise some of the shareholders' rights through the depositary, and you will have the right to withdraw the shares underlying your ADSs from the deposit facility.

Holders of ADSs may only exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Under our current articles of association, the minimum notice period required to convene a general meeting is ten days. When a general meeting is convened, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw the ordinary shares underlying your ADSs to allow you to cast your vote with respect to any specific matter. In addition, the depositary and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We plan to make all reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your ADSs. Furthermore, the depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if the shares underlying your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to call a shareholder meeting.

You may be subject to limitations on transfers of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deem it advisable to do so because of any requirement of law or of any government or government body, or under any provision of the deposit agreement, or for any other reason.

We are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than that under U.S. law, you may have less protection for your shareholder rights than you would under U.S. law.

Our corporate affairs are governed by our memorandum and articles of association, as amended and restated from time to time, Companies Law (2016 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands have a less developed body of securities laws than the United States. In addition, some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands.

In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action before federal courts of the United States.

As we are a Cayman Islands company and a substantial part of our consolidated assets are located outside of the United States and a substantial part of our current operations are conducted in China, there is uncertainty as to whether the courts of the Cayman Islands or China would recognize or enforce judgments of U.S. courts predicated upon the civil liability provisions of the securities laws of the United States or any state against us and our officers and directors, most of whom are not residents of the United States and the substantial majority of whose assets are located outside the United States. In addition, it is uncertain whether the Cayman Islands or PRC courts would entertain original actions brought in the Cayman Islands or in China against us or our officers and directors predicated on the federal securities laws of the United States. While there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (a) is given by a foreign court of competent jurisdiction, (b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (c) is final, (d) is not in respect of taxes, a fine or a penalty, and (e) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. courts under civil liability provisions of the U.S. federal securities law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands.

As a result of all of the above, shareholders of a Cayman Islands company may have more difficulty in protecting their interests in the face of actions taken by our management, members of the board of directors or controlling shareholders than they would as shareholders of a company incorporated in a jurisdiction in the United States. For example, contrary to the general practice in most corporations incorporated in the United States, Cayman Islands incorporated companies may not generally require that shareholders approve sales of all or substantially all of a company's assets. The limitations described above will also apply to the depositary who is treated as the holder of the shares underlying your ADSs.

Our current articles of association contain anti-takeover provisions that could prevent a change in control even if such takeover is beneficial to our shareholders.

Our current articles of association contain provisions that could delay, defer or prevent a change in control of our company that could be beneficial to our shareholders. These provisions could also discourage proxy contests and make it more difficult for you and other shareholders to elect directors and take other corporate actions. As a result, these provisions could limit the price that investors are willing to pay in the future for our ADSs. These provisions might also discourage a potential acquisition proposal or tender offer, even if the acquisition proposal or tender offer is at a price above the then current market price of our ADSs. These provisions provide that our board of directors has authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADSs or otherwise. Our board of directors may decide to issue such preferred shares quickly with terms calculated to delay or prevent a change in control of our company or make the removal of our management more difficult. If our board of directors decides to issue such preferred shares, the price of our ADSs may fall and the voting and other rights of holders of our ordinary shares and ADSs may be materially adversely affected.

As a company incorporated in the Cayman Islands, we may adopt certain home country practices in relation to corporate governance matters. These practices may afford less protection to shareholders than they would enjoy if we complied fully with the NYSE corporate governance listing standards.

As a non-U.S. company with ADSs listed on the NYSE, we are subject to the NYSE corporate governance listing standards. However, in reliance on Section 303A.11 of the NYSE Listed Company Manual, which permits a foreign private issuer to follow the corporate governance practices of its home country, we have adopted certain corporate governance practices that may differ significantly from the NYSE corporate governance listing standards. For example, we may include non-independent directors as members of our compensation committee and nominating and corporate governance committee, and our independent directors are not required to hold regularly scheduled meetings at which only independent directors are present. Such home country practice differs from the NYSE corporate governance listing standards, because there are no specific provisions under the Companies Law (2016 Revision) of the Cayman Islands imposing such requirements. Accordingly, executive directors, who may also be our major shareholders or representatives of our major shareholders, may have greater power to make or influence major decisions than they would if we complied with all the NYSE corporate governance listing standards. While we may adopt certain practices that are in compliance with the laws of the Cayman Islands, such practices may differ from more stringent requirements imposed by the NYSE rules and as such, our shareholders may be afforded less protection under Cayman Islands law than they would under the NYSE rules applicable to U.S. domestic issuers. See “Item 16G. Corporate Governance.”

We may be a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ADSs or ordinary shares.

A non U.S. corporation will be considered a passive foreign investment company, which we refer to as a PFIC, for U.S. federal income tax purposes in any taxable year in which either 75% or more of its gross income is “passive income” or 50% or more of its assets constitute “passive assets” (based on the average of the quarterly value of the assets). The calculation of the value of our assets will be based, in part, on the quarterly market value of our ADSs, which is subject to change. The determination as to whether a non U.S. corporation is a PFIC is based upon the application of complex U.S. federal income tax rules (which are subject to differing interpretations), the composition of income and assets of the non U.S. corporation from time to time and the nature of the activities performed by its officers and employees.

Based upon our current and projected income, assets and activities, we do not expect to be considered a PFIC for our current taxable year or for future taxable years. However, because the determination of whether we are a PFIC will be based upon the composition of our income, assets and the nature of our business, as well as the income, assets and business of entities in which we hold at least a 25% interest, from time to time, and because there are uncertainties in the application of the relevant rules, there can be no assurance that the United States Internal Revenue Service, will not take a contrary position.

If we are a PFIC for any taxable year during which a U.S. Holder, as defined in “Item 10. Additional Information—E. Taxation—U.S. Federal Income Taxation—Passive Foreign Investment Company”, holds the ADSs or ordinary shares, the U.S. Holder might be subject to increased U.S. federal income tax liability and to additional reporting obligations. See “Item 10. Additional Information—E. Taxation—U.S. Federal Income Taxation—Passive Foreign Investment Company.” U.S. Holders are encouraged to consult their own tax advisors regarding the applicability of the PFIC rules to their purchase, ownership and disposition of the ADSs or ordinary shares.

We may issue additional ordinary shares, other equity or equity-linked or debt securities, which may materially adversely affect the price of our ordinary shares or ADSs. Hedging activities may depress the trading price of our ordinary shares.

We may issue additional equity, equity-linked or debt securities for a number of reasons, including to finance our operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to satisfy our obligations for the repayment of existing indebtedness, to adjust our ratio of debt to equity, to satisfy our obligations upon the exercise of outstanding warrants or options or for other reasons. Any future issuances of equity securities or equity-linked securities could substantially dilute your interests and may materially adversely affect the price of our ordinary shares or ADSs. We cannot predict the timing or size of any future issuances or sales of equity, equity-linked or debt securities, or the effect, if any, that such issuances or sales may have on the market price of our ordinary shares or ADSs. Market conditions could require us to accept less favorable terms for the issuance of our securities in the future.

Substantial future sales of our ordinary shares or ADSs in the public market, or the perception that such sales could occur, could cause the price of our ordinary shares or ADSs to decline.

Sales of our ordinary shares or ADSs in the public market, or the perception that such sales could occur, could cause the market price of our ordinary shares to decline. As of December 31, 2017, we had 132,146,074 ordinary shares outstanding, excluding 4,524,544 ADSs representing 18,098,176 ordinary shares reserved for future grants under our share incentive plans and follow-on offering, and 1,723,200 ordinary shares as treasury stock. The number of ordinary shares outstanding and available for sale will increase when our employees and former employees who are holders of restricted share units and options to acquire our ordinary shares become entitled to the underlying shares under the terms of their units or options. To the extent these shares are sold into the market, or are converted to ADSs which are sold into the market place, the market price of our ordinary shares or ADSs could decline.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make these rights available in the United States unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

Item 4.

INFORMATION ON THE COMPANY

A.

History and Development of the Company

Our legal and commercial name is JinkoSolar Holding Co., Ltd. Our principal executive office is located at 1 Jingke Road, Shangrao Economic Development Zone, Jiangxi Province, 334100, People's Republic of China. Our telephone number at this address is (86-793) 846-9699 and our fax number is (86-793) 846-1152. Our registered office in the Cayman Islands is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

We commenced our operations in June 2006 through our then consolidated subsidiary Jiangxi Desun Energy Co., Ltd. We were incorporated as a limited liability company in the Cayman Islands on August 3, 2007. Following a series of equity transactions, we established a holding company structure with us being the ultimate holding company in 2009. We conduct our business principally through our wholly-owned operating subsidiaries in China, Jiangxi Jinko and Zhejiang Jinko. We have 8 production facilities in Jiangxi Province, Zhejiang Province and Xinjiang Uygur Autonomous Region of China, Malaysia and Portugal, global sales teams in China, United Kingdom, Bulgaria, Greece, Romania, United Arab Emirates, Jordan, Saudi Arabia, Kuwait, Egypt, Morocco, Ghana, Kenya, Costa Rica, Colombia, Brazil and Mexico and 16 oversea subsidiaries in Japan, Singapore, India, Turkey, Germany, Italy, Switzerland, United States, Canada, Mexico, Brazil, Chile, Australia, South Africa and United Arab Emirates.

On May 19, 2010, we completed our initial public offering, in which we offered and sold 5,835,000 ADSs representing 23,340,000 ordinary shares, raising US\$64.2 million in proceeds before expenses to us. Our ADSs are listed on the New York Stock Exchange under the symbol “JKS.”

On November 10, 2010, we completed a follow-on public offering of 3,500,000 ADSs representing 14,000,000 ordinary shares, of which 2,000,000 ADSs were sold by us and 1,500,000 ADSs were sold by the selling shareholders.

On May 17, 2011, we completed an offering of US\$125 million of 4.0% convertible senior notes due 2016.

On September 25, 2013, we completed a follow-on public offering of 4,370,000 ADSs representing 17,480,000 ordinary shares, including 570,000 ADSs sold pursuant to the underwriters’ full exercise of their option to purchase additional ADSs.

On January 22, 2014, we completed a follow-on public offering of 3,750,000 ADSs representing 15,000,000 ordinary shares and a concurrent offering of US\$150.0 million in aggregate amount of 4.0% convertible senior notes due 2019.

In July 2014, China Development Bank, the Macquarie Greater China Infrastructure Fund and New Horizon Capital agreed to invest a total of US\$225.0 million in JinkoSolar Power, our then majority-owned subsidiary conducting our solar power generation business. The three investors together held approximately 45% of JinkoSolar Power’s equity after their investment.

In August 2014, we opened a solar module factory with annual production capacity of 120 MW in Cape Town, South Africa. In the fourth quarter of 2017, we closed this factory.

In March 2015, we opened a solar cell and module manufacturing facility with the production capacity of 450 MW and 500 MW, respectively, in Penang, Malaysia.

In November 2016, as a result of the sale of all of the 55% equity interest indirectly held by us in Jiangxi Jinko Engineering, we disposed of our downstream solar power project business in China and received US\$250 million in cash.

In February 2017, we announced completion of repurchase of 4.00% convertible senior notes due 2019 at the option of holders of the notes. An aggregate principal amount of US\$61,074,000 of the notes was tendered for repurchase, with US\$10,000 convertible senior notes remaining outstanding after such repurchase.

In May 2017, Abu Dhabi Water and Electricity Authority, Sweihan Solar Holding Company Limited, a joint venture between Marubeni Corporation and us and a syndicate of international and local banks entered into financial agreements for the Sweihan Photovoltaic Independent Power Project in Abu Dhabi.

In September 2017, we filed a prospectus supplement to sell up to an aggregate of US\$100 million of our ADSs through an at-the-market equity offering program (the “ATM program”). In January 2018, we have terminated the ATM program and did not sell any ADSs under the ATM program.

In January 2018, we entered into a major supply agreement with NextEra. Under such master agreement, as amended in March 2018, we will supply NextEra up to 2,750 MW of high-efficiency solar modules over approximately four years. In conjunction with this agreement, we are opening our first U.S. factory in Jacksonville, Florida, which is expected to commence production in the third quarter of 2018 and reach full production capacity in the first half of 2019.

In February 2018, we closed the follow-on public offering of 4,140,000 ADSs, each representing four of our ordinary shares, par value US\$0.00002 per share, at US\$18.15 per ADS. The net proceeds of the follow-on offering to us, after deducting underwriting commissions and fees and estimated offering expenses, was approximately US\$71.1 million. Concurrently we completed the private placement with Tanka International Limited, an exempted company incorporated in the Cayman Islands held by Mr. Xiande Li, our chairman, and Mr. Kangping Chen, our chief executive officer, of its purchase of US\$35 million of our ordinary shares.

B.

Business Overview

We are a global leader in the PV industry based in China. We have built a vertically integrated solar power product value chain, from recovering silicon materials to manufacturing solar modules. We sell most of our solar modules under our own “JinkoSolar” brand, with a small portion of solar modules on an OEM basis. We also sell silicon wafers and solar cells that we do not use in our solar module production.

We sell our products in major export markets and China. We have global sales teams in China, United Kingdom, Bulgaria, Greece, Romania, United Arab Emirates, Jordan, Saudi Arabia, Kuwait, Egypt, Morocco, Ghana, Kenya, Costa Rica, Colombia, Brazil and Mexico and 16 overseas subsidiaries in Japan, Singapore, India, Turkey, Germany, Italy, Switzerland, United States, Canada, Mexico, Brazil, Chile, Australia, South Africa and United Arab Emirates to conduct sales, marketing and brand development for our products around the world. As of December 31, 2017, we had an aggregate of more than 1,500 customers for our solar modules globally, including distributors, project developers and system integrators.

Our high-quality manufacturing capabilities have enabled us to produce solar cells and modules meeting the industry’s highest performance standards. All of our solar modules sold in Europe are CE, IEC, TÜV, and MCS certified, all of our solar modules sold in Japan are JET certified, all of our solar modules sold in North America are UL certified and our monocrystalline solar modules sold in China are CQC certified. In 2013, our solar modules passed TÜV Nord’s Dust & Sand Certification Test, demonstrating their suitability for installation in desert regions, and we also unveiled our “Eagle II” solar modules, which represent a new standard for performance and reliability. In May 2017, We became one of the first Chinese PV manufacturers to pass the intensive UV test according to IEC61345 from TÜV Rheinland. In July 2017, we guaranteed that all our standard PV modules meet IEC62804 double anti-PID standards.

We leverage our vertically integrated platform and cost-efficient manufacturing capabilities in China to produce high quality products at competitive costs. Our solar cell and silicon wafer operations support our solar module production. As of December 31, 2017, we had an integrated annual capacity of 8.0 GW for silicon wafers, 5.0 GW for solar cells and 8.0 GW for solar modules. Our manufacturing facilities are primarily located in Jiangxi Province, Zhejiang Province and Xinjiang Uygur Autonomous Region of China and Penang of Malaysia providing convenient and timely access to key resources and suppliers.

We no longer have any downstream solar power projects in China after we disposed of our downstream solar power projects business in China in the fourth quarter of 2016, but still have a few overseas solar power projects in Mexico and Argentina.

Our Products and Services

Our product mix has evolved rapidly since our inception, as we have incorporated more of the solar power value chain through the expansion of our production capabilities and acquisitions. We currently manufacture a series of products from recovered silicon materials to solar modules. Our principal product is solar modules, but we also sell silicon wafers and solar cells from time to time to meet our customers' demand. In 2017, sales of solar modules, silicon wafers and solar cells represented 96.9%, 1.7% and 1.3%, respectively, of our total revenues. In addition, we also sell small volumes of recovered silicon materials to optimize the utilization of our production capacity.

Leveraging our expertise in manufacturing high quality solar modules and substantial experience in the solar industry, we commenced developing solar power projects and providing solar system integration services in late 2011. In November 2016, we disposed of our downstream solar power project business in China and received US\$250 million in cash.

Unless otherwise specified, the results presented in this annual report do not include the results of our downstream solar power project business in China, a discontinued operation.

The following table sets forth details of our revenues for the periods indicated:

Products	2015		2016		2017		(US\$ in thousands)
	Volume (MW, except recovered silicon materials)	Revenue (RMB in thousands)	Volume (MW, except recovered silicon materials)	Revenue (RMB in thousands)	Volume (MW, except recovered silicon materials)	Revenue (RMB in thousands)	
Recovered silicon materials (metric tons)	1.8	5,201.8	0.3	860.0	-	-	-
Silicon wafers	118.2	138,293.4	156.3	136,079.7	585.5	455,695.8	70,039.2
Solar cells	172.8	215,048.3	126.9	155,016.3	268.1	346,069.4	53,189.9
Solar modules	4,207.6	15,086,256.8	6,225.3	20,825,750.0	9,792.2	25,656,934.9	3,943,398.6
Services							
Solar system EPC	—	—	—	269,661.7	—	—	—
Revenue from generated electricity	—	9,574.1	—	13,270.4	—	14,243.4	2,189.2
Total Revenue		15,454,374.4		21,400,638.1		26,472,943.5	4,068,816.9

In 2015, 2016 and 2017, revenues from sales of products to subsidiaries of ReneSola Ltd., one of our related parties, amounted to nil, nil and RMB6.5 million (US\$1.0 million), respectively.

In 2015, 2016 and 2017, revenues from sales of products to subsidiaries of Gansu Heihe Hydropower Industrial Investment LLC, one of our related parties, amounted to nil, RMB103.0 million and nil, respectively.

In 2015, 2016 and 2017, revenues from sales of products to subsidiaries of Sweihan PV Power Company P.S.J.C, one of our related parties, amounted to nil, nil and RMB1,219.8 million (US\$187.5 million), respectively.

Solar Modules

We commenced producing solar modules in August 2009. In 2017, we sold 9,792.2 MW of solar modules and generated RMB25.66 billion (US\$3.94 billion) of revenue from sales of solar modules. We expect that sales of solar modules will continue to be our largest revenue source in the future. In 2017, we generated 62.8% of our total revenue from overseas markets, and the United States, Mexico and Brazil, our three largest export markets, represented 15.3%, 10.4% and 5.1% of our total revenue, respectively. As the domestic market in China grows, we expect to sell

increasing volumes of solar modules in the domestic market in China.

In 2013, we unveiled our “Eagle” and “Eagle II” solar modules, which represent new standards for performance and reliability. The “Eagle” solar modules are the world’s first potential induced degradation (“PID”) free modules to be certified under weather conditions of 85 degrees Celsius and 85% relative humidity. They can reach 260 watts peak power output and resist PID under inclement weather conditions. The “Eagle II” solar modules can reach peak power output of approximately 260 to 270 watts for a 60-cell module.

In 2014, the “Eagle II” could reach power output of approximately 305 to 325 watts for a 72-cell module.

In 2015, the “Eagle Max” could reach power output of approximately 325 watts for a 72-cell module.

In 2016, our 1-Volt Eagle Modules became available for delivery in North America following UL 1703 certification.

In September 2017, we launched our “Eagle AC” solar modules, an integrated product featuring our high-efficiency monocrystalline PERC PV modules and the IQ6 Microinverter from Enphase Energy Inc., which simplifies logistics and significantly reduces installation time.

In September 2017, we launched Eagle HC, a half cell module which increases power output beyond 320 watts and 380 watts for a 60-cell module and a 72-cell module, respectively.

Solar Cells

We commenced production of solar cells in July 2009 following our acquisition of Zhejiang Jinko. The efficiency of a solar cell converting sunlight into electricity is represented by the ratio of electrical energy produced by the solar cell to the energy from sunlight that reaches the solar cell. The conversion efficiency of solar cells is determined to a large extent by the quality of silicon wafers used to produce the solar cells. All of our monocrystalline solar cells have dimensions of 125 mm x 125 mm and 156 mm x 156 mm. All of our multicrystalline solar cells have dimensions of 156 mm x 156 mm. As of December 31, 2017, our solar cells using monocrystalline silicon wafers had an average conversion efficiency rate of 21.7% and our solar cells using multicrystalline silicon wafers had an average conversion efficiency rate of 18.8%.

In October 2017, our P-type multi-crystalline solar cells reached the conversion efficiency of 22.78%, and we achieve a P-type 60-cell monocrystalline module output of 356.5 watts and a P-type polycrystalline module output of 347.6 watts.

In November 2017, our P-type monocrystalline PERC solar cells reached the conversion efficiency of 23.45%.

Silicon Wafers

We commenced production of monocrystalline silicon wafers and multicrystalline silicon wafers in March 2008 and July 2008, respectively.

Recovered Silicon Materials

We commenced processing of recoverable silicon materials into recovered silicon materials in June 2006. We are able to process and recover a broad range of recoverable silicon materials, which enables us to reduce our overall silicon material costs and improve product quality and yield.

Solar Power Generation and Solar System EPC Services

We commenced developing solar power projects in China in 2011 and generated revenue from sales of electricity generated by our own solar power projects when they were connected to the grid. In November 2016, we disposed of our downstream solar power project business in China.

In addition, we obtained two small solar power projects as the repayment of our accounts receivable in Italy and commenced developing solar power projects overseas in 2016.

Manufacturing

We manufacture and sell solar modules, solar cells, silicon wafers and recovered silicon materials.

Manufacturing Capacity and Facilities

Manufacturing Capacity

The following table sets forth our annual production capacity for silicon wafers, solar cells and solar modules as of December 31, 2015, 2016 and 2017:

	Annual Production Capacity as of December 31,		
	2015	2016	2017
	(GW)		
Products			
Solar modules	4.3	6.5	8.0
Solar cells	2.5	4.0	5.0
Silicon wafers	3.0	5.0	8.0

Property and Plant

We both own and lease properties for our operations. When we state that we own certain properties in China, we own the relevant land use rights because land is owned by the PRC state under the PRC land system. As of the date of this annual report, we had obtained land use rights to approximately 1.0 million square meters of land. The following table sets forth the size, use and the location of the land, to which we had obtained the land use rights, as the date of this annual report:

Location	Industrial Use (square meters)	Residential Use (square meters)
Shangrao, Jiangxi Province	646,826	191,840
Haining, Zhejiang Province	191,643	5,388
Yuhuan, Zhejiang Province	92,540	-
Total	931,009	197,228

We also lease manufacturing facilities with a total gross floor area of approximately 32,067 square meters in Shangrao from Jiangxi Desun for production use. We also lease office space and manufacturing facilities in various locations around the world where we maintain subsidiaries and offices.

Except as indicated otherwise, we own the facilities completed and under construction and own the right to use the relevant land for the durations described below (including capacities and major equipment):

Products	Location	Facility No.	Plant Size (square meters)	Duration of Land Use Right	Annual Manufacturing Capacities by Product Category as of December 31,			Major equipment
					2015	2016	2017	
					(GW)			
Silicon Ingots and Wafers	Shangrao Economic Development Zone	1	68,396.80	(i) March 16, 2010 to February 3, 2057; (ii) December 9, 2009 to September 23, 2058; (iii) July 6, 2009 to August 10, 2059; (iv) July 10, 2009 to February 7, 2057; (v) January 6, 2009 to August 10, 2059	3.0	5.0	8.0	Monocrystalline furnaces, multicrystalline furnaces, wire saws, wire squarers
Silicon Ingots	Yilin,Xinjiang	2	165,333.00	(i) May 28,2016 to May 27, 2026;(ii)January 1,2017 to December 31, 2029				Monocrystalline furnaces
Solar Cells	Yuanhua Town, Haining	3	107,864.90	(i) November 23, 2009 to June 6, 2057; (ii) October 29, 2009 to May 26, 2058; (iii) August 17, 2010 to July 25, 2060	2.5	4.0	5.0	Diffusion furnaces, sintering furnaces, PECVD antireflection coatings manufacturing equipment,

	Penang, Malaysia	4	8,191.00	January 1, 2015 to December 31, 2022				automatic printers
Solar Modules	Shangrao Economic Development Zone	5	134,950.58	July 6, 2009 to August 10, 2059	4.3	6.5	8.0	Laminating machine, solar cell module production line before and after component lamination, automatic glue spreads' working station, solar cell module testing devices
	Yuanhua Town, Haining	6	98,497.00	September 9, 2016 to September 8, 2066				
	Yuanhua Town, Haining	7	89,543.00	(i) October 29, 2009 to May 26, 2058; (ii) August 17, 2010 to July 25, 2060; (iii) September 15, 2010 to August 29, 2060				
	Penang, Malaysia	8	12,679	January 1, 2015 to December 31, 2022				
	Yuhuan, Zhejiang	9	92,540	September 9, 2016 to September 8, 2066				

In the fourth quarter of 2017, we decided to fulfill the demand for our solar products in South Africa through other overseas manufacturing facilities, and closed our manufacturing facility in South Africa. The equipment in the manufacturing facility in South Africa is planned to be relocated to our other manufacturing facilities for continuing use. The carrying value of other assets, which cannot be relocated, is insignificant to our consolidated financial statements.

As of December 31, 2017, short-term borrowings of RMB675.0 million (US\$103.7 million) and long-term borrowings of RMB67.6 million (US\$10.4 million) were secured by land use rights, plant and equipment. We believe our current land use rights, existing facilities and equipment are adequate for our current requirements.

Major Plans to Construct, Expand or Improve Facilities

As of December 31, 2017, we had an integrated annual capacity of 8.0 GW for silicon wafers, 5.0 GW for solar cells and 8.0 GW for solar modules.

See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We may continue to undertake acquisitions, investments, joint ventures or other strategic alliances, and such undertakings may be unsuccessful.”

We have entered into purchase agreements for purchasing additional manufacturing equipment. Our purchase capital commitments under these contracts amounted to approximately RMB3.31 billion (US\$508.6 million) as of December 31, 2017, of which RMB1.59 billion (US\$244.8 million) will be due in 2018 and RMB1.72 billion (US\$263.8 million) will be due after one year but within five years. As we have shifted our focus from capacity expansion to improving our efficiency, we may terminate these equipment purchase agreements or revise their terms in line with our new plan and as a result, may be subject to cancellation, late charges and forfeiture of prepayments. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We may face termination and late charges and risks relating to the termination and amendment of certain equipment purchases contracts. Our reliance on equipment and spare parts suppliers may also expose us to potential risks.”

Manufacturing Process

Silicon Ingot Manufacturing

We produce monocrystalline silicon ingots in electric furnaces. We place silicon materials, consisting of virgin polysilicon feedstock and recovered silicon materials of various grades according to formulas developed in-house into a quartz crucible in the furnace, where the silicon materials are melted. While heating the silicon materials, we pump a stream of argon, a chemically inert gas, into the furnace to remove the impurities vaporized during the heating process and to inhibit oxidation, thus enhancing the purity of the silicon ingots. A thin crystal “seed” is dipped into the molten silicon to determine the crystal orientation and structure. The seed is rotated and then slowly extracted from the molten silicon, which adheres to the seed and is pulled vertically upward to form a cylindrical silicon ingots consisting of a single large silicon crystal as the molten silicon and crucible cool. We have modified some of our monocrystalline furnaces to allow us to apply our furnace reloading production process, which enables us to increase the size of our silicon ingots while lowering our unit production costs by enhancing the utilization rate of our furnaces and reducing unit costs of consumables and utilities. After the silicon ingot is pulled and cooled, we square the silicon ingots in our squaring machines into blocks.

We produce multicrystalline silicon ingots in electric furnaces. We place silicon materials, consisting of virgin polysilicon feedstock and recovered silicon materials of various grades mixed according to our proprietary formula, into a quartz crucible in the furnace, where the silicon materials are melted. While heating the silicon materials, we pump argon into the furnace to remove impurities and inhibit oxidation. The molten silicon is cast into a block and crystallized, forming a multicrystalline structure as the molten silicon and crucible cool. After the multicrystalline silicon block is cast and cooled, we square it in our squaring machine and cut it into individual blocks. We have improved our high-precision wire squarers and squaring techniques, which allows us to reduce the sizes of silicon ingot tops, tails and other off-cuts during the squaring process, thus increasing the sizes of silicon ingot blocks available to be cut into silicon wafers.

We test monocrystalline and multicrystalline silicon ingots as to their minority carrier lifetime, which is an important measurement of impurity levels of crystalline silicon material, as well as resistivity, electric properties and chemical properties and cut off the unusable parts before they are cut into silicon wafers.

Silicon Wafer Cutting

We cut silicon ingots into silicon wafers with high-precision wire saws which use steel wires carrying slurry to cut silicon wafers from the silicon ingot blocks. Using proprietary know-how and our process technology, we have improved these wire saws to enable us to cut silicon ingot blocks longer than the size that the wire saws were originally designed to cut as well as to increase the number of quality conforming silicon wafers produced from each silicon ingot block, produce silicon wafers with thickness of a high degree of consistency and improve the quality of silicon wafers. We currently manufacture our monocrystalline silicon wafers in 125 mm x 125 mm dimensions with an average thickness 180 microns and our multicrystalline silicon wafers in 156 mm x 156 mm dimensions with an average thickness of 180 microns. The dimensions of the silicon wafers we produce are dictated by current demands for market standard products. However, our production equipment and processes are also capable of producing silicon wafers in other dimensions if market demand should so require.

After silicon wafers are cut from silicon ingots, they are cleaned and inserted into frames. The framed silicon wafers are further cleaned, dried and inspected before packaging.

Solar Cell Manufacturing

Solar cell manufacturing process starts with an ultrasonic cleaning process to remove grease and particles from the wafer surface, followed by chemical cleaning and texturing in wet benches to remove organic and metallic contaminate, as well as to create suede-like or pyramid-like topograph, depending on multi- or mono-crystalline wafer used, on the wafer surface. This rough surface could reduce the optical loss of solar cells due to lowering light reflection and creating longer optical path beneficial for light absorption. The wafer then receives a high temperature diffusion process to form p-n junction, which is the heart of solar cell to separate light generated carriers. An edge isolation process is adapted to electrically isolate diffused front and rear surfaces, followed by an anti-reflection coating process to deposit a thin layer of silicon nitride on the sunward side of the wafer to further enhance the light absorption. Metallization is then applied by screen printed metal paste on both sides of the wafer, followed by a high temperature co-firing process through a belt furnace to form ohmic-contact electrodes. The finished solar cells are tested and sorted, and ready for the solar module manufacturing process.

Solar Module Manufacturing

Solar modules are produced by interconnecting multiple solar cells into desired electrical configurations through welding. The interconnected solar cells are laid out and laminated in a vacuum with laboratory details involved. Through these processes and designs, the solar modules are weather-sealed, and thus are able to withstand high levels of ultraviolet radiation, moisture, wind, transportation damage and sand. Assembled solar modules are packaged in a protective aluminum frame prior to testing.

Raw and Ancillary Materials

The raw materials used in our manufacturing process consist primarily of virgin polysilicon and recoverable silicon materials, and the ancillary materials used in our manufacturing process consist primarily of metallic pastes, EVA, tempered glass, aluminum frames, back sheets, junction boxes and other related consumables. The prices of polysilicon and silicon wafers have been subject to significant volatility. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Volatility in the prices of silicon raw materials makes our procurement planning challenging and could have a material adverse effect on our results of operations and financial condition.”

Raw Materials

The principal raw material used in our manufacturing process is virgin polysilicon. We also use recoverable silicon materials in our production. In 2015, 2016 and 2017, virgin polysilicon accounted for approximately 87.3%, 92.3% and 97.4%, respectively, and recoverable silicon materials accounted for approximately 12.7%, 7.7% and 2.6%, respectively, of our total silicon raw material purchases by value. We procure our raw materials from diversified sources. In 2017, purchases from foreign suppliers and domestic suppliers accounted for 33.3% and 66.7% of our total silicon raw material purchases, respectively.

In 2015, 2016 and 2017, our five largest suppliers provided approximately 52.8%, 59.2% and 72.5%, respectively, of our total silicon purchases by value. In 2015, three of our suppliers individually accounted for more than 10% and our largest supplier accounted for 16.9% of our total silicon purchases by value. In 2016, one of our suppliers individually accounted for more than 10%, and our largest supplier accounted for 17.7% of our total silicon purchases by value. In 2017, four of our suppliers individually accounted for more than 10%, and our largest supplier accounted for 23.9% of our total silicon purchases by value.

Our supply contracts generally include prepayment obligations for the procurement of silicon raw materials. As of December 31, 2017, we had approximately RMB397.1 million (US\$61.0 million) of advances to suppliers.

Virgin Polysilicon

We purchase solar grade virgin polysilicon from both domestic and foreign suppliers. We purchase our virgin polysilicon through spot market purchases to take advantage of decreasing virgin polysilicon prices.

Recoverable Silicon Materials

We purchase pre-screened recoverable silicon materials from our suppliers which are delivered to our facilities for chemical treatment, cleaning and sorting into recovered silicon materials. Currently, we purchase most of our recoverable silicon materials on the spot market.

Ancillary Materials

We use metallic pastes as raw materials in our solar cell production process. Metallic pastes are used to form the grids of metal contacts that are printed on the front and back surfaces of the solar cells through screen-printing to create negative and positive electrodes. We procure metallic pastes from third parties under monthly contracts. In addition, we use EVA, tempered glass, aluminum frames and other raw materials in our solar module production process. We procure these materials from third parties on a monthly basis.

Customers and Markets

We primarily sell solar products in both China and overseas markets, and before the disposition of our downstream solar power project business in China in November 2016, we sold electricity generated by our solar power projects in China. In 2015, 2016 and 2017, we generated 36.3%, 38.5% and 37.2% of our revenues from domestic sales and 62.7%, 61.5% and 62.8% of our revenues from export sales, respectively. As of December 31, 2017, we had more than 600 customers for our solar modules from China and 900 from other countries, including the United States, Mexico, Brazil, India, Japan, United Arab Emirates, Turkey, Australia and Jordan. The following table sets forth our net revenues generated from sales of products to customers in respective geographic locations, with percentage of net revenues, for the periods indicated.

	2015 RMB (in thousands, except percentages)	(%)	2016 RMB	(%)	2017 RMB	US\$	(%)
Inside China (including Hong Kong and Taiwan)	5,608,964.0	36.3 %	8,249,043.1	38.5 %	9,854,855.1	1,514,663.5	37.2 %
Outside China							
United States	4,146,330.9	26.8 %	7,701,560.2	36.0 %	4,062,665.3	624,420.2	15.3 %
Mexico	171,870.6	1.1 %	119,326.0	0.6 %	2,759,307.9	424,097.9	10.4 %
Brazil	44,251.7	0.3 %	479,569.2	2.2 %	1,357,846.4	208,697.2	5.1 %
India	280,481.8	1.8 %	775,458.2	3.6 %	1,313,134.5	201,825.1	5.0 %
Japan	997,526.3	6.5 %	992,645.5	4.6 %	1,291,492.5	198,498.8	4.9 %
United Arab Emirates	779.3	0.0 %	4,385.8	0.0 %	1,232,505.4	189,432.6	4.7 %
Turkey	377,663.5	2.4 %	366,929.8	1.7 %	983,543.7	151,167.9	3.7 %
Australia	213,594.1	1.4 %	261,450.4	1.2 %	780,619.9	119,979.1	2.9 %
Jordan	49,948.3	0.3 %	196,786.9	0.9 %	420,555.3	64,638.2	1.6 %
Rest of the world	3,562,963.9	23.1 %	2,253,483.0	10.5 %	2,416,417.5	371,396.6	9.1 %
Sub-total	9,845,410.4	62.7 %	13,151,595.0	61.5 %	16,618,088.4	2,554,153.4	62.8 %
Total	15,454,374.4	100.0 %	21,400,638.1	100.0 %	26,472,943.5	4,068,816.9	100.0 %

Sales of solar modules are our largest revenue contributor, which accounted for 96.9% of our total revenues in 2017. We sell silicon wafers and solar cells to the extent we do not consume them for our own production. We expect that our sales of solar modules will continue to be our largest revenue contributor.

None of our customers accounted for more than 10% of our total revenues in 2015, 2016 and 2017. The following table sets forth the primary products sold to our top five customers and the percentage of total revenues generated by sales to our top five customers for the periods indicated:

	2015 Products	(%)	2016 Products	(%)	2017 Products	(%)
Top five customers	Solar modules	20.0	Solar modules	28.5	Solar modules	21.8

We sell most of our solar modules under our own brand “JinkoSolar”, with a small portion of solar modules on an OEM basis. Our customers for solar modules include distributors, project developers and system integrators. We have been able to establish strong relationships with a number of major customers, based on the quality of our products and our market reputation. Our module customers include leading players in the PV industry, such as sPower, ConEdison Development, ENEL Green Power Nova Olinda, NextEra Energy Inc., Vivint Solar Developer, LLC, TSK Electronica Y Electricidad S.A., Swinterton Builder, AMEC, the Juwi Group, Energiebau Solarstrom System GmbH, Solar Century Holding Ltd and Solairedirect S.A.

Sales and Marketing

We sell solar modules under short-term contracts and by spot market sales. We negotiate payment terms on a case by case basis and we allow most of our overseas' customers to make full payment within 90 days and our domestic customers to make 90%-95% of payment within 180 days after delivery and the rest will be paid when the Retainage Period (as defined below) ends.

We expect to retain a substantial portion of our solar cells for our own solar module production, while maintaining our flexibility to respond to market changes and price fluctuations by selling a portion of our solar cells in the spot market under favorable circumstances. We sell our solar cells under short-term contracts and by spot market sales. We negotiate payment terms of our solar cell sales contracts on a case-by-case basis, and we allow most of our customers to make full payment within 15 to 90 days after delivery. See "Item 5. Operating and Financial Review and Prospects—A. Operational Results—Principal Factors Affecting Our Results of Operations—Industry Trend for Credit Sales."

Historically, we made substantial sales of silicon wafers. Currently, we retain a substantial portion of our silicon wafers for our own solar cell production, while selling the remaining to our solar cell suppliers to set off a portion of our payment obligations for our solar cell purchases.

We made substantial sales of recovered silicon materials and silicon ingots before we built out our silicon wafer, solar cell and solar module production capacity. We currently sell a small volume of recovered silicon materials.

As we continue to diversify our product lines, we have successfully expanded our global marketing footprint. We established a sales and marketing center in Shanghai in January 2009, which provides us with convenient access to domestic and international sales channels. In November 2009, we established JinkoSolar International Limited in Hong Kong to get easy access to major export markets. We began exporting our silicon wafers to Hong Kong in May 2008, and have since expanded our sales to Taiwan, India, the Netherlands, Singapore and Korea. With our entry into the downstream solar module markets, we have further successfully marketed our products to customers in Germany, Italy, Belgium, Spain, France, Israel, U.S. Canada, South Africa, Australia, Singapore, and other countries and regions. We have global sales teams in China, United Kingdom, Bulgaria, Greece, Romania, United Arab Emirates, Jordan, Saudi Arabia, Kuwait, Egypt, Morocco, Ghana, Kenya, Costa Rica, Colombia, Brazil and Mexico and 16 oversea subsidiaries in Japan, Singapore, India, Turkey, Germany, Italy, Switzerland, United States, Canada, Mexico, Brazil, Chile, Australia, South Africa and United Arab Emirates. We intend to establish additional subsidiaries and sales offices in the major overseas markets to expand our customer base and increase our market penetration.

In addition, we have devoted significant resources to developing solar module customers and a stable end-user customer base through establishing diversified sales channels comprising project developers, system integrators, distributors and sales agents and diversified marketing activities, including advertising on major industry publications, attending trade shows and exhibits worldwide as well as providing high quality services to our customers.

In July 2015, we entered into a new strategic partnership with the Golden State Warriors for a term of two years, which names us as the team's official solar panel partner. We believe that our global marketing practice and strategy have and will continue to enable us to explore the overseas market, increase our sales, expand our customer base and increase recognition of our brand domestically and internationally.

In 2015, we entered into advertising agreements with several TV stations and several major city airports. Furthermore, we continued to sponsor major PV industry conferences and participated in some industry associations.

In 2014, we were ranked 313th on the List of Top 500 Private Enterprises in China by All-China Federation of Industry & Commerce. We were awarded 2014 China's Outstanding Corporate Citizen and ranked among the 2014 List of Top 50 Outstanding Corporate Citizens by China Committee of Corporate Citizenship. We were ranked among the List of Top Ten Solar Companies in China by SolarStar, an online media platform covering the solar industry. We were ranked among the List of Top 50 Energy Enterprises with Most Growth Potential in 2014 by *Energy*, a Chinese magazine covering the energy sector in China. We were the only Chinese solar company that received the 2014 Best Employer in China Award by International Public Management Association for Human Resources Association.

In 2015, we were ranked 437th in the "Fortune 500" Chinese Enterprise List. Furthermore, we have been awarded the "Today's Transformative Step 2015" at COP21 and the only Chinese PV manufacturer recognized as the "Global Growth

Company” at the 2015 World Economic Forum.

In July 2016, we made a big leap forward in the latest China Fortune 500 list from 437th to 330th. Furthermore, we were awarded the 2016 BlueSky Award for Global Top Investment Scenarios to Apply New Technologies for Renewable Energy Utilization.

In October 2016, we were ranked 16th among Fortune magazine’s 100 Fastest-Growing Companies in 2016. We were also appointed as co-chair of the B20 ECRE Taskforce under the 2017 Germany G20 Presidency.

In 2017, we ranked 284th in the “Fortune 500” Chinese Enterprise List. We also received Energy Yield Simulation Award – Polycrystalline Group at 4th TÜV Rhineland All Quality Matters Solar Congress.

In August 2017, we received the Solar Innovation & Excellence Award at the ‘Roadmap for Innovations in Solar Energy’ (RISE) 2017 conference. The conference was organized by Mission Energy Foundation in New Delhi, India.

In September 2017, we were awarded the Top Solar Brand Used in Debt-Financed Projects and Most “Bankable” PV Manufacturer by Bloomberg New Energy Finance.

In October 2017, we ranked the top among the top eight global module shipment suppliers in 2016 by Global Data.

In November 2017, we were invited as the sole PV module manufacturer to speak at the Sustainability Summit Asia hosted by The Economist.

In November 2017, we were awarded the Cradle-to-Cradle certificate by SGS, the world’s leading testing, inspection, verification, and certification organization.

In December 2017, the 1,177 MW Sweihan project was awarded the title of Large Scale Solar Project of the year by the Middle East Solar Industry Association. The award is one of Middle East’s highest solar honors, further affirming the milestone nature of the Sweihan project.

Quality Control

We employ strict quality control procedures at each stage of the manufacturing process in accordance with ISO9001 and IEC TS 62941 quality management standards to ensure the consistency of our product quality and compliance with our internal production benchmarks. Our quality management systems in Shangrao, Jiangxi Province, Haining, Zhejiang Province, Yili, Xinjiang Province, Yuhuan, Zhejiang Province and Penang, Malaysia have all received the SGS ISO9001:2015 certification. In addition, our manufacturing facilities in Shangrao, Jiangxi Province and Haining, Zhejiang Province have passed the TÜV-NORD IEC TS62941 test in November 2016.

In addition, we have also received international and domestic certifications for certain models of our solar modules. For example, we have received CE, IEC, MCS and TÜV certifications for all of our solar modules sold in Europe, JET certifications for all of our solar module sold in Japan, UL certifications for all solar modules sold in North America and CQC and China General Certification Center (“CGC”) certification for all of our monocrystalline solar modules in China. In May 2013, our modules became the first to pass TÜV NORD’s dynamic mechanical load testing with maximum 1000 Pascal downward load. In 2013, our solar modules also passed TÜV Nord’s Dust & Sand Certification Test, demonstrating their suitability for installation in desert regions. In December 2014, our modules became the first to pass TÜV NORD’s transportation and shipping of PV Module stacks test. Our solar modules received the highest testing result, class 1, in the fire resistance test conducted by Italy’s Istituto Giordano. We also

obtained the JIS Q 8901 Certification from TÜV Rheinland. In May 2016, we became the first Chinese PV manufacturer that received Qualification Plus certification from TÜV Rheinland for solar modules. In May 2017, we became one of the first Chinese PV manufacturers to pass the intensive UV test according to IEC61345 from TÜV Rheinland. In July 2017, we became one of the first PV module providers to guarantee that all our standard PV modules meet IEC62804 double anti-PID standards.

We conduct systematic inspections of incoming raw materials, ranging from silicon raw materials to various ancillary materials. We have formulated and adopted guidelines and continue to devote efforts to developing and improving our inspection measures and standards on recycling recoverable silicon materials, silicon ingots, silicon wafer, solar cell and solar module production. We conduct a final quality check before packing to ensure that our solar power products meet all our internal standards and customers' specifications. In addition, we provide periodic training to our employees to ensure the effectiveness of our quality control procedures.

In February 2012, we opened our PV module testing laboratory in Jiangxi, China, which can conduct over 40 different kinds of tests, ranging from basic pressure and impact tests to challenging hot spot, pre-decay and UV aging tests, all of which conform to UL and International Electrotechnical Commission regulations. We laid out two testing laboratories in Haining, Zhejiang province and Malaysia in 2016. In February 2012, the facility was awarded the UL Witness Testing Data Program ("WTDP") Certificate and, in August 2012, the facility was certified by China National Accreditation Service ("CNAS"). In September 2014, the facility was certified by Intertek Satellite Lab and obtained TUV Nord CB Lab certificate in the same year. In Mar 2016, the facility also obtained the CGC Certificate.

We have a dedicated team overseeing our quality control processes. In addition, we have established operation management and project-based customer service teams, aiming to supervise the whole installation process and service our customers in a timely manner. They work collaboratively with our sales team to provide customer support and after-sale services. We emphasize gathering customer feedback for our products and addressing customer concerns in a timely manner.

Competition

We operate in a highly competitive and rapidly evolving market. As we build out our solar cell and solar module production capacity and increase the output of these products, we mainly compete with integrated as well as specialized manufacturers of solar power products such as Trina Solar Ltd., Canadian Solar Inc. and JA Solar Holdings Co., Ltd in a continuously evolving market. Recently, some upstream polysilicon manufacturers as well as downstream manufacturers have also built out or expanded their silicon ingots, silicon wafer, solar cell and solar module production operations. We expect to face increased competition as other silicon ingots, silicon wafer, solar cell and solar module manufacturers continue to expand their operations. Some of our current and potential competitors may have a longer operating history, greater financial and other resources, stronger brand recognition, better access to raw materials, stronger relationships with customers and greater economies of scale than we do. Moreover, certain of our competitors are highly-integrated producers whose business models provide them with competitive advantages as these companies are less dependent on upstream suppliers and/or downstream customers in the value chain.

We compete primarily in terms of product quality and consistency, pricing, timely delivery, ability to fill large orders and reputation for reliable customer support services. We believe that our high quality products, our low manufacturing costs and easy access to key resources from our strategically located production bases in China, Malaysia and Portugal, our recoverable silicon material processing operations and our proprietary process technologies enhance our overall competitiveness.

In addition, some companies are currently developing or manufacturing solar power products based on new technologies, including thin film materials and CSPV. These new alternative products may cost less than those based on monocrystalline or multicrystalline technologies while achieving the same or similar levels of conversion efficiency in the future. Furthermore, the solar industry generally competes with other renewable energy and conventional energy sources.

See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We face intense competition in solar power product markets. If we fail to adapt to changing market conditions and to compete successfully with existing or new competitors, our business prospects and results of operations would be materially adversely affected.”

Production Safety

We are subject to extensive PRC laws and regulations in relation to labor and safety. We have adopted stringent safety procedures at our facilities to limit potential damage and personal injury in the event of an accident or natural disaster, and have devised a number of internal guidelines as well as instructions for our manufacturing processes, including the operation of equipment and handling of chemicals. We distribute safety-related manuals to employees and post bulletins setting forth safety instructions, guidelines and policies throughout our facilities. Failure by employees to follow these guidelines and instructions result in monetary fines. All of our new employees undergo extensive safety training and education. We require our technical staff to attend weekly training programs taught by instructors to enhance their work safety awareness and ensure safe equipment operation. We conduct regular inspections and our experienced equipment maintenance team oversees the operation of our manufacturing lines to maintain proper and safe working conditions. As a result, our occupational health and safety management systems are certified to fulfill the OHSAS 18001:2007 standards starting from March 2012. Since our inception, we have not experienced any major work-related injuries.

We use, store and generate volatile and otherwise dangerous chemicals and wastes during our manufacturing processes, and are subject to a variety of government regulations related to the use, storage and disposal of such hazardous chemicals and waste. In accordance with the requirements of the Regulations on the Safety Management of Hazardous Chemical, which became effective on December 1, 2011 and were amended on December 7, 2013, we are required to engage state-qualified institutions to conduct the safety evaluation on our storage instruments related to our use of hazardous chemicals and file the safety evaluation report with the competent safety supervision and administration authorities every three years. Moreover, we also need to timely file a report with the competent safety supervision and administration authorities and public security agencies concerning the actual storage situation of our hyper-toxic chemicals and other hazardous chemicals that constitute major of hazard sources. We have not conducted the safety evaluation or filed safety evaluation reports with respect to certain of our storage instruments in compliance with the revised Regulation on the Safety Management of Hazardous Chemicals and we cannot assure you that we will be able to file the safety evaluation reports on time. Failure to conduct such safety evaluation or to make such filing on time may subject us to an order to rectify such conduct within a prescribed time period, fines of up to RMB100,000 or a revocation of our qualification and business license.

Environmental Matters

We generate and discharge chemical wastes, waste water, gaseous waste and other industrial waste at various stages of our manufacturing process as well as during the processing of recovered silicon material. We have installed pollution abatement equipment at our facilities to process, reduce, treat, and where feasible, recycle the waste materials before disposal, and we treat the waste water, gaseous and liquid waste and other industrial waste produced during the manufacturing process before discharge. We also maintain environmental teams at each of our manufacturing facilities to monitor waste treatment and ensure that our waste emissions comply with PRC environmental standards. Our environmental teams are on duty 24 hours. We are required to comply with all PRC national and local environmental protection laws and regulations and our operations are subject to periodic inspection by national and local environmental protection authorities. PRC national and local environmental laws and regulations impose fees, and from January 1, 2018, taxes for the discharge of waste materials above prescribed levels, require the payment of fines for serious violations and provide that the relevant authorities may at their own discretion close or suspend the operation of any facility that fails to comply with orders requiring it to cease or remedy operations causing environmental damage. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Compliance with environmentally safe production and construction regulations can be costly, while non-compliance with such regulations may result in adverse publicity and potentially significant monetary damages, fines and suspension of our business operations.”

Our factories are equipped with state-of-the-art equipment that has been designed to not only produce the highest quality products, but to also minimize the environmental impact. Our manufacturing facilities in Shangrao, Jiangxi Province have received the ISO 9001:2015 certification and our manufacturing facilities in Haining, Zhejiang Province have received the ISO 9001 and the ISO14001 certification. In January 2012, we joined the PV Cycle Association for the collection and recycling of end-of-life solar modules at European level. In September 2016, we helped create the first PV recycling network in the U.S. In November 2017, we were awarded the Cradle-to-Cradle certificate by SGS, the world’s leading testing, inspection, verification, and certification organization, which

demonstrates our commitment to high environmental, health and safety standards in our products and manufacturing processes. In December 2017, we were selected as a 2016-17 Leader in Silicon Valley Toxics Coalition's Solar Scorecard, a system which ensures that the PV sector is safe for the environment, workers, and communities.

We are required to obtain construction permits before commencing constructing production facilities. We are also required to obtain approvals from PRC environmental protection authorities before commencing commercial operations of our manufacturing facilities. We commenced construction of a portion of our solar cell and solar module production facilities prior to obtaining the construction permits and commenced operations of certain of our production facilities prior to obtaining the environmental approvals for commencing commercial operation and completing the required safety evaluation procedure. Although we have subsequently obtained all required environmental approvals covering all of our existing production capacity except a portion of our solar cell and solar module production capacity, we cannot assure you that we will not be penalized by the relevant government authorities for any prior non-compliance with the PRC environmental protection, safe production and construction regulations.

In late August 2011, our Haining facility experienced a suspected leakage of fluoride into a nearby small water channel due to extreme and unforeseen weather conditions. On September 15, 2011, residents of Hongxiao Village in proximity to the Haining facility gathered to protest the discharge. The Haining facility suspended production on September 17, 2011. We also took steps recommended by an environmental engineering firms licensed by the PRC government (the “Licensed Engineers”). On September 28, 2011, a committee of experts (the “Experts Committee”) established by the Haining government approved a set of recommendations developed by the Licensed Engineers with our assistance and the Haining government to be implemented by us. On October 6, 2011, the Experts Committee, the Environmental Bureau of the Haining government and representatives of Hongxiao Village reviewed the steps taken by us based on the recommendations of the Experts Committee and provided their comments to JinkoSolar’s management. On October 9, 2011, the Experts Committee notified us that the Experts Committee was satisfied with the steps taken by us and we resumed production at the Haining facility.

On March 22, 2012, our 600 MW solar cell manufacturing line passed the Haining City environmental authority’s environmental evaluation. In May 2012, pursuant to a request from the Haining City environmental authority as a part of a program directed to all local manufacturing companies, we took additional steps intended to improve our program for handling hazardous waste, which was approved in September 2012. In November 2012, we were selected on a random basis for an audit of our energy conservation and emission-reduction management systems by the Haining City environmental authority, which we completed successfully.

We continued to implement several environmental protection related projects at the Haining facility between 2013 and 2015, aiming to improve the waste treatment as well as to reduce carbon dioxide emission. We have invested to establish a new water recycle system, install roof-top solar panels, replace fluorescent tubes with LED light in the production lines, and upgrade waste chemical discharge sewers. In 2016, we completed the upgrade of the existing wastewater treatment station and improved the wastewater treatment of the Haining facility to comply with the new PRC environmental standards for the solar industry.

Seasonality

Demand for solar power products tends to be weaker during the winter months partly due to adverse weather conditions in certain regions, which complicate the installation of solar power systems. Our operating results may fluctuate from period to period based on the seasonality of industry demand for solar power products. Our sales in the first quarter of any year may also be affected by the occurrence of the Chinese New Year holiday during which domestic industrial activity is normally lower than that at other times.

Insurance

We have insurance policies covering certain machinery such as our monocrystalline and multicrystalline furnaces. These insurance policies cover damages and losses due to fire, flood, design defects or improper installation of equipment, water stoppages or power outages and other events stipulated in the relevant policies. Insurance coverage for Jiangxi Jinko's fixed assets other than land amounted to approximately RMB3,716.7 million (US\$571.2 million) as of December 31, 2017. Insurance coverage for Zhejiang Jinko's fixed assets and inventory amounted to approximately RMB5,194.0 million (US\$798.3 million) as of December 31, 2017. Insurance coverage for Jinko Malaysia's fixed assets and inventory amounted to approximately RMB1,443.5 million (US\$221.9 million) as of December 31, 2017. As of December 31, 2017, we had product liability insurance coverage for Jiangxi Jinko, Zhejiang Jinko, Jinko Solar Import and Export Co. Ltd. ("Jinko Import and Export") and Zhejiang Jinko Trading Co., Ltd. ("Zhejiang Trading") of up to US\$2,000 million, export credit insurance coverage for Jiangxi Jinko, Zhejiang Jinko and Jinko Import and Export of up to US\$900 million and product transportation liability insurance coverage for Jiangxi Jinko, Zhejiang Jinko, Jinko Import and Export, Zhejiang Trading, JinkoSolar GmbH, JinkoSolar Canada Co., Ltd. and JinkoSolar (U.S.) Inc. of up to RMB24.3 billion (US\$3.7 billion).

We engage PowerGuard, a firm specializing in unique insurance and risk management solutions for the wind and solar energy industries to provide insurance coverage for the product warranty services for our solar modules worldwide. The policy offers back-to-back coverage through a maximum of ten-year limited product defects warranty, as well as a 10-year and 25-year warranty against declines of more than 10.0% and 20.0%, respectively, from the initial minimum power generation capacity at the time of delivery.

In addition, in November 2012, we also purchased a policy for environmental liabilities insurance covering our operations in Jiaxing, Zhejiang Province, as required by the Environmental Protection Bureau of Jiaxing City. We believe that our overall insurance coverage is consistent with the market practice in China. However, significant damage to any of our manufacturing facilities and buildings, whether as a result of fire or other causes, could have a material adverse effect on our results of operations. In accordance with customary practice in China, we do not carry any business interruption insurance. Moreover, we may incur losses beyond the limits, or outside the coverage, of our insurance policies. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We have limited insurance coverage and may incur losses resulting from product liability claims, business interruption or natural disasters.” We paid an aggregate of approximately RMB34.3 million, RMB25.3 million and RMB43.0 million (US\$6.6 million) in insurance premiums in 2015, 2016 and 2017, respectively.

Regulation

This section sets forth a summary of the most significant regulations or requirements that affect our business activities in the PRC or our shareholders’ right to receive dividends and other distributions from us.

Renewable Energy Law and Other Government Directives

The *Renewable Energy Law*, which originally became effective on January 1, 2006 and was amended on December 26, 2009, sets forth policies to encourage the development and on-grid application of solar energy and other renewable energy. The law also sets forth a national policy to encourage the installation and use of solar energy water heating systems, solar energy heating and cooling systems, PV systems and other systems that use solar energy. It also provides financial incentives, such as national funding, preferential loans and tax preferential treatment for the development of renewable energy projects.

The *PRC Energy Conservation Law*, which became effective on April 1, 2008 and was amended on July 2, 2016, encourages the utilization and installation of solar power facilities on buildings for energy-efficiency purposes. The law also encourages and supports the development of solar energy system in rural areas.

On October 10, 2010, the State Council promulgated a decision to accelerate the development of seven strategic new industries. Pursuant to this decision, the PRC government will promote the popularization and application of solar thermal technologies by increasing tax and financial policy support, encouraging investment and providing other forms of beneficial support.

On March 27, 2011, the NDRC promulgated the revised *Guideline Catalogue for Industrial Restructuring* which categorizes the solar power industry as an encouraged item. On February 16, 2013, the NDRC promulgated the 2013 revised *Guideline Catalogue for Industrial Restructuring* to be effective on May 1, 2013, the solar power industry is still categorized as an encouraged item.

In response to the increased pace of market development, the State Council, in a statement dated July 4, 2013, announced to support the development of PV production enterprises with high technology and strong market competitiveness, among other matters.

In March 2016, the National People's Congress approved the *Outline of the Thirteenth Five-Year Plan for National Economic and Social Development of the PRC*, which mentions a national commitment to continuing to support the development of PV generation industry.

On March 22, 2016, the NEA promulgated the *Guide Opinion on Energy for 2016*, which encouraged the development of solar power.

On November 29, 2016, the State Council released the *Thirteen Five-Year Development Plan for National Strategic New Industries*, which aims to promote the diversification and large-scale development of solar power industry.

On December 8, 2016, the NEA officially released the *Thirteen Five-Year Plan on Solar Power Development*, pursuant to which, the NEA will provide market support to advanced technology and product and lead the PV technical advances and industry upgrading.

On December 30, 2016, the MIIT, NDRC, the Ministry of Science and Technology and MOF jointly promulgated the *Development Guide Regarding the New Materials Industry* to support and provide details for the development of the PRC solar power industry.

On February 10, 2017, the NEA promulgated the *Circular on Printing and Distributing the Guidance on Energy Work in 2017*, which promotes the construction of PV and thermal power projects. According to this circular, the PRC government planned to add the new construction scale of 20 million kilowatts and the new installed capacity of 18 million kilowatts in 2017.

On July 18, 2017, the NEA, MIIT and the Certification and Accreditation Administration of the PRC jointly promulgated a notice regarding improving technical standards of major photovoltaic products and strengthening supervision to promote the technological progress of photovoltaic industry.

Environmental Protection

The construction processes of our solar power projects generate material levels of noise, waste water, gaseous emissions and other industrial wastes. Therefore, we are subject to a variety of government regulations related to the storage, use and disposal of hazardous materials and to the protection of the environment of the community. The major environmental regulations applicable to our business activities in the PRC include *the Environmental Protection Law of the PRC*, *the Law on the Prevention and Control of Noise Pollution*, *the Law on the Prevention and Control of Air Pollution*, *the Law on the Prevention and Control of Water Pollution*, *the Law on the Prevention and Control of Solid Waste Pollution*, *the Environmental Impact Evaluation of Law*, and *the Regulations on the Administration of Environmental Protection In Construction Projects*.

On December 25, 2016, the Standing Committee of the National People's Congress promulgated *the Law on Environmental Protection Tax*, which will become effective on January 1, 2018. *The Law on Environmental Protection Tax* reforms and replaces the pollutant discharge fee system, which had been implemented over decades in China. *The Law on Environmental Protection Tax* provides that, among others, from the effective date, the enterprises, entities and other producers and operators that directly emit taxable pollutants into the environment within the territory and other sea areas under the jurisdiction of the PRC shall pay environmental protection tax instead of pollutant discharge fees. Under *the Law on Environmental Protection Tax*, taxable pollutants include air and water pollutants, solid waste and noise.

See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Compliance with environmentally safe production and construction regulations can be costly, while noncompliance with such regulations may result in adverse publicity and potentially significant monetary damages, fines and suspension of our business operations.”

Foreign Investment in Solar Power Business

The principal regulation governing foreign ownership of solar power businesses in the PRC is the *Foreign Investment Industrial Guidance Catalog (2017 Revision)*. Under the current catalog, which was amended in 2017 and became effective on June 28, 2017, the solar power industry is classified as an “encouraged foreign investment industry.” Foreign-invested enterprises in the encouraged foreign investment industries are entitled to certain preferential treatment, such as exemption from tariff on equipment imported for their operations, after obtaining approval from the PRC government authorities.

Work Safety

We are subject to laws and regulations in relation to work safety and occupational disease prevention, including the *Work Safety Law of the PRC*, which became effective on November 1, 2002 and was amended on August 31, 2014, the *Prevention and Control of Occupational Diseases of the PRC*, which was effective on May 1, 2002, and was amended on July 2, 2016, and the Photovoltaic Production Rule and other relevant laws and regulations.

Employment

Pursuant to *the Labor Law of the PRC*, *the Labor Contract Law of the PRC* and *the Implementing Regulations of the Labor Contract Law of the PRC*, employers must enter into written employment contracts with full-time employees. If an employer fails to do so within one year from the date on which the employment relationship is established, the employer must rectify the situation by entering into a written employment contract with the employee and pay the employee twice the employee's salary for the period during which the written contract is not signed. *The Labor Contract Law* and its implementing rules also require all employers must comply with local minimum wage standards. If the wage paid to the employee by the employer is lower than the local minimum wage standard, the competent labor authorities may order the employer to pay the difference; in the event of any failure to pay within the time limit, the employer may be ordered to pay additional compensation to the employee at the standard of more than 50% but less than 100% of the payable amount. Violations of *the Labor Law*, *the Labor Contract Law* and its implementing rules may result in the imposition of fines and other administrative liabilities.

Enterprises in the PRC are required by the PRC laws and regulations to participate in certain employee benefit plans covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds, and contribute to the plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified by the local government from time to time at locations where they operate their businesses or where they are located. According to *the Social Insurance Law of the PRC*, which came into effect on July 1, 2011, an employer that fails to make social insurance contributions may be ordered to pay the required contributions within a stipulated deadline and be subject to a late fee at the rate of 0.05% per day from the date on which the contribution becomes due. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to *the Regulations on the Administration of Housing Fund*, which came into force on March 24, 2002, an enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

Taxation

PRC Corporate Income Tax

Prior to January 1, 2008, under *the PRC Income Tax Law on Foreign-invested Enterprise and Foreign Enterprise*, or the former Income Tax Law, and the related implementing rules, foreign-invested enterprises incorporated in the PRC were generally subject to a corporate income tax rate of 30% on taxable income and a local income tax rate of 3% on taxable income. The former Income Tax Law and the related implementing rules also provided certain favorable tax treatments to foreign-invested enterprises.

On March 16, 2007, the CIT Law was passed, which, together with *the Implementation Rules of the CIT Law* issued on December 6, 2007, became effective on January 1, 2008. The CIT Law applies a uniform 25% corporate income tax rate to both foreign invested enterprises and domestic enterprises and eliminates many of the preferential tax policies afforded to foreign investors. Furthermore, dividends paid by a foreign invested enterprise to a non-resident shareholder are now subject to a withholding tax rate of 10%, which may be reduced under any applicable bilateral tax treaty between the PRC and the jurisdiction where the non-resident shareholder resides.

The CIT Law provided a five-year grandfathering period, starting from its effective date, for enterprises established before the promulgation date of the CIT Law that were entitled to enjoy preferential tax policies under the former Income Tax Law or the related implementing rules. However, subject to the *Circular on Implementing the Grandfathering Preferential Policies of the Enterprise Income Tax*, or the Implementing Circular, promulgated by the State Council on December 26, 2007, only a certain number of the preferential policies provided under the former Income Tax Law and the related implementing rules were eligible to be grandfathered in accordance with the Implementing Circular.

With respect to our PRC operations, only the “two-year exemption” and “three-year half deduction” tax preferential policy enjoyed by Jiangxi Jinko and Zhejiang Jinko was grandfathered by the Implementation Circular. Both Jiangxi Jinko and Zhejiang Jinko were subject to a preferential tax rate of 12.5% in 2011 and 2012. Zhejiang Jinko, Jiangxi Jinko and Jiangxi Materials were designated by the relevant local authorities as “High and New Technology Enterprises” under the CIT Law. Jiangxi Jinko, Jiangxi Materials and Zhejiang Jinko were subject to a preferential tax rate of 15% for 2015, 2016 and 2017. Zhejiang Jinko enjoyed the preferential tax rate of 15% in 2015, 2016 and 2017 and is in the process of obtaining this qualification for 2018, 2019 and 2020. In 2016, Jiangxi Jinko and Jiangxi Materials successfully renewed this qualification, enjoyed the preferential tax rate of 15% in 2017, and will continue to enjoy this preferential tax rate in 2018, if the relevant conditions are met.

Certain solar power project entities enjoy the preferential tax policies in connection with the development of the western region of China and are subject to a preferential tax rate of 15%. The enterprises which are eligible for such preferential tax policy must engage in the business falling in the scope of the Western Catalogue promulgated by the NDRC. Enterprises that are eligible for the preferential tax rate of 15% may be able to enjoy such preferential tax rate and tax holiday simultaneously where certain criteria are met.

According to *the Circular of the State Administration of Taxation on How to Understand and Identify “Beneficial Owner” under Tax Treaties*, which became effective on October 27, 2009, and the *Announcement of the State Administration of Taxation on the Determination of “Beneficial Owners” in the Tax Treaties*, effective on June 29, 2012, the PRC tax authorities must evaluate whether an applicant for treaty benefits in respect of dividends, interest and royalties qualifies as a “beneficial owner” on a case-by-case basis and following the “substance over form” principle. This circular sets forth the criteria to identify a “beneficial owner” and provides that an applicant that does not carry out substantial business activities, or is an agent or a conduit company may not be deemed a “beneficial owner” of the PRC subsidiary and therefore may not enjoy tax treaty benefits. According to *Announcement of the State Administration of Taxation on Issues Concerning the Recognition of Beneficial Owners in Entrusted Investments*, effective on June 1, 2014, nonresidents may be recognized as “beneficial owners” and enjoy treaty benefits for the income derived from the PRC from certain investments.

An enterprise registered under the laws of a jurisdiction outside China may be deemed a PRC tax resident enterprise if its place of effective management is in China. If an enterprise is deemed to be a PRC tax resident enterprise, its worldwide income will be subject to the corporate income tax. According to the Implementation Rules of the CIT Law, the term “de facto management bodies” is defined as bodies that have, in substance, and overall management and control over such aspects as the production and the business, personnel, accounts and properties of the enterprise. In addition, under the CIT Law and the Implementation Rules of the CIT Law, foreign shareholders could become subject to a 10% withholding tax on any gains they realize from the transfer of their shares, if such gains are regarded as income derived from sources within China, which includes gains from transfer of shares in an enterprise considered a “tax resident enterprise” in China. Once a non-PRC company is deemed to be a PRC tax resident enterprise by following the “de facto management bodies” concept and any dividend distributions from such company are regarded as income derived from sources within China, PRC income tax withholding may be imposed and applied to dividend distributions from the deemed PRC tax resident enterprise to its foreign shareholders.

VAT

Pursuant to the *Interim Regulations on Value-added Tax* as amended on February 6, 2016 (the “2016 Interim Regulations on Value-added Tax”), and the *Implementing Rules of the Interim Regulations on Value-added Tax* as amended on October 28, 2011, all entities and individuals that are engaged in the sale of goods, the provision of repairs and replacement services and the importation of goods in the PRC are required to pay VAT. The 2016 Interim Regulations on Value-added Tax and their Implementing Rules also provide that gross proceeds from sales and importation of goods and provision of services are generally subject to a VAT rate of 17%, with exceptions for certain categories of goods that are taxed at a rate of 13%. The 2016 Interim Regulation on Value-added Tax was further amended on November 19, 2017, in which gross proceeds from sales and importation of goods and provision of services and tangible personal property leasing services are generally subject to a VAT rate of 17%, with exceptions for certain categories of goods that are taxed at a VAT rate of 11%.

Foreign Currency Exchange

Foreign currency exchange regulation in the PRC is primarily governed by *the Regulations on the Administration of Foreign Exchange*, and *the Provisions on the Administration of Settlement, Sale and Payment of Foreign Exchange*. Currently, the Renminbi is convertible for current account items, including the distribution of dividends, interest payments, trade and service related foreign exchange transactions. On January 26, 2017, the SAFE issued the *Circular on Further Promoting the Reform of Foreign Exchange Administration and Improving Examination of Authenticity and Compliance*, pursuant to which the SAFE restated the procedures and reemphasized the bona-fide principle for banks to follow during their review of certain cross-border profit remittance. Conversion of Renminbi for most capital account items, such as direct investment, security investment and repatriation of investment, however, is still subject to registration with the SAFE. Foreign-invested enterprises may buy, sell and remit foreign currencies at financial institutions engaged in foreign currency settlement and sale after providing valid commercial documents and, in the case of most capital account item transactions, obtaining approval from the SAFE. Capital investments by foreign enterprises are also subject to limitations, which include approvals by the NDRC, the MOC, and registration with the SAFE.

In August 2008, the SAFE issued the *Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises*, or the Circular 142, regulating the conversion by a foreign invested enterprise of foreign currency-registered capital into RMB by restricting how the converted RMB may be used. Pursuant to the Circular 142, the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within the PRC. In addition, the SAFE strengthened its oversight of the flow and use of the RMB capital converted from foreign currency registered capital of foreign-invested enterprises. The use of such RMB capital may not be changed without the SAFE's approval, and such RMB capital may not in any case be used to repay RMB-denominated loans if the proceeds of such loans have not been used. Violations may result in severe monetary or other penalties. Furthermore, on March 30, 2015, the SAFE issued the *Circular on Reforming the Administration Approach Regarding the Foreign Exchange Capital Settlement of Foreign-invested Enterprises*, or Circular 19, which became effective on June 1, 2015 and replaced Circular 142. Circular 19 provides that, the conversion from foreign currency registered capital of foreign-invested enterprises into the Renminbi capital may be at foreign-invested enterprises' discretion, which means that the foreign currency registered capital of foreign-invested enterprises for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the book-entry of monetary contribution has been registered) can be settled at the banks based on the actual operational needs of the enterprises. However, Circular 19 does not materially change the restrictions on the use of foreign currency registered capital of foreign-invested enterprises. On June 9, 2016, SAFE promulgated the *Circular on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange*, or Circular 16, which applies to all domestic enterprises in China. Circular 19 and Circular 16 continue to prohibit foreign-invested enterprises from, among other things, spending Renminbi capital converted from its foreign currency registered capital on expenditures beyond its business scope.

In February 2012, the SAFE promulgated *the Notice on the Administration of Foreign Exchange Matters for Domestic Individuals Participating in the Stock Incentive Plans of Overseas Listed Companies*, or the Stock Option Notice. The Stock Option Notice replaced a prior rule issued by SAFE in 2007, *the Application Procedure of Foreign Exchange Administration for Domestic Individuals Participating in an Employee Stock Holding Plan or Stock Option Plan of an Overseas-Listed Company*. Under the Stock Option Notice, domestic individuals who participate in equity incentive plans of an overseas listed company are required, through a PRC agent or PRC subsidiary of such listed company, to register with SAFE and complete certain other bank and reporting procedures. The Stock Option Notice simplifies the requirements and procedures for the registration of stock incentive plan participants, especially in respect of the required application documents and the absence of strict requirements on offshore and onshore custodian banks, as were stipulated in the previous rules.

The *Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment* issued by the SAFE on November 19, 2012 and amended on May 4, 2015 substantially amends and simplifies the foreign exchange procedure. Pursuant to this circular, the opening of various special purpose foreign exchange accounts (e.g. pre-establishment expenses account, foreign exchange capital account, guarantee account), the reinvestment of lawful incomes derived by foreign investors in the PRC (e.g. profit, proceeds of equity transfer, capital reduction, liquidation and early repatriation of investment), and purchase and remittance of foreign exchange as a result of capital reduction, liquidation, early repatriation or share transfer in a foreign-invested enterprise no longer require the SAFE's approval, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible before. In addition, the SAFE promulgated *the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents* in May 2013, which specifies that the administration by the SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by the SAFE and its branches. On February 13, 2015, the SAFE promulgated the *Circular on Further Simplification and Improvement of Foreign Currency Administration Policies on Direct Investment*, effective on June 1, 2015, which further simplifies the approval requirements of SAFE upon the direct investment by foreign investors. In particular, instead of applying for approvals from SAFE, entities and individuals are required to apply for foreign exchange registrations of foreign direct investment and overseas direct investment from qualified banks, while the qualified banks, under the supervision of the SAFE, will directly examine the applications and conduct the registration accordingly.

On July 4, 2014, the SAFE issued *the Circular on the Administration of Foreign Exchange Issues Related to Overseas Investment, Financing and Roundtrip Investment by Domestic Residents through Offshore Special Purpose Vehicles*, or the SAFE Circular 37, which replaced the former circular commonly known as "SAFE Circular 75" promulgated on October 21, 2005. The SAFE Circular 37 requires PRC residents to register with the competent local SAFE branch in connection with their direct establishment or indirect control of an offshore special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. The SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as any change of basic information (including change of the PRC residents, name and operation term), increase or decrease of capital contribution by the PRC residents, share transfer or exchange, merger, division or other material events. In the event that a PRC resident holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under the PRC law for evasion of foreign exchange controls.

On February 13, 2015, the SAFE promulgated the *Circular on Further Simplification and Improvement of Foreign Currency Administration Policies on Direct Investment*, which became effective on June 1, 2015. This circular aims to further remove or simplify the approval requirements of SAFE upon the direct investment by foreign investors.

On June 9, 2016, the SAFE promulgated the *Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts* (the “Circular 16”), which expands the application scope from only the capital of the foreign-invested enterprises to the capital, foreign debt fund and fund from oversea public offering. Also, Circular 16 allows enterprises to use their foreign exchange capitals under capital accounts allowed by the relevant laws and regulations.

On January 26, 2017, the SAFE issued the *Notice on Improving the Check of Authenticity and Compliance to further Promote Foreign Exchange Control* (the “Circular 3”), which continuously implements and improves the policy for outward remittance of foreign exchange profit generated from direct investment. In addition, Circular 3 expands the scope of settlement of exchange for domestic loans in foreign currencies, and it is allowed to transfer inward overseas loans under domestic guarantee. The debtor may, directly or indirectly, transfer inward the funds under guarantee by domestic lending, equity investment or other measures.

Dividend Distribution

The principal laws and regulations governing distribution of dividends paid by wholly foreign owned enterprises include *the Company Law of the PRC* as amended on December 28, 2013, *the Wholly Foreign Owned Enterprise Law of the PRC* as amended on October 31, 2000, and *the Implementing Rules of the Wholly Foreign Owned Enterprise Law of the PRC* as amended on February 19, 2014.

Under these laws and regulations, foreign-invested enterprises in the PRC may pay dividends only out of their accumulated profits, if any, as determined in accordance with the PRC accounting standards and regulations. In addition, a wholly foreign owned enterprise in the PRC is required to set aside as general reserves at least 10% of its after-tax profit, until the accumulative amount of such reserves reaches 50% of its registered capital. These reserves are not distributable as cash dividends. A wholly foreign owned enterprise is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year. A wholly foreign owned enterprise has the discretion to allocate a portion of its after-tax profits to staff welfare and bonus funds and expansion funds, which may not be distributed to equity owners except in the event of liquidation.

Intellectual Property Rights

Patent

The PRC has domestic laws for the protection of rights in copyrights, patents, trademarks and trade secrets. The PRC is also a signatory to the world's major intellectual property conventions, including:

- Convention establishing the World Intellectual Property Organization (WIPO Convention) (June 4, 1980);
- Paris Convention for the Protection of Industrial Property (March 19, 1985);
- Patent Cooperation Treaty (January 1, 1994); and
- The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) (November 11, 2001).

Patents in the PRC are governed by the *China Patent Law* (March 12, 1984), as amended and its Implementing Regulations (January 19, 1985), as amended.

The PRC is a signatory to the Paris Convention for the Protection of Industrial Property, in accordance with which any person who has duly filed an application for a patent in one signatory country shall enjoy, for the purposes of filing in the other countries, a right of priority during the period fixed in the convention (12 months for inventions and utility models, and 6 months for industrial designs).

The *China Patent Law* covers three kinds of patents, namely, patents for inventions, utility models and designs. The Chinese patent system adopts the principle of first to file, which means where multiple patent applications are filed for the same invention, a patent will be granted only to the party that filed the application first. Consistent with international practice, the PRC only allows the patenting of inventions or utility models that possess the characteristics of novelty, inventiveness and practical applicability. For a design to be patentable, it must not be identical with or similar to any design which has been publicly disclosed in publications in the country or abroad before the date of filing or has been publicly used in the country before the date of filing, and must not be in conflict with any prior right of another.

PRC law provides that anyone wishing to exploit the patent of another must enter into a written licensing contract with the patent holder and pay the patent holder a fee. One rather broad exception to this, however, is where a party possesses the means to exploit a patent for inventions or utility models under certain circumstances but cannot obtain a license from the patent holder on reasonable terms and in a reasonable period of time, the State Intellectual Property Office of the PRC is authorized to grant a compulsory license. A compulsory license can also be granted where a national emergency or any extraordinary state of affairs occurs or where the public interest so requires. The patent holder may appeal such a decision within three months from receiving notification by filing a suit in people's court in the PRC.

PRC law defines patent infringement as the exploitation of a patent without the authorization of the patent holder. A patent holder who believes his patent is being infringed may file a civil suit or file a complaint with a local PRC intellectual property administrative authority, which may order the infringer to stop the infringing acts. A preliminary injunction may be issued by the people's court upon the patentee's or the interested parties' request before any legal proceedings are instituted or during the proceedings. Evidence preservation and property preservation measures are also available both before and during the litigation. Damages in the case of patent infringement are determined as either the loss suffered by the patent holder arising from the infringement or the benefit gained by the infringer from the infringement. If it is difficult to ascertain damages in this manner, damages may be determined with reference to the license fee under a contractual license.

Trademark

The *PRC Trademark Law*, adopted in 1982 and revised in 1993, 2001 and 2013, with its implementation rules adopted in 2002 and revised in 2014, protects registered trademarks. The Trademark Office of the State Administration of Industry and Commerce handles trademark registrations and grants trademark registrations for a term of ten years which are renewable upon maturity. Trademark license agreements must be filed with the Trademark Office for record.

C. Organizational Structure

The following table sets out our significant subsidiaries as of the date of this annual report:

Subsidiaries	Date of Incorporation/Acquisition	Place of Incorporation	Percentage of Ownership	
JinkoSolar Technology Limited*	November 10, 2006	Hong Kong	100	%
Jinko Solar Co., Ltd. (“Jiangxi Jinko”)	December 13, 2006	PRC	100	%
Zhejiang Jinko Solar Co., Ltd. (“Zhejiang Jinko”)	June 30, 2009	PRC	100	%
Jinko Solar Import and Export Co., Ltd.	December 24, 2009	PRC	100	%
JinkoSolar GmbH	April 1, 2010	Germany	100	%
Zhejiang Jinko Trading Co., Ltd.	June 13, 2010	PRC	100	%
Xinjiang Jinko Solar Co., Ltd.	May 30, 2016	PRC	100	%
Yuhuan Jinko Solar Co., Ltd.	July 29, 2016	PRC	100	%
JinkoSolar (U.S.) Inc.	August 19, 2010	USA	100	%
Jiangxi Photovoltaic Materials Co., Ltd (“Jiangxi Materials”)	December 10, 2010	PRC	100	%
JinkoSolar (Switzerland) AG	May 3, 2011	Switzerland	100	%
JinkoSolar (US) Holdings Inc.	June 7, 2011	USA	100	%

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JinkoSolar Italy S.R.L.	July 8, 2011	Italy	100	%
JinkoSolar SAS	September 12, 2011	France	100	%
Jinko Solar Canada Co., Ltd	November 18, 2011	Canada	100	%
Jinko Solar Australia Holdings Co. Pty Ltd	December 7, 2011	Australia	100	%
Jinko Solar Japan K.K.	May 21, 2012	Japan	100	%
JinkoSolar Power Engineering Group Limited (“JinkoSolar Power”)	November 12, 2013	Cayman	100	%
JinkoSolar WWG Investment Co., Ltd.	April 8, 2014	Cayman	100	%
JinkoSolar Comércio do Brazil Ltda	January 14, 2014	Brazil	100	%
Projinko Solar Portugal Unipessoal LDA.	February 20, 2014	Portugal	100	%
JinkoSolar Mexico S.DE R.L. DE C.V.	February 25, 2014	Mexico	100	%
Shanghai Jinko Financial Information Service Co., Ltd	November 7, 2014	PRC	100	%
Jinko Solar Technology SDN.BHD.	January 21, 2015	Malaysia	100	%
Jinko Huineng Technology Services Co., Ltd	July 14, 2015	PRC	100	%
Zhejiang Jinko Solar Power Sales Co., Ltd	July 29, 2015	PRC	100	%
JinkoSolar Enerji Teknolojileri Anonlm Sirketi	April 13, 2017	Turkey	100	%
Jinko Solar Sweihan (HK) Limited	October 4, 2016	Hong Kong	100	%
Jinko Solar (Shanghai) Managemet Co., Ltd	July 25, 2012	PRC	100	%
JinkoSolar Trading Privated Limited	February 6, 2017	India	100	%
JinkoSolar LATAM Holding Limited	August 22, 2017	Hong Kong	100	%
JinkoSolar Middle East DMCC	November 6, 2016	Emirates	100	%
Jinko Power International (Hongkong) Limited	July 10, 2015	Hong Kong	100	%
JinkoSolar International Development Limited**	August 28, 2015	Hong Kong	100	%
Jinkosolar Household PV System Ltd.	January 12, 2015	BVI	100	%
Canton Best Limited	September 16, 2013	BVI	100	%
Wide Wealth Group Holding Limited (“Wide Wealth Hong Kong”) ***	June 11, 2012	Hong Kong	100	%

JinkoSolar (U.S.) Industrial Inc.	November 16, 2017	United States	100	%
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70

*In the fourth quarter of 2016, JinkoSolar Technology Limited (formally known as Paker Technology Limited) disposed of Zhejiang Jinko Financial Leasing Co., Ltd with the consideration of RMB183.0 million (US\$26.4 million). Loss of disposal amounted to RMB15.2 million (US\$2.2 million) was recognized. Considerations associated with the transaction amounted to RMB13.1 million (US\$2.0 million) was collected in 2017. Pursuant to the extended payment terms as agreed in 2017, all the outstanding considerations will be settled by May 2018.

**In the fourth quarter of 2016, JinkoSolar International Development Limited disposed Jinko Solar (Thailand) Co. Ltd with the consideration of RMB2.4 million (US\$0.4 million). Loss of disposal amounted to RMB0.1 million (US\$0.02 million) was recognized. Consideration associated with the transaction was fully collected as of December 31, 2017.

**In the fourth quarter of 2017, JinkoSolar International Development Limited disposed Lotapera, S.L. with the consideration of RMB27.3 thousand (US\$4.2 thousand). Gain on disposal amounted to RMB102.3 thousand (US\$15.7 thousand) was recognized. Considerations associated with the transaction have not been collected as of December 31, 2017.

**In the fourth quarter of 2017, JinkoSolar International Development Limited disposed four Mexican power plants, including Energia Solar AHU, S.de R.L. de C.V., Energia Solar CAB, S.de R.L. de C.V., Energia Solar MAZ, S.de R.L. de C.V., and PV Energy SAM, S.de R.L. de C.V., with the consideration of RMB1.3 thousand (US\$0.2 thousand). Gain on disposal amounted to RMB154.8 thousand (US\$23.8 thousand) was recognized. Considerations associated with the transaction have not been collected as of December 31, 2017.

***In the fourth quarter of 2016, Wide Wealth Hong Kong disposed all of the 55% equity interest indirectly held by us in Jiangxi Jinko Engineering to Shangrao Kangsheng Technology Co., Ltd., a company incorporated with limited liability under the laws of the People's Republic of China, formed by a buyer consortium led by Mr. Xiande Li, chairman of our board of directors for a total consideration of US\$250 million.

In conjunction, JinkoSolar Power repurchased all of its Series A, Series A-1 and Series A-2 redeemable convertible preferred shares with considerations of US\$225.0 million from the preferred shareholders, while Wide Wealth Hong Kong agreed to transfer the 45% equity interest of Jiangxi Jinko Engineering to related entities of the preferred shareholders with a total consideration of US\$225.0 million. These two transactions were net-settled as agreed among JinkoSolar Power, Wide Wealth Hong Kong and the preferred shareholders.

D. Property, Plant and Equipment

For information regarding our material property, plant and equipment, see “—B. Business Overview—Manufacturing—Manufacturing Capacity and Facilities” in this annual report.

Item 4A. UNRESOLVED STAFF COMMENTS

None.

Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. Operating Results

We are a global leader in the PV industry based in China. We have built a vertically integrated solar power product value chain, from recovering silicon materials to manufacturing solar modules. We sell most of our solar modules under our own “JinkoSolar” brand, with a small portion of solar modules on an OEM basis. We also sell silicon wafers and solar cells not used in our solar module production. As of December 31, 2017, we had an integrated annual capacity of 8.0 GW for silicon wafers, 5.0 GW for solar cells and 8.0 GW for solar modules.

Our revenues were RMB15.45 billion, RMB21.40 billion and RMB26.47 billion (US\$4.07 billion) in 2015, 2016 and 2017, respectively. We had net income of RMB766.5 million, RMB990.2 million and RMB142.2million (US\$21.9 million) in 2015, 2016 and 2017, respectively.

Principal Factors Affecting Our Results of Operations

We believe that the following factors have had, and we expect that they will continue to have, a significant effect on the development of our business, financial condition and results of operations.

Industry Demand

Our business and revenue growth depends on the industry demand for solar power and solar power products. In the second half of 2009, demand for solar power and solar power products was significantly affected by the global financial crisis. In early 2010, as the effect of the global financial crisis started to subside, industry demand for solar power and solar power products started to revive. Access to financing continued to improve from 2010 to the first half of 2011, driven by increasing awareness of renewable energy, stronger balance sheets for financing providers and sustainable government incentives to develop solar as an alternative energy solution. However, in 2011, a decrease in payment to solar power producers, in the form of FIT and other reimbursements, and a reduction in available financing caused a decrease in the demand for solar power products, including solar modules, in the European markets. Payments to solar power producers decreased as governments in Europe, under pressure to reduce public debt levels, reduced subsidies such as FIT. Furthermore, many downstream purchasers of solar power products were unable to secure sufficient financing for the solar power projects due to the global credit crunch. Demand for solar modules in Europe fell significantly in 2013. As a result, many solar power producers that purchase solar power products from manufacturers like us were unable or unwilling to expand their operations. Our business and revenue increased in Europe in 2014, partly due to the significant increase in demand for solar modules in the U.K. Compared

with 2014, our revenue increased in North America in 2015 mainly attributable to the significant increase in demand for solar modules in the U.S. China had become the largest solar market in 2016, whereas the demand in India continued to grow rapidly, second to only China and the United States. A strong presence in these markets led to an increase in our revenue despite the decreasing module price as a result of the China FIT cut as well as the uncertainties brought by U.S. President Donald Trump. Demand for solar power products is also affected by macroeconomic factors, such as energy supply, demand and prices, as well as regulations and policies governing renewable energies and related industries. For example, in June 2016, the FIT in China for utility scale projects was significantly cut down. As a result, subsequent to a strong demand in the first half of 2016, the domestic market was almost frozen and the competition in the global market also intensified in the second half of 2016. In 2017, China remained the largest solar market and the U.S. market showed strong demand for solar modules, which was second to China, while the emerging markets grew rapidly, especially Mexico and Brazil. However, the market is facing continued increases in module production in excess of market demand, which puts a further downward pressure on the price of solar cells and modules.

We believe the steady reduction in the manufacturing cost of solar power products will stimulate demand for solar power and solar power products in the long term. In particular, decreases in the price of silicon feedstock, improvements in manufacturing techniques for solar power products and economies of scale have continually reduced the unit production costs of solar power products in recent years, which in turn have increased the competitiveness of solar power on an unsubsidized basis relative to conventional power and other renewable energy sources. We expect significant market opportunities to be created as demand continues to grow and the price of solar power approaches that of conventional energy in a number of markets. In the long term, we believe that solar power will continue to have significant growth potential and that demand for our products and services will continue to grow.

Industry Trend for Credit Sales

Most of our sales are made on credit terms and we allow our customers to make payments after a certain period of time subsequent to the delivery of our products. Selling products on credit terms has increased, and may continue to increase our working capital requirements and have a negative impact on our short-term liquidity. See “Item 3. Key Information—D. Risk Factors—Selling our products on credit terms may increase our working capital requirements and expose us to the credit risk of our customers.”

In 2011, the PV industry experienced a series of adverse developments. For more detailed discussions of such adverse developments, see “—Industry Demand” and “—Government Subsidies, Policies and Economic Incentives.” The softened demand for PV products, coupled with the over-supply caused by significantly increased manufacturing capacity in the industry, led to intensified competition among PV module manufacturers.

To accommodate and retain customers, many PV module manufacturers, including us, shifted from demanding advance payments towards increased use of credit sales and the provision of longer credit terms to both existing and new customers. Starting from the third quarter of 2011, we began to offer new customers credit terms of 60 to 120 days as well as extend similar credit terms to certain existing customers under new contracts.

The prompt collection of receivable has led to faster accounts receivable turnover in 2017. Due to our prompt collection of receivables, our accounts receivable turnover decreased in 2017. Our accounts receivable turnover were 82 days, 108 days and 77 days in 2015, 2016 and 2017, respectively. In particular, in 2015, 2016 and 2017, our accounts receivable turnover in the U.S. were 25 days, 19 days and 39 days, respectively; our accounts receivable turnover in China were 131 days, 144 days and 127 days, respectively. Correspondingly, our provisions for accounts receivables decreased. We recorded provisions for accounts receivable of RMB335.7 million, RMB376.6 million and RMB264.7 million (US\$40.7 million) as of December 31, 2015, 2016 and 2017, respectively. Reversal of allowances for doubtful accounts receivable upon subsequent collection were RMB206.3 million, RMB191.5 million and RMB259.4 million (US\$39.9 million) in 2015, 2016 and 2017, respectively. Considering the increase in credit sales, we will continue to make assessment and properly provide the provision on doubtful accounts.

Pricing of Solar Power Products

The price of our solar modules is influenced by a variety of factors, including polysilicon prices, supply and demand conditions, the competitive landscape and processing technologies.

The implementation of the capacity expansion plans by major solar power product manufacturers in 2009 and 2010 resulted in significant increases in the supply of solar power products in the global market, which contributed to a general decrease in the average selling prices of solar power products in recent years, including solar modules. The slowdown in the growth of demand for solar power products in recent years has further reduced the market prices of solar power products. In addition, decreases in the price of silicon feedstock, improvements in manufacturing techniques for solar power products and economies of scale have continually reduced the unit production costs of solar power products in recent years, which in turn have increased the competitiveness of solar power on an unsubsidized basis relative to conventional power and other renewable energy.

The pricing of solar power products began to stabilize in 2013, as weaker players exited the market. Nonetheless, we expect the market prices of solar power products to continue to decline in the long term due to continued advancements in processing technologies. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—Our future growth and profitability depend on the demand for and the prices of solar power products and the development of photovoltaic technologies.”

Government Subsidies, Policies and Economic Incentives

We believe that market demand for solar power and solar power products in the near term will continue to substantially depend on the availability of government incentives, because the cost of solar power currently exceeds, and we believe will continue to exceed in the near term, the cost of conventional fossil fuel energy and certain non-solar renewable energy. Various governments have used policy initiatives to encourage or accelerate the development and adoption of solar power and other renewable energy sources.

Countries in Europe, notably Italy, Germany, France, Belgium and Spain, certain countries in Asia, including China, Japan and India, as well as Australia and the United States have adopted renewable energy policies. Examples of government sponsored financial incentives to promote solar power include capital cost rebates, FIT, tax credits, net metering and other incentives to end users, distributors, project developers, system integrators and manufacturers of solar power products.

Governments may reduce or eliminate existing incentive programs for political, financial or other reasons, which will be difficult for us to predict. Reductions in FIT programs may result in a significant fall in the price of and demand for solar power products. For example, the German government has introduced legislation to reduce the FIT program since 2010 due to the strong growth of its domestic solar market. From 2012 to 2017, the Japanese government cut down its FIT from 40 Yen to 28 Yen for projects below 10KW and from 42 Yen to 21 Yen for projects above 10 KW.

Our revenue and operating results may be adversely impacted by unfavorable policy revisions if FIT in the United States and Japan, our two largest export markets, and certain other major markets for solar power and solar power products are further reduced. Electric utility companies or generators of electricity from fossil fuels or other renewable energy sources could also lobby for a change in the relevant legislation in their markets to protect their revenue streams. Government economic incentives could be reduced or eliminated altogether. A significant reduction in the scope or discontinuation of government incentive programs, especially those in our target markets, could cause demand for our products and solar power to decline and have a material adverse effect on our business, financial condition, results of operations and prospects. We believe that the growth of the solar power industry in the short term will continue to depend largely on the availability and effectiveness of government incentives for solar power products and the competitiveness of solar power in relation to conventional and other renewable energy resources in terms of cost.

Our business may also be affected by the trade policies of government or international trade bodies, particularly in our major export markets, such as the U.S. and Europe. See “Item 3. Key Information — D. Risk Factors — Risks Related to Our Business and Industry — We are subject to anti-dumping and countervailing duties imposed by the U.S. government and the European Union. We are also subject to safeguard investigation and other foreign trade investigations initiated by the U.S. government and anti-dumping investigation and safeguard investigations initiated by governments in our other markets.” We expect our exports to both the U.S. market and European market to be adversely affected by these duties or measures. Our direct sales to the U.S. market and European market accounted for 15.3% and 3.5% of our total revenue in 2017, respectively.

Changing Product and Service Mix

Our product mix has evolved rapidly since our inception, as we expanded our production capabilities to manufacture and sell downstream solar power products and to capture the efficiencies of our vertically-integrated production

process. Before 2009, our sales consisted of silicon wafers, silicon ingots and recovered silicon materials. We commenced production and sale of solar cells and solar modules in the second half of 2009. In 2010, we successfully achieved fully vertically-integrated solar module production and made sales of solar modules our largest source of revenue. As of December 31, 2017, we had an integrated annual capacity of 8.0 GW for silicon wafers, 5.0 GW for solar cells and 8.0 GW for solar modules. By creating a fully vertically-integrated production chain, we have succeeded in continually driving down average solar modules manufacturing cost per watt.

Manufacturing Technologies

Solar modules are our principal products. As solar modules are priced based on the number of watts of electricity they generate, the advancement of manufacturing technologies in increasing the conversion efficiency of solar cells and production efficiency will enable us to improve our gross profit margin. We continually make efforts to develop advanced manufacturing technologies to increase the conversion efficiency of our solar cells while striving to reduce our average production cost. In addition to our own research and development team, we collaborate with third-party research institutes to improve our manufacturing technologies and the conversion efficiency of our solar cells. As a result of these efforts, in 2015, 2016 and 2017, the average conversion efficiency rate of our solar cells using our monocrystalline silicon wafers was 19.6%, 21.0% and 21.7%, respectively, and the conversion efficiency rate of our solar cells using our multicrystalline silicon wafers was 18.3%, 18.7% and 18.8%, respectively.

Selected Statement of Operations Items**Revenues**

Currently, we derive our revenues primarily from the sale of solar modules and to a lesser extent from the sales of silicon wafers and solar cells. We also derive a small portion of revenues from the sale of electricity generated by our projects and solar system integration services. We expect the sale of solar modules to continue to be our primary revenue source. The following table presents our revenues, net of VAT, by products and services, as sales amounts and as percentages of total revenues, for the periods indicated:

	2015 (RMB in thousands)	(%)	2016 (RMB in thousands)	(%)	2017 (RMB in thousands)	(US\$ in thousands)	(%)
Continuing Operations							
Products							
Recovered silicon materials	5,201.8	0.0	860.0	0.0	—	—	0.0
Silicon wafers	138,293.4	0.9	136,079.7	0.6	455,695.8	70,039.2	1.7
Solar cells	215,048.3	1.3	155,016.3	0.7	346,069.4	53,189.9	1.3
Solar modules	15,086,256.8	93.8	20,825,750.0	97.3	25,656,934.9	3,943,398.6	96.9
Services							
Solar system EPC	—	0.0	269,661.7	1.3	—	—	0.0
Revenue from generated electricity	9,574.1	4.0	13,270.4	0.1	14,243.4	2,189.2	0.1
Total	15,454,374.4	100.0	21,400,638.1	100.0	26,472,943.5	4,068,816.9	100.0

Our revenues are affected by sales volumes, product mix and average selling prices. The following table sets forth, by products, the sales volumes and approximate average selling prices for the periods indicated:

Continuing operations	2015	2016	2017
Sales volume:			
Recovered silicon materials (metric tons)	1.8	0.3	-
Silicon wafers (MW)	118.2	156.3	585.5
Solar cells (MW)	172.8	126.9	268.1
Solar modules (MW)	4,207.6	6,225.3	9,792.2
Average selling price (RMB):			
Recovered silicon materials (per kilogram)	2.9	2.9	-
Silicon wafers (per watt)	0.7	0.9	0.8
Solar cells (per watt)	1.2	1.2	1.3

Solar modules (per watt)	3.6	3.3	2.6
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Cost of Revenues

Cost of revenues primarily consists of: (i) raw materials, which primarily consist of both virgin polysilicon and recoverable silicon materials; (ii) consumables and components, which include crucibles for the production of monocrystalline and multicrystalline silicon ingots, steel alloy saw wires, slurry, chemicals for raw material cleaning and silicon wafer cleaning, and gases such as argon and silane, as well as silicon wafers and solar cells we procure from third parties for the production of solar modules; (iii) direct labor costs, which include salaries and benefits for employees directly involved in manufacturing activities; (iv) overhead costs, which consist of equipment maintenance costs, cost of utilities including electricity and water; (v) depreciation of property, plant, equipment and project assets; (vi) processing fees paid to third party factories relating to the outsourced production of solar cells and solar modules; and (vii) subcontractor cost and those indirect costs related to contract performance, such as indirect labor, supplies and tools. In 2015, 2016 and 2017, our cost of revenues was RMB12.52 billion, RMB17.53 billion and RMB23.48 billion (US\$3.61 billion), respectively.

Operating Expenses

Our operating expenses include selling and marketing expenses, general and administrative expenses, research and development expenses, impairment of long-lived assets and provision for advance to suppliers.

Selling and Marketing Expenses. Our selling and marketing expenses consist primarily of shipping and handling expenses, warranty cost, exhibition costs, salaries, bonuses and other benefits for our sales personnel as well as sales-related travel and entertainment expenses. In 2015, 2016 and 2017, our selling and marketing expenses were RMB1,144.6 million, RMB1,434.0 million and RMB1,901.4 million (US\$292.2 million), respectively.

General and Administrative Expenses. General and administrative expenses consist primarily of salaries and benefits for our administrative, finance and human resources personnel, amortization of land use rights, office expenses, entertainment expenses, business travel expenses, professional service fees, impairment of long-lived assets as well as provision for bad debts. In 2015, 2016 and 2017, our general and administrative expenses were RMB521.4 million, RMB778.8 million and RMB470.8 million (US\$72.4 million), respectively.

Research and Development Expenses. Research and development expenses consist primarily of silicon materials used in our research and development activities and salaries, bonuses and other benefits for research and development personnel, and depreciation of equipment for research and development. In 2015, 2016 and 2017, our research and development expenses were RMB143.7 million, RMB181.1 million and RMB294.1 million (US\$45.2 million), respectively.

Provision for advance to suppliers. We did not make a provision for the outstanding balances of inventory purchase prepayments in 2015 and 2017. We made RMB0.8 million provision for the outstanding balances of inventory purchase prepayments in 2016.

Impairment of long-lived assets. Impairment of long-lived assets consist primarily as a result of the obsolescence of certain equipment in our wafer and cell production line. In 2015, 2016 and 2017, we recognized impairment of long-lived assets of nil, RMB125.5 million and nil, respectively.

Interest Expenses, Net

Our interest expenses consist primarily of interest expenses with respect to the issuance of convertible senior notes, long-term bonds, short-term and long-term borrowings from banks and other lenders. In 2015, 2016 and 2017, we incurred interest expenses of RMB518.7 million, RMB698.0 million and RMB322.0 million (US\$49.5 million), net of interest income of RMB58.5 million, RMB56.0 million and RMB58.8 million (US\$9.0 million), respectively. Interest expense capitalized associated with the project assets of discontinued operations in 2015, 2016 and 2017 were RMB66.9 million, RMB58.6 million and nil, respectively. Interest expense capitalized associated with the construction projects of continuing operation in 2015, 2016 and 2017 were RMB7.4 million, RMB8.9 million, and RMB17.7 million (US\$2.7 million), respectively.

Government Grants

From time to time we apply for and receive government incentives in the form of subsidies from local and provincial governments. Government grants which are not subject to any condition and are not related to assets are recognized as subsidy income when received. The governments grant subsidies to encourage and support large-scale enterprises and high technology enterprises based in the relevant locations to upgrade their technology and develop the overseas market. We record such subsidies as subsidy income as there are no further obligations for us. The amount of government subsidies we receive may vary from period to period and there is no assurance that we will continue to receive government subsidy in the future periods. In 2015, 2016 and 2017, our government subsidy income, which was not assets related, was RMB103.6 million, RMB168.6 million and RMB147.9 million (US\$22.7 million), respectively.

Government grants related to assets are initially recorded as other payables and accruals. These grants will be deducted from the carrying amount when the assets are ready for use and approved by related government. We received government grants related to assets of nil, nil and RMB26.3 million (US\$4.0 million) in 2015, 2016 and 2017, respectively.

Exchange (Loss)/Gain, Net

In 2015, we incurred foreign exchange loss of RMB86.5 million, primarily due to the net impact of depreciation of the Euro and appreciation of the U.S. dollars against the Renminbi in 2015. In 2016, we incurred foreign exchange gain of RMB208.8 million due to the appreciation of the U.S. dollars against the Renminbi. In 2017, we incurred foreign exchange loss of RMB114.3 million (US\$17.6 million), primarily due to depreciation of the U.S. dollars against the Renminbi.

Other Income/(Expenses), Net

Other income/(expenses) consists primarily of guarantee income from Jiangxi Jinko Engineering in 2016 and 2017 and expenses related to charitable donations. We had net other income of RMB1.0 million, RMB8.8 million, and RMB59.6 million (US\$9.2 million) in 2015, 2016 and 2017, respectively.

Change in Fair Value of Forward Contracts

In 2015, we recognized a gain arising from change in fair value of forward contracts of RMB56.9 million. In 2016 and 2017, we recognized a loss arising from change in fair value of forward contracts of RMB52.6 million and RMB8.2 million (US\$1.3 million), respectively.

Change in Fair Value of Convertible Senior Notes and Capped Call Options

We recognized a loss arising from change in fair value of convertible senior notes and capped call options of RMB14.6 million, RMB110.2 million and nil in 2015, 2016 and 2017, respectively. We had repurchased substantially all of the convertible senior notes by February 2017.

Change in Fair Value of Derivative Liability

In 2017, we recognized a loss arising from change in fair value of derivative liability of RMB16.1 million (US\$2.5 million), compared with a gain arising from change in fair value of derivative liability of RMB24.6 million in 2016 and a loss arising from change in fair value of derivative liability of RMB2.1 million in 2015.

To finance our overseas power station business operations and expansion, our operating subsidiaries located in Mexico will obtain long-term bank borrowings from local banks, which will carry variable interest rates. With an aim to reduce our interest rate exposure, we entered into a long-term interest rate cap contract in 2016 to fix the interest rate as a fixed rate payer. The rate cap is a derivative which needs to be fair valued at each reporting period end. In 2016 and 2017, we recognized losses arising from the fair value change of the rate cap derivative of RMB10.4 million and RMB16.1 million (US\$2.5 million), respectively.

Share-based Compensation

We adopted our 2009 Long Term Incentive Plan on July 10, 2009, as amended, and options for a total of 1,486,556 ordinary shares were outstanding as of December 31, 2017. We adopted our 2014 Equity Incentive Plan on August 18, 2014 and options for a total of 7,603,980 ordinary shares were outstanding as of December 31, 2017. All share-based payments to employees and directors, including grants of employee stock options, are measured based on the fair value of the stock options at the grant date. We have categorized these share-based compensation expenses in our (i) cost of revenues; (ii) selling and marketing expenses; (iii) general and administrative expenses; and (iv) research and development expenses, depending on the job functions of the grantees of our restricted shares and share options. The following table sets forth the allocation of our share-based compensation expenses both in terms of the amounts and as a percentage of total share-based compensation expenses in 2015, 2016 and 2017:

	2015		2016		2017		
	(RMB in thousands)	(%)	(RMB in thousands)	(%)	(RMB in thousands)	(US\$ in thousands)	(%)
Continuing operations							
Cost of revenues	118.3	0.1	333.3	0.4	2,219.3	341.1	3.4
Selling and marketing expense	23,625.8	21.0	15,908.5	17.8	12,722.2	1,955.4	19.6
General and administrative expense	81,024.7	71.9	67,152.5	75.0	46,017.8	7,072.8	71.0
Research and development expense	7,945.6	7.0	6,101.4	6.8	3,908.6	600.7	6.0
Total share-based compensation expenses	112,714.4	100.0	89,567.7	100.0	64,867.9	9,970.0	100.0

The increase in share-based compensation expenses in 2015 was mainly due to the new grants under our 2014 Equity Incentive Plan. As the share options granted under our 2014 Equity Incentive Plan are graded vested in five successive equal annual installments, the share-based compensation expenses decreased in 2016 and 2017.

Taxation

We derive net income primarily from Jiangxi Jinko and Zhejiang Jinko, our operating subsidiaries in China. Under the CIT Law, which became effective on January 1, 2008, domestic and foreign invested companies in China are generally subject to corporate income tax at the rate of 25%. However, according to the CIT Law and the Implementation Rules of the CIT Law, the “two-year exemption” and “three-year half deduction” tax preferential policy was grandfathered, under which a foreign invested enterprise of a production nature scheduled to operate for no less than ten years would be eligible for a corporate income tax exemption of two years followed by a three-year 50% reduction on its applicable corporate income tax rate, in each case beginning with its first year of profitability. As a result, Jiangxi Jinko and Zhejiang Jinko were exempted from corporate income tax in 2009 and subject to corporate income tax at the reduced rate of 12.5% from 2010 to 2012. Zhejiang Jinko, Jiangxi Jinko and Jiangxi Materials were designated by the relevant local authorities as “High and New Technology Enterprises” under the CIT Law. Jiangxi Jinko, Jiangxi Materials and Zhejiang Jinko were subject to a preferential tax rate of 15% for 2014, 2015 and 2016. Zhejiang Jinko enjoyed the preferential tax rate of 15% in 2015, 2016 and 2017 and is in the process of obtaining this qualification for 2018, 2019 and 2020. In 2016, Jiangxi Jinko and Jiangxi Materials successfully renewed this qualification, enjoyed the preferential tax rate of 15% in 2017, and will continue to enjoy this preferential tax rate in 2018, if the relevant conditions are met.

In addition, under the CIT Law, an enterprise established outside China with “de facto management bodies” within China may be considered a PRC tax resident enterprise and will normally be subject to the PRC corporate income tax at the rate of 25% on its global income. Under the Implementation Rules of the CIT Law, the term “de facto management bodies” refers to management bodies which have, in substance, overall management and control over such aspects as the production and business, personnel, accounts, and properties of the enterprise. On April 22, 2009, the SAT promulgated a circular that sets out procedures and specific criteria for determining whether “de facto management bodies” for overseas incorporated, domestically controlled enterprises are located in China. However, as this circular only applies to enterprises incorporated under laws of foreign jurisdictions that are controlled by PRC enterprises or groups of PRC enterprises, it remains unclear how the tax authorities will determine the location of “de facto management bodies” for overseas incorporated enterprises that are controlled by individual PRC tax residents such as our Company, JinkoSolar Technology and Wide Wealth Group Holdings Limited. As such, it is still unclear if the PRC tax authorities would subsequently determine that, notwithstanding our status as the Cayman Islands holding company of our operating business in China, we should be classified as a PRC tax resident enterprise, whereby our global income will be subject to PRC income tax at a tax rate of 25%. In any event, our Company, JinkoSolar Technology and Wide Wealth Group Holdings Limited do not have substantial income from operations outside of China, and we do not expect to derive substantial earnings from operations outside of China in the foreseeable future.

Under the CIT Law and the Implementation Rules of the CIT Law, a withholding tax at the rate of 10% will normally be applicable to dividends payable to investors that are “non-resident enterprises,” to the extent such dividends have their source within China. Under the tax arrangement between Hong Kong and China, a reduced tax rate of 5% for dividends paid to a Hong Kong company will be applied provided that the beneficial owner of the dividends is a Hong Kong resident enterprise which directly owns at least a 25% equity interest in the PRC subsidiary. Both JinkoSolar Technology and Wide Wealth Group Holdings Limited are our Hong Kong subsidiaries. 100% of the equity interests in Jiangxi Jinko, 25% of the equity interests in Zhejiang Jinko and 100% of the equity interests in JinkoSolar (Shanghai) Management Co., Ltd. are owned directly by JinkoSolar Technology. 100% of the equity interests in Jiangxi Jinko Engineering are owned directly by Wide Wealth Group Holdings Limited. If neither JinkoSolar Technology nor Wide Wealth Group Holdings Limited is deemed a PRC tax resident enterprise and is treated as the beneficial owner of the dividends paid by Jiangxi Jinko, Zhejiang Jinko and JinkoSolar (Shanghai) Management Co., Ltd. to JinkoSolar Technology, or the dividends paid by Jiangxi Jinko Engineering to Wide Wealth Group Holdings Limited, as the case may be, and owns such equity for at least 12 consecutive months before receiving such dividends, such dividends could be subject to a 5% withholding tax pursuant to the tax arrangement between Hong Kong and China as discussed above. According to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements issued on February 20, 2009, a non-resident enterprise that intends to enjoy the preferential treatment under the relevant tax agreement is required to own the requisite amount of equity of a PRC enterprise specified by the relevant tax agreement for at least 12 consecutive months before obtaining the dividends. According to the Administrative Measures for Non-Residents Enjoying Tax Treaty Benefits (Trial Implementation) issued by the SAT on August 24, 2009 which became effective on October 1, 2009, the application of the preferential withholding tax rate under a bi-lateral tax treaty is subject to the approval of competent PRC tax authorities. According to the Circular of the State Administration of Taxation on How to Understand and Identify a “Beneficial Owner” under Tax Treaties which became effective on October 27, 2009, and the Announcement of the State Administration of Taxation on the Determination of “Beneficial Owners” in the Tax Treaties, effective on June 29, 2012, the PRC tax authorities must evaluate whether an applicant for treaty benefits in respect of dividends, interest and royalties qualifies as a “beneficial owner” on a case-by-case basis and following the “substance over form” principle. The circular sets forth the criteria to identify a “beneficial owner” and provides that an applicant that does not carry out substantial business activities, or is an agent or conduit company may not be deemed a “beneficial owner” of the PRC subsidiary and therefore may not enjoy tax treaty benefits. According to Announcement of the State Administration of Taxation on Issues Concerning the Recognition of Beneficial Owners in Entrusted Investments, effective on June 1, 2014, non-residents may be recognized as “beneficial owners” and enjoy the treaty benefits for the income derived from the PRC from certain investments.

Pursuant to the Provisional Regulation of the PRC on Value Added Tax issued by the State Council, effective on January 1, 1994 and lately amended and effective on February 6, 2016, or the Provisional Regulation, and its Implementing Rules, all entities and individuals that are engaged in the sale of goods, the provision of processing, repairs and installation services and the importation of goods in China are required to pay VAT. According to the Provisional Regulation, gross proceeds from sales and importation of goods and provision of services are generally subject to a VAT rate of 17% with exceptions for certain categories of goods that are taxed at a VAT rate of 13%. In addition, under the current Provisional Regulation, the input VAT for the purchase of fixed assets is deductible from the output VAT, except for goods or services that are used in non-VAT taxable items, VAT exempted items and welfare activities, or for personal consumption. According to former VAT levy rules, equipment imported for qualified projects is entitled to import VAT exemption and the domestic equipment purchased for qualified projects is entitled to VAT refund. However, such import VAT exemption and VAT refund were both eliminated as of January 1, 2009. On the other hand, if a foreign-invested enterprise obtained the confirmation letter of Domestic or Foreign

Invested Project Encouraged by the State before November 10, 2008 and declared importation of equipment for qualified projects before June 30, 2009, it may still be qualified for the exemption of import VAT. The importation of equipment declared after July 1, 2009 will be subject to the import VAT.

Effective on January 1, 2012, the MOF and the SAT launched the Pilot Program in Shanghai. On April 10, 2013, the State Council announced the nationwide implementation of the Pilot Program, which took effect from August 1, 2013. VAT payable on taxable services provided by a general VAT taxpayer for a taxable period is the net balance of the output VAT for the period after crediting the input VAT for the period. The amount of VAT payable does not result directly from output VAT generated from taxable services provided. In addition, the MOF and the SAT released a notice, which further expanded the scope of taxable services subject to VAT on December 12, 2013, effective from January 1, 2014, replacing the Business Tax to Value Added Tax Circular 37 released by the MOF and the SAT on May 24, 2013. On March 23, 2016, the MOF and the SAT issued a notice, pursuant to which, effective from May 1, 2016, pilot program of replacing the business tax with VAT will be implemented nationwide, and the industry of construction, real estate, finance, life services will fall within the scope of taxable services subject to VAT instead of the business tax.

Under the current law of the Cayman Islands, we are not subject to any income or capital gains tax. In addition, dividend payments made by us are not subject to any withholding tax in the Cayman Islands.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) disclosure of our contingent assets and liabilities at the end of each reporting period, and (iii) the reported amounts of revenues and expenses during each reporting period. We continually evaluate these estimates and assumptions based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application.

When reviewing the consolidated financial statements, you should consider (i) our selection of critical accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe the following accounting policies involve the most significant judgments and estimates used in the preparation of consolidated our financial statements.

Revenue recognition

We recognize revenue for product sales when persuasive evidence of an arrangement exists, delivery of the product has occurred and title and risk of loss has passed to the customer, the sales price is fixed or determinable and the collectability of the resulting receivable is reasonably assured. For all sales, we require a contract or purchase order which quantifies pricing, quantity and product specifications.

For sales of PV products from the PRC to foreign customers, delivery of the products generally occurs at the point in time the product is delivered to the named port of shipment, which is when the risks and rewards of ownership are transferred to the customer. For sales of PV products to domestic customers in the PRC or by foreign subsidiaries, delivery of the product generally occurs at the point in time the product is received by the customer, which is when the risks and rewards of ownership have been transferred. In the case of sales that are contingent upon customer acceptance, revenue is not recognized until the deliveries are formally accepted by the customers.

We entered into certain sales contracts with retainage terms since 2012, under which customers were allowed to withhold payment of 5% to 10% of the full contract price as retainage for a specified period which generally range from one year to two years (the “Retainage Period”). Given our limited experience with respect to the collectability of the retainage, we defer recognition of the retainage as revenue until the customers pay us after the Retainage Period

expires. As of December 31, 2016 and 2017, the total amounts of retainage that were not recognized as revenue were RMB144.9 million and RMB89.8 million (US\$13.8 million), respectively. Additions of retainages in 2015, 2016 and 2017 were RMB35.7 million, RMB19.8 million and RMB8.7 million (US\$1.3 million), respectively. Revenue recognized upon the cash collection of the retainages in 2015, 2016 and 2017 was RMB73.8 million, RMB31.1 million and RMB63.8 million (US\$9.8 million), respectively. All of the retainages are within the Retainage Period.

Advance payments received from customers for the future sale of inventory are recognized as advances from third party customers in the consolidated balance sheets. Advances from third party customers are recognized as revenues when the conditions for revenue recognition described above have been satisfied. Advances from third party customers have been recognized as a current liability because the amount at each balance sheet date is expected to be recognized as revenue within 12 months.

We recognize electricity generation revenue when persuasive evidence of a power purchase arrangement with the power grid company exists, electricity has been generated and be transmitted to the grid and the electricity generation records are reconciled with the grid companies, the price of electricity is fixed or determinable and the collectability of the resulting receivable is reasonably assured.

We recognize revenue related to solar system integration projects on the percentage-of-completion basis. We estimate our revenues using the cost-to-cost method, whereby it derives a ratio by comparing the costs incurred to date to the total costs expected to be incurred on the project. We apply the ratio computed in the cost-to-cost analysis to the contract price to determine the estimated revenues earned in each period. When we determine that total estimated costs will exceed total revenues under a contract, we record a loss accordingly. No loss provision was recorded in the years ended December 31, 2015, 2016 and 2017.

In the PRC, VAT at a general rate of 17% on the invoiced amount is collected by us on behalf of tax authorities in respect of sales of product and is not recorded as revenue. VAT collected from customers, net of VAT paid for purchases is recorded as a liability until it is paid to the tax authorities.

Segment report

We use the management approach in determining reportable operating segments. The management approach considers the internal organization and reporting used by our chief operating decision maker for making operating decisions, allocating resources and assessing performance as the source for determining our reportable segments. Management has determined that we currently operate our business in one segment, as that term is defined by FASB ASC Topic 280, Segment reporting.

Our only segment is the vertically integrated solar power products manufacturing business (“manufacturing segment”), under which we manufacture and sell silicon wafers, cells and solar modules.

Our downstream solar power projects business, under which we developed, constructed and operated solar power projects in China, including (i) power generation, (ii) EPC, and (iii) connecting solar power projects to the grid and operation and maintenance of the solar power projects, was reported in prior years as the solar power projects segment. We disposed of this segment in the fourth quarter of 2016.

Accounts receivable

Specific provisions are made against accounts receivable for estimated losses resulting from the inability of our customers to make payments. We periodically assess accounts receivable balances to determine whether an allowance for doubtful accounts should be made based upon historical bad debts, specific customer creditworthiness and current economic trends. Accounts receivable in the balance sheets are stated net of such provision, if any. Before approving sales to each customer, we conduct a credit assessment for each customer to evaluate the collectability of such sales. The assessment usually takes into consideration the credit worthiness of such customer and its guarantor, if any, our historical payment experience with such customer, industry-wide trends with respect to credit terms, including the terms offered by competitors, and the macro-economic conditions of the region to which sales will be made. We will execute a sales order with a customer and arrange for shipment only if its credit assessment concludes that the collectability with such customer is reasonably assured. We may also from time to time require security deposits from certain customers to minimize its credit risk. After the sales are made, we closely monitor the credit situation of each customer on an on-going basis for any subsequent change in its financial position, business development and credit rating, and evaluate whether any of such adverse change warrants further action to be taken us, including asserting

claims and/or initiating legal proceedings against the customer and/or its guarantor, as well as making provisions. The receivable from insurance is only recorded when insurance claim has been submitted to the insurance company and been accepted and acknowledged by the carrier and recovery is considered reasonably assured. Upon recording the recovery, the bad debt expense is reduced.

Allowances for doubtful accounts receivable were RMB335.7 million, RMB376.6 million and RMB264.7 million (US\$40.7 million) for 2015, 2016 and 2017, respectively. With the recovery of solar industry since 2013, we have made significant efforts to improve cash collection for the long-aged accounts receivables. Reversal of allowances for doubtful accounts receivable were RMB206.3 million, RMB191.5 million and RMB259.4 million (US\$39.9 million) in 2015, 2016 and 2017, respectively.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the weighted average method. Provisions are made for excessive, slow moving and obsolete inventories as well as for inventories with carrying values in excess of market value. Certain factors could impact the realizable value of inventory. Therefore, we continually evaluate the recoverability based on assumptions about customer demand and market conditions. The evaluation may take into consideration historical usage, expected demand, anticipated sales price, new product development schedules, the effect new products might have on the sale of existing products, product obsolescence, customer concentrations, and other factors. The reserve or write-down is equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory reserves or write-downs may be required, which could negatively impact our gross profit margin and operating results. If actual market conditions are more favorable, we may have higher gross profit margin when products that have been previously reserved or written down are eventually sold. The sale of previously reserved inventory did not have a material impact on our gross margin percentage for any of the years presented. Provisions for inventories valuation were RMB98.8 million, RMB439.0 million and RMB313.7 million(US\$48.2 million) in 2015, 2016 and 2017, respectively.

In addition, we analyze our firm purchase commitments, if any, at each period end. Provision is made in the current period if the net realizable value after considering estimated costs to convert polysilicon into saleable finished goods is higher than market selling price of finished goods as of the end of a reporting period. There was no loss provision recorded related to these long-term contracts for each of the three years ended December 31, 2015, 2016 and 2017.

Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes the prices paid to acquire or construct the assets, interest capitalized during the construction period and any expenditure that substantially extends the useful life of an existing asset. We compute depreciation using the straight-line method over the following estimated useful lives:

Buildings	20 years
Machinery and equipment	10 years
Furniture, fixture and office equipment	3~5 years
Motor vehicles	4~5 years

Construction in progress primarily represents the construction of new production lines. Costs incurred in the construction are capitalized and transferred to property, plant, and equipment upon completion, at which time depreciation commences.

We record expenditures for repairs and maintenance as expenses as incurred. The gain or loss on disposal of property, plant, and equipment, if any, is the difference between the net sales proceeds and the carrying amount of the disposed assets, and is recognized in the consolidated statement of operations upon disposal.

Interest Capitalization

The interest cost associated with major development and construction projects is capitalized and included in the cost of the property, plant and equipment or project assets. Interest capitalization ceases once a project is substantially complete or no longer undergoing construction activities to prepare it for its intended use. When no debt is specifically identified as being incurred in connection with a construction project, we capitalize interest on amounts expended on the project at our weighted average cost of borrowing money. Interest expense capitalized associated with the project assets of discontinued operations in 2015, 2016 and 2017 were RMB66.9 million, RMB58.6 million, and nil, respectively. Interest expense capitalized associated with the construction projects of continuing operation in 2015, 2016 and 2017 were RMB7.4 million, RMB8.9 million, and RMB17.7 million (US\$2.7 million), respectively.

Project assets

Project assets represented the costs of solar power plants held for generation of electricity revenue and solar power plants under construction. Project assets are stated in the consolidated balance sheets at cost less accumulated depreciation and impairment provision, if any.

Costs of project assets consist primarily of costs relating to construction of solar power plants at various stages of development. These costs include costs for procurement of solar module and other equipment (including intercompany purchases), cost of land on which solar power plants are developed and other direct costs for developing and constructing solar power plants, such as costs for obtaining permits required for solar power plants and costs for designing, engineering, interest costs capitalized and installation in the course of construction. Such costs are capitalized starting from the point when it is determined that development of the solar power plant is probable. For a solar power project asset acquired from third parties, the initial cost is the acquisition cost which includes the consideration transferred and certain direct acquisition costs.

Costs capitalized in the construction of solar power plants under development will be transferred to solar power plants upon completion and when they are ready for intended use, which is at the point of time when the solar power plants are connected to the grids and begin to generate electricity. Depreciation of the completed solar power plant commences once the solar power plant is ready for the intended use. Depreciation is computed using the straight-line method over the expected life of 20 years.

As of December 31, 2015, 2016 and 2017, the balances of project assets were nil, RMB55.1 million and RMB473.7 million (US\$72.8 million), respectively.

After the disposition of the domestic downstream solar projects business in the fourth quarter of 2016, all of our project assets related to solar power plants were located out of China as of December 31, 2016 and December 31, 2017.

Land use rights

Land use rights represent acquisition costs to purchase land use rights from the PRC government, which are evidenced by property certificates. The periods of these purchased land use rights are either 50 years or 70 years. We classify land use rights as long-term assets on the balance sheet and cash outflows related to acquisition of land use right as investing activities.

Land use rights are carried at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the straight-line method over the term specified in the land use right certificate for 50 years or 70 years, as applicable.

Investments in affiliates

We hold equity investments in affiliates for which we do not have a controlling financial interest, but have the ability to exercise significant influence over the operating and financial policies of the investee. These investments are accounted for under equity method of accounting wherein we record our proportionate share of the investees' income or loss in our consolidated financial statements. Cost method is used for investments over which we do not have the ability to exercise significant influence.

Investments are evaluated for impairment when facts or circumstances indicate that the fair value of the investment is less than its carrying value. An impairment is recognized when a decline in fair value is determined to be other-than-temporary. We review several factors to determine whether a loss is other-than-temporary. These factors include, but are not limited to, (1) nature of the investment (2) cause and duration of the impairment (3) extent to which fair value is less than cost (4) financial conditions and near term prospects of the issuers and (5) ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value.

Our equity investments in affiliates were disposed as part of our disposition of downstream solar power project segment, and investment income of affiliated companies was recorded in discontinued operations.

Leases

Our leases are classified as capital or operating leases. A lease that transfers to the lessee substantially all the benefits and risks incidental to ownership is classified as a capital lease. At inception, a capital lease is recorded at the present value of minimum lease payments or the fair value of the asset, whichever is less. Assets under capital leases are amortized on a basis consistent with that of similar fixed assets or the lease term, whichever is less. Operating lease costs are recognized on a straight-line basis over the lease term.

For a sale-leaseback transaction, when the transaction involves real estate or integral equipment, sale-leaseback accounting shall be used by a seller-lessee only if the transaction includes all of the following a) A normal leaseback; b) Payment terms and provisions that adequately demonstrate the buyer-lessor's initial and continuing investment in the property; c) Payment terms and provisions that transfer all of the other risks and rewards of ownership as demonstrated by the absence of any other continuing involvement by the seller-lessee.

Equipment is determined to be integral when the cost to remove the equipment from its existing location, ship and reinstall at a new site, including any diminution in fair value, exceeds 10% of the fair value of the equipment at the time of original installation.

If a sale-leaseback of real estate qualifies for sale-leaseback accounting, an analysis is performed to determine if we can record a sale and remove the assets from the balance sheet and recognize the lease; and if so, to determine whether to record the lease as either an operating or capital lease.

Our assets under capital lease transactions are derecognized upon sale at the net book value and rebooked at the financed amount. Any profit or loss on the sale will be deferred and amortized over the useful life of the assets. If the fair value of the assets at the time of the sale is less than its net book value, a loss will be recognized immediately.

If a sale-leaseback transaction does not qualify for sale-leaseback accounting because of any form of continuing involvement by the seller-lessee other than a normal leaseback, it is accounted for as a financing, whichever is appropriate under ASC 360.

In 2017, we disposed certain machinery and equipment ("leased assets") with a net book value of RMB1.02 billion (US\$156.2 million) to a third party (the "purchaser-lessor"), and simultaneously entered into three four-year contracts to lease back the leased assets from the purchaser-lessor. Deferred loss related to these sales leaseback transactions amounted to of RMB266.5 million (US\$41.0 million), which is recognized upon disposal and will be amortized into expense over the remaining useful lives of the leased assets. We amortized related disposal loss amounted to RMB14.7 million (US\$2.3 million) in 2017.

Impairment of long-lived assets

Our long-lived assets include property, plant and equipment, solar power project assets and other intangible assets with finite lives. Our business requires heavy investment in manufacturing equipment that is technologically

advanced, but can quickly become significantly under-utilized or rendered obsolete by rapid changes in demand for solar power products produced with those equipment.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. Factors considered important that could result in an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of acquired assets and significant negative industry or economic trends. We may recognize impairment of long-lived assets in the event the net book value of such assets exceeds the future undiscounted cash flows attributable to these assets. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss, if any, is recognized for the difference between the fair value of the asset and its carrying value. The impairment of long-lived assets related to the retirement of certain equipment in the wafer and cell production line that had become obsolete were nil, RMB125.5 million and nil in 2015, 2016 and 2017, respectively. The provision for impairment of long-lived assets in 2016 was attributable to the replacement of certain equipment in order to enhance production automation.

Warranty cost

We typically sell our solar modules with either a 5-year or 10-year warranty for product defects and a 25-year warranty against declines of more than 10.0% and 20.0%, respectively, from the initial minimum power generation capacity at the time of delivery. Therefore, we are exposed to potential liabilities that could arise from these warranties. The potential liability is generally in the form of product replacement or repair.

Consistent with the practice of the solar industry, we have adopted the equivalent of 1% of product revenues to estimate the cost of our warranty obligation and recorded a warranty liability on that basis. In light of the historical sharp decline and the anticipated long-term decreasing trend of module prices, which we estimate to reflect replacement cost, as well as based on the accumulation of longer operating experience, we reassessed and updated the estimation of future warranty costs with effect from December 31, 2016 and 2017. The updated accrual basis consists two major inputs, which are the 1% expected failure rate and the product replacement cost. Based on our actual claims incurred during the past years which appears to be consistent with the market practice, we projected the expected failure rate as 1% for the whole warranty period, which is consistent with prior assumptions. Based on our actual claims experience in the historical periods as well as management's current best estimation, we believe that the average selling price of solar modules over the past two years more accurately reflects the estimated warranty cost liability in connection with the products sold by us, as opposed to the current and past spot prices. According to the updated product replacement cost included in the warranty liability estimation, we reversed previous years' recorded warranty liability of RMB92.1 million and RMB117.2 million (US\$18.0 million) in 2016 and 2017, respectively.

The warranty costs were classified as current liabilities under a balance sheet item named other payables and accruals and non-current liabilities under a balance sheet item named accrued warranty costs – non-current, respectively, which reflect our estimate of the timing of when the warranty expenditures will likely be made. In 2015, 2016 and 2017, warranty costs accrued for modules delivered in the same periods before the reversals due to updated project replacement cost were RMB149.3 million, RMB257.5 million and RMB299.3 million (US\$46.0 million), respectively. The utilization of the warranty accruals in 2015, 2016 and 2017 were RMB18.2 million, RMB12.0 million and RMB114.1 million (US\$17.5 million), respectively. Increase in the utilization of warranty accruals in 2017 was mainly due to defects in a specific batch of raw materials provided by a certain former supplier of us, and no such claims are expected to incur in the future. Considering the defective modules only comprised a small portion of our module shipments, it is less likely to have a significant impact on our estimation on the expected failure rate of module production.

We purchase warranty insurance policy which provides coverage for the product warranty services of our solar modules worldwide. Prepayment for warranty insurance premium is initially recorded as other assets and is amortized over the insurance coverage period. Prepayment for warranty insurance premium is not recorded as a reduction of estimated warranty liabilities. Once we receive insurance recoveries, warranty expenses will be credited.

Government grants

Government grants related to technology upgrades and export market developments are recognized as subsidy income when received. In 2015, 2016 and 2017, we received financial subsidies of RMB103.6 million, RMB168.6 million and RMB147.9 million, (US\$22.7 million) from the local PRC government authorities, respectively. These subsidies were non-recurring, not refundable and with no conditions, including none related to specific use or disposition of the funds, attached. There are no defined rules and regulations to govern the criteria necessary for companies to enjoy such benefits and the amount of financial subsidy is determined at the discretion of the relevant government authority.

Government grants related to assets are initially recorded as other payables and accruals which are deducted to the carrying amount when the assets are ready for use. We received government grant for assets of nil, nil and RMB26.3 million (US\$4.0 million) in 2015, 2016 and 2017, respectively.

Repurchase of share

When our shares are retired, or purchased for constructive retirement (with or without an intention to retire the stock formally in accordance with applicable laws), the excess of the purchase prices over their par value is recorded entirely to additional paid-in capital subject to the limitation of the additional paid in capital when the shares were originally issued. When our shares are acquired for purposes other than retirement, the purchase prices over their par value is shown separately as treasury stock.

Share-based compensation

Our share-based payment transactions with employees, including share options, are measured based on the grant-date fair value of the equity instrument issued. The fair value of the award is recognized as compensation expense, net of estimated forfeitures, over the period during which an employee is required to provide service in exchange for the award, which is generally the vesting period.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the carrying amounts of existing assets and liabilities and their respective tax bases and any tax loss and tax credit carry forwards. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates or tax laws is recognized in the period the change in tax rates or tax laws is enacted. A valuation allowance is provided to reduce the amount of deferred income tax assets if it is considered more likely than not that some portion or all of the deferred income tax assets will not be realized. Deferred income taxes are not provided on undistributed earnings of our subsidiaries that are intended to be permanently reinvested in China. Cumulative undistributed earnings of our PRC subsidiaries intended to be permanently reinvested total RMB3,121.9 million (US\$479.8 million) and the amount of the unrecognized deferred taxes liabilities on the permanently reinvested earnings was RMB156.1 million (US\$24.0 million) as of December 31, 2017.

Valuation allowances are determined by assessing both positive and negative evidence and have been provided against the net deferred tax asset due to the uncertainty surrounding their realization. As of December 31, 2015, 2016 and 2017, valuation allowances of RMB54.8 million, RMB66.2 million and RMB86.4 million (US\$13.3 million) were provided against deferred tax assets because it was more likely than not that such portion of deferred tax would not be realized based on our estimate of the future taxable income of all our subsidiaries. If events occur in the future that allow us to realize more of our deferred tax assets than the presently recorded amount, an adjustment to the valuation allowances will result in a non-cash income statement benefit when those events occur. Certain valuation allowances were reversed in 2015, 2016 and 2017, when certain subsidiaries generated sufficient taxable income to utilize the deferred tax assets. Due to the strong financial performance and the cumulative income position of certain subsidiaries, we have determined that the future taxable income of those subsidiaries is sufficient to realize the benefits of such deferred tax assets. As a result, we reversed the valuation allowance of RMB21.8 million in 2017.

The accounting for uncertain tax positions requires that we recognize in the consolidated financial statements the impact of an uncertain tax position, if that position is more likely than not of being sustained upon examination, based on the technical merits of the position. Recognized income tax positions are measured at the largest amount that is

greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Our policy is to recognize, if any, tax related interest as interest expenses and penalties as general and administrative expenses. For periods presented, we did not have any interest and penalties associated with tax positions. As of December 31, 2015, 2016 and 2017, we did not record any liability for any uncertain tax positions.

Fair value of financial instruments

We do not have any non-financial assets or liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (also referred to as an exit price). A hierarchy is established for inputs used in measuring fair value that gives the highest priority to observable inputs and the lowest priority to unobservable inputs. Valuation techniques used to measure fair value shall maximize the use of observable inputs.

When available, we measure the fair value of financial instruments based on quoted market prices in active markets, which is a valuation technique that uses observable market-based inputs or unobservable inputs that are corroborated by market data. We internally validate pricing information obtained from third parties for reasonableness prior to use in the consolidated financial statements. When observable market prices are not readily available, we generally estimate the fair value using valuation techniques that rely on alternate market data or inputs that are generally less readily observable from objective sources and are estimated based on pertinent information available at the time of the applicable reporting periods. In certain cases, fair values are not subject to precise quantification or verification and may fluctuate as economic and market factors vary and our evaluation of those factors changes. Although we use our best judgment in estimating the fair value of these financial instruments, there are inherent limitations in any estimation technique. In these cases, a minor change in an assumption could result in a significant change in our estimate of fair value, thereby increasing or decreasing the amounts of our consolidated assets, liabilities, equity and net income.

Our financial instruments consist principally of cash and cash equivalents, restricted cash, restricted short-term investments, accounts and notes receivable, forward contract receivable, call spread options, other receivables, prepayments and other current assets, capped call options, accounts and notes payable, other payables and accruals, forward contracts payable, short-term borrowings, long-term borrowings, convertible senior notes, rate cap derivative and warrants.

The forward contracts receivable and payable, call spread options, capped call options, rate cap derivative, convertible senior notes and warrants are measured at fair value. Except for these financial instruments and long-term borrowing, the carrying values of our other financial instruments approximated their fair values due to the short-term maturity of these instruments. The carrying amount of long-term borrowing approximates their fair value due to the fact that the related interest rates approximate rates currently offered by financial institutions for similar debt instruments of comparable maturities.

We classify the cash flows related to realized gain or loss on settlement of foreign exchange forward contracts as operating activities, which are based on the nature of the cash flows the derivative is economically hedging.

Warrants

We adopted Binominal Tree option pricing model to assess the warrants' fair value. Management is responsible for determining the fair value and assessing a number of factors. The valuation involves complex and subjective judgments as well as our best estimates on the valuation date. Key inputs related to the Binomial Tree option pricing model for the valuation of the fair value of warrants are: probabilities assigned among IPO and non-IPO scenarios, time to maturity, volatility, dividend yield, as well as risk-free rate, of which probabilities assigned among IPO and non-IPO scenarios, volatility, and risk-free rate are most significant to valuation determination of the warrants.

Available-for-sale investment

On a recurring basis, we measure available-for-sale investment at fair value. Since the available-for-sale investment does not have quoted price in active markets, we have adopted Binomial Tree option pricing model to assess their fair value. Management is responsible for determining the fair value and assessing a number of factors. The valuation involves complex and subjective judgments as well as our best estimates on the valuation date.

Inputs related to the Binomial Tree option pricing model for the valuation of the fair value of available-for-sale investment are: spot price, conversion price, time to maturity, expected dividend yield, expected share volatility, risk free interest rate, and yield-to-maturity. The following methods were adopted for each input:

- a. Spot price: quoted closing price of listed shares of Kinexia SpA (KNX IM) as of each re-measurement date;
- b. Conversion price: according to the indenture of the subject available-for-sale investment;
- c. Time to maturity: time period from the respective re-measurement date to maturity date. Maturity date was referred from the indenture of the subject available-for-sale investment;
- d. Expected dividend yield: based on indicative dividend yield of the underlying company (i.e. KNX.IM) as of each re-measurement date;

e. Expected share volatility: based on the implied volatility of the listed shares of Kinexia (i.e. KNX.IM) with a time period equal to the time to maturity as of each re-measurement date;

f. Risk free interest rate: based on the yield of Italy Treasury Bonds with a maturity equal to the time to maturity as of each re-measurement date; and

g. Yield-to-maturity: based on the average yield-to-maturity of comparable corporate bullet bonds with similar remaining maturity period and credit risk as of each re-measurement date.

In 2013, we recognized gain from a change in fair value of available-for-sales investment of RMB6.0 million. In 2014, we recognized loss from a change in fair value of available-for-sales of RMB5.8 million. In December 2015, upon the maturity of such available-for-sales investment, we decided to waive the conversion right and chose to collect the total outstanding balance in cash. Considering the uncertainties of the cash collection, we provided full provision for the outstanding receivable of RMB21.9 million as of December 31, 2015. In 2016, we received part of the cash repayment amounted to RMB11.6 million and reversed an equivalent amount of bad debt provisions. As of December 31, 2016 and 2017, we provided full provision for the outstanding receivables amounted to RMB10.3 million and RMB10.3 million (US\$1.6 million), respectively.

Convertible senior notes and capped call options

We have adopted valuation models to assess the fair value for capped call options and convertible senior notes as the capped call options are not publicly traded and the trading of the convertible senior notes is considered inactive. Management is responsible for determining these fair values and assessing a number of factors. Both capped call options and the convertible senior notes are valued using the Binominal Tree option pricing model. The valuation involves complex and subjective judgments as well as our best estimates on the valuation date. Inputs related to the Binomial models for convertible debt fair value are: spot price, conversion price, time to maturity, expected dividend yield, expected share volatility, risk free interest rate, yield-to-maturity and put option exercisable period.

A summary of changes in fair value of capped call options in 2015 and 2016 were as follows:

	For the year ended December 31,	
	2015	2016
	RMB	RMB
Balance at January 1,	21,098,263	17,490,323
Foreign exchange gain	2,562,342	736,212
Change in fair value of capped call options	(6,170,282)	(18,226,535)

Balance at December 31, 17,490,323 -

We did not incur any change in fair value of capped call options in 2017.

A summary of changes in fair value of convertible senior notes in 2015, 2016 and 2017 were as follows:

	For the year ended December 31,		
	2015	2016	2017
	RMB	RMB	RMB
Balance at January 1,	1,540,398,645	1,506,981,361	423,739,708
Issuance of convertible senior notes	-	-	-
Foreign exchange (gain)/loss	96,678,461	43,448,795	(845,071)
Change in fair value of convertible senior notes	8,400,918	92,015,957	-
Repurchase of convertible senior notes	(138,496,663)	(1,218,706,405)	(422,829,295)
Balance at December 31,	1,506,981,361	423,739,708	65,342

Guarantees

We issue debt payment guarantees in favor of Jiangxi Jinko Engineering, a related party. The guarantees require us to make payments to reimburse the holders of these guarantees for losses they incur when Jiangxi Jinko Engineering fails to make repayments to the holders when its liability to the holders falls due.

A guarantee liability is initially recognized at the estimated fair value in our consolidated balance sheets unless it becomes probable that we will reimburse the holder of the guarantee for an amount higher than the carrying amount, in which case the guarantee is carried in our consolidated balance sheets at the expected amount payable to the holder. The fair value of the guarantee liability is measured by the total consideration to be received in connection with the provision of guarantee. The guarantee liability would be amortized in straight line during the guarantee period.

Results of Operations

Unless otherwise specified, the results presented in this annual report do not include the results of our downstream solar power project business in China, a discontinued operation.

The following table sets forth a summary, for the periods indicated, of our consolidated results of operations and each item expressed as a percentage of our total net revenues. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	2015 (RMB) (in thousands, except percentage)	(%)	2016 (RMB) (in thousands, except percentage)	(%)	2017 (RMB) (in thousands, except percentage)	(US\$)	(%)
Consolidated Statement of Operations Data:							
Continuing operations:							
Revenues	15,454,374.4	100.0	21,400,638.1	100.0	26,472,943.5	4,068,816.9	100.0
Sales of solar modules	15,086,256.8	97.6	20,825,750.1	97.3	25,656,934.9	3,943,398.6	96.9
Sales of silicon wafers	138,293.4	0.9	136,079.7	0.6	455,695.8	70,039.2	1.7
Sales of solar cells	215,048.3	1.4	155,016.3	0.7	346,069.4	53,189.9	1.3
Sales of recovered silicon materials	5,201.8	0.0	860.0	0.0	-	-	-
Solar system integration projects	-	-	269,661.7	1.3	-	-	-

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Revenue from generated electricity	9,574.1	0.1	13,270.4	0.1	14,243.4	2,189.2	0.1
Cost of revenues	(12,522,913.8)	(81.0)	(17,531,299.2)	(81.9)	(23,481,375.1)	(3,609,021.3)	(88.7)
Gross profit	2,931,460.6	19.0	3,869,338.9	18.1	2,991,568.4	459,795.6	11.3
Total operating expenses	(1,809,655.3)	(11.7)	(2,520,235.8)	(11.8)	(2,666,306.2)	(409,803.8)	(10.1)
Income from operations	1,121,805.2	7.3	1,349,103.2	6.3	325,262.2	49,991.9	1.2
Interest expenses, net	(311,018.6)	(2.0)	(359,296.3)	(1.7)	(245,529.6)	(37,737.2)	(0.9)
Subsidy income	101,873.6	0.7	168,646.6	0.8	147,916.8	22,734.4	0.6
Exchange (loss)/gain	(86,517.7)	(0.6)	208,811.4	1.0	(114,344.6)	(17,574.4)	(0.4)
Other income, net	1,036.3	0.0	8,768.4	0.0	59,646.9	9,167.6	0.2
Investment income	-	-	4,902.5	0.0	-	-	-
Gain on disposal of subsidiaries	-	-	5,017.9	0.0	257.1	39.5	0.0
Change in fair value of forward contracts	56,931.9	0.4	(52,561.8)	(0.2)	(8,211.4)	(1,262.1)	(0.0)
Change in fair value of call spread options	(370.4)	(0.0)	-	-	-	-	-
Change in fair value of derivative liability	(2,096.0)	(0.0)	24,573.3	0.1	(16,122.3)	(2,478.0)	(0.1)
Change in fair value of convertible senior notes and capped call options	(14,571.2)	(0.1)	(110,242.5)	(0.5)	-	-	-
Income tax expenses	(100,533.8)	(0.7)	(257,487.0)	(1.2)	(4,628.0)	(711.3)	(0.0)
Equity in income of affiliated companies	-	-	-	-	(2,055.7)	(316.0)	(0.0)
Income from continuing operations, net of tax	766,539.3	5.0	990,235.6	4.6	142,191.4	21,854.4	0.5
Discontinued operations:							
Gain on disposal of discontinued operations before income taxes	-	-	1,007,884.1	4.7	-	-	-
Income from discontinued operations before income taxes	105,089.6	0.7	48,146.3	0.2	-	-	-
Income tax expense, net	(11,329.8)	(0.1)	(54,466.1)	(0.3)	-	-	-
Income from discontinued operations, net of tax	93,759.8	0.6	1,001,564.3	4.7	-	-	-
Net income	860,299.1	5.6	1,991,799.8	9.3	142,191.4	21,854.4	0.5
Less: Net loss attributable to the non-controlling interests from continuing operations	(63.3)	(0.0)	(432.5)	(0.0)	485.7	74.6	0.0
Less: Net income attributable to the non-controlling interests from discontinued operations	4,270.5	0.0	6,044.5	0.0	-	-	-
Less: Accretion to redemption value of redeemable non-controlling interests	172,340.4	1.1	159,477.9	0.7	-	-	-

of discontinued
operations

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

683,751.5	4.4	1,826,710.0	8.5	141,705.7	21,779.8	0.5
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Reportable Segments

We use the management approach in determining reportable operating segments. The management approach considers the internal organization and reporting used by our chief operating decision maker for making operating decisions, allocating resources and assessing performance as the source for determining our reportable segments. In prior years, management determined that we operated our business in two segments, as that term is defined by FASB ASC Topic 280, Segment reporting: (i) the manufacturing segment and (ii) the solar power projects segment.

Our manufacturing segment comprises our vertically integrated solar power product manufacturing business, under which we manufacture and sell silicon wafers, cells and solar modules.

Our solar power projects business, which comprised the downstream solar power generation, construction and operation business in China, including (i) power generation, (ii) engineering, procurement, and construction, or EPC, and (iii) connecting solar power projects to the grid and operation and maintenance, or O&M, of the solar power projects, was reported in prior years as the solar power projects segment. We disposed of our solar power projects segment in the fourth quarter of 2016, and classified it as a discontinued operation in all periods.

2017 compared with 2016

Revenues. Our revenues increased by 23.7% from RMB21.40 billion in 2016 to RMB26.47 billion (US\$4.07 billion) in 2017, primarily due to the increase in shipments of solar modules, which was partially offset by the decline in average selling prices.

Our sales of solar modules increased by 23.2% from RMB20.83 billion in 2016 to RMB25.66 billion (US\$3.94 billion) in 2017, primarily due to the significant increase in sales volume of solar modules, partially offset by a decrease in average selling prices. The sales volume of our solar modules increased by 57.3% from 6,225.3 MW in 2016 to 9,792.2 MW in 2017. The average selling price of our solar modules decreased by 21.3% from RMB3.33 per watt in 2016 to RMB2.62 per watt (US\$0.38 per watt) in 2017, primarily due to oversupply of solar power products in the market which led to a decrease in the market value of solar modules.

Our sales of silicon wafers increased by 234.8% from RMB136.1 million in 2016 to RMB455.7 million (US\$70.0 million) in 2017. The sales volume of our silicon wafers increased by 274.6% from 156.3 MW in 2016 to 585.5 MW in 2017. The average selling price of our silicon wafers decreased by 11.1% from RMB0.9 per watt in 2016 to

RMB0.8 per watt in 2017.

Our sales of solar cells increased by 123.3% from RMB155.0 million in 2016 to RMB346.1 million (US\$53.2 million) in 2017. The sales volume of our solar cells increased by 111.3% from 126.9 MW in 2016 to 268.1 MW in 2017. The average selling price of our solar cells remained stable from 2016 to 2017.

Our revenue generated from providing solar system integration services decreased from RMB269.6 million in 2016 to nil in 2017 due to disposal of our household solar project business in the fourth quarter of 2016.

Our revenue from the sale of electricity generated by our solar power projects in continuing operations increased from RMB13.3 million in 2016 to RMB14.2 million (US\$2.2 million) in 2017, primarily due to our acquisition of two solar power projects in Italy in the middle of 2016.

Cost of Revenues. Our cost of revenues increased by 33.9% from RMB17.53 billion in 2016 to RMB23.48 billion (US\$3.61 billion) in 2017, primarily due to the increase in shipments of solar modules.

Gross Profit. Our gross profit decreased by 22.7% from RMB3,869.3 million in 2016 to RMB2,991.6 million (US\$459.8 million) in 2017. Our gross margin decreased from 18.1% in 2016 to 11.3% in 2017, primarily due to the sharp decline in the average selling prices of solar modules.

Operating Expenses. Our operating expenses increased by 5.8% from RMB2,520.2 million in 2016 to RMB2,666.3 million (US\$409.8 million) in 2017, primarily as a result of increase in shipping costs and warranty costs, which were partially offset by the disposal gain in property, plant and equipment and the decrease in bad debt expenses due to the reversal of allowance for doubtful accounts upon subsequent collections. Based on the updated warranty estimation, we reversed the warranty expense related to prior years by RMB92.1 million and RMB117.2 million (US\$18.0 million) in 2016 and 2017, respectively.

Our selling and marketing expenses increased by 32.6% from RMB1,434.0 million in 2016 to RMB1,901.4 million (US\$292.2 million) in 2017, primarily due to the increased transportation expenses, which amounted to RMB388.9 million (US\$59.8 million) in 2017 and the increase of warranty costs netting of by reversal of prior years' warranty costs amounted to RMB117.2 million (US\$18.0 million).

Our general and administrative expenses decreased by 39.6% from RMB778.8 million in 2016 to RMB470.8 million (US\$72.4 million) in 2017, primarily due to the gain on disposal of property, plant and equipment amounted to RMB100.8 million (US\$15.5 million) as a result of the disposition of solar power facilities owned by our Jiangxi and Zhejiang subsidiaries and reversal of provision for allowance of doubtful accounts amounted to RMB194.6 million (US\$29.9 million) as a result of our efforts to improve cash collection for long-aged accounts receivables.

Our research and development expenses increased by 62.4% from RMB181.1 million in 2016 to RMB294.1 million (US\$45.2 million) in 2017 due to increased research and development activities.

Income from Operations. As a result of the foregoing, our income from operations decreased by 75.9% from RMB1,349.1 million in 2016 to RMB325.3 million (US\$50.0 million) in 2017. Our operating profit margin decreased from 6.3% in 2016 to 1.2% in 2017.

Interest Expenses. Our interest expenses decreased by 31.7% from RMB359.3 million in 2016 to RMB245.5 million (US\$37.7 million) in 2017 due to the repurchase of US\$232.6 million convertible senior notes and the repayment of US\$123.5 million in bond payables.

Subsidy Income. Our subsidy income decreased from RMB168.6 million in 2016 to RMB147.9 million (US\$22.7 million) in 2017, primarily due to change of subsidies received from local government.

Exchange Gain / (Loss). We recognized foreign exchange gain of RMB208.8 million in 2016 and a foreign exchange loss of RMB114.3 million (US\$17.6 million) in 2017, primary due to the exchange fluctuations of the U.S. dollars against the Renminbi.

Other Income/(Expense). We had other income of RMB59.6 million (US\$9.2 million) in 2017, compared with other income of RMB8.8 million in 2016 which is primarily due to our provision of guarantee service to Jiangxi Jinko Engineering.

Change in Fair Value of Forward Contracts. We recognized a loss arising from change in fair value of foreign currency forward contracts of RMB8.2 million (US\$1.3 million) in 2017, compared with a loss of RMB52.6 million in 2016, primarily due to the fluctuation of Renminbi against the U.S. dollars.

Change in Fair Value of Derivative Liability. We recorded a loss arising from change in fair value of derivative liability of RMB16.1 million (US\$2.5 million) in 2017, compared with a gain of RMB24.6 million in 2016.

Income Tax Expense. We recorded an income tax expense of RMB4.6 million (US\$0.7 million) in 2017, compared with an income tax expense of RMB257.5 million in 2016. The effective tax rate was 3.1% in 2017, compared with 20.6% in 2016, mainly due to one of our overseas subsidiaries receiving a tax exemption in the first quarter of 2017 for a five-year period starting from August 2015 and additional deduction for research and development costs approved by local tax bureau in the second quarter of 2017. We determined that the future taxable income of certain of our subsidiaries with strong financial performance would be sufficient to realize the benefits of such tax assets and reversed the valuation allowance of RMB21.8 million (US\$3.4 million) in 2017.

Net Income attributable to JinkoSolar Holding Co., Ltd. As a result of the foregoing, our net income attributable to JinkoSolar Holding Co., Ltd. decreased from RMB1,826.7 million in 2016 to RMB141.7 million (US\$21.8 million) in 2017. Our net profit margin decreased from 8.5% in 2016 to 0.5% in 2017.

2016 compared with 2015

Revenues. Our revenues increased by 38.5% from RMB15.45 billion in 2015 to RMB21.40 billion in 2016, primarily due to the increase in shipments of solar modules, which was partially offset by the decline in average selling prices.

Our sales of solar modules increased by 38.0% from RMB15.09 billion in 2015 to RMB20.83 billion in 2016, primarily due to the significant increase in sales volume, partially offset by a decrease in average selling prices. The sales volume of our solar modules increased by 47.5% from 4,207.6 MW in 2015 to 6,225.3 MW in 2016. The average selling price of our solar modules decreased by 3.5% from RMB3.59 per watt in 2015 to RMB3.33 per watt in 2016, primarily due to over-supply of solar power products in the market which led to a decrease in the market value of solar modules.

Our sales of silicon wafers decreased by 1.6% from RMB138.3 million in 2015 to RMB136.1 million in 2016. The sales volume of our silicon wafers increased by 32.2% from 118.2 MW in 2015 to 156.3 MW in 2016. The average selling price of our silicon wafers decreased by 25.0% from RMB1.2 per watt in 2015 to RMB0.9 per watt in 2016.

Our sales of solar cells decreased by 27.9% from RMB215.0 million in 2015 to RMB155.0 million in 2016. The sales volume of our solar cells decreased by 26.6% from 172.8 MW in 2015 to 126.9 MW in 2016. The average selling

price of our solar cells remained stable from 2015 to 2016.

Our revenue generated from providing solar system integration services increased from nil in 2015 to RMB269.6 million in 2016, primarily due to the continued growth of our household solar project business. We disposed of our household solar project business in the fourth quarter of 2016.

Our revenue from the sale of electricity generated by our solar power projects in continuing operations increased from RMB9.6 million in 2015 to RMB13.3 million in 2016, primarily due to our acquisition of two solar power projects in Italy in 2016.

Cost of Revenues. Our cost of revenues increased by 40.0% from RMB12.52 billion in 2015 to RMB17.53 billion in 2016, primarily due to the increase in shipments of solar modules.

Gross Profit. Our gross profit increased by 32.0% from RMB2,931.5 million in 2015 to RMB3,869.3 million in 2016. Our gross margin decreased from 19.0% in 2015 to 18.1% in 2016, primarily due to the sharp decline in the average selling prices of solar modules since the third quarter of 2016.

Operating Expenses. Our operating expenses increased by 39.3% from RMB1,809.7 million in 2015 to RMB2,520.2 million in 2016, primarily as a result of the increase of shipping cost, impairment of property, plant and equipment, partially offset by the impact of warranty expense reversals. Based on the updated warranty estimation, we reversed the warranty expense related to prior years by RMB92.1 million in 2016.

Our selling and marketing expenses increased by 25.3% from RMB1,144.6 million in 2015 to RMB1,434.0 million in 2016, primarily due to the increase in transportation expenses and warranty costs, which were in line with the increase in our sales.

Our general and administrative expenses increased by 73.6% from RMB521.4 million in 2015 to RMB905.1 million in 2016, primarily due to the provision for disposal and impairment of property, plant and equipment, and the provision for allowance of doubtful accounts.

Our research and development expenses increased by 26.1% from RMB143.7 million in 2015 to RMB181.1 million in 2016.

Income from Operations. As a result of the foregoing, our income from operations increased by 20.3% from RMB1,121.8 million in 2015 to RMB1,349.1 million in 2016. Our operating profit margin was 7.3% in 2015 and 6.3% in 2016.

Interest Expenses. Our interest expenses increased by 15.5% from RMB311.0 million in 2015 to RMB359.3 million in 2016.

Subsidy Income. Our subsidy income increased significantly from RMB101.9 million in 2015 to RMB168.6 million in 2016, primarily due to more one-time nature of government subsidies.

Exchange Gain / (Loss). We recognized foreign exchange loss of RMB86.5 million in 2015 and a foreign exchange gain of RMB208.8 million in 2016, primary due to the exchange fluctuations of the U.S. dollars against the Renminbi.

Other Income/(Expense). We had other income of RMB8.8 million in 2016, compared with other income of RMB1.0 million in 2015.

Change in Fair Value of Forward Contracts. We recognized a loss in fair value of foreign currency forward contracts of RMB52.6 million in 2016, compared with a gain of RMB56.9 million in 2015, primarily due to the fluctuation of Renminbi against the U.S. dollars in 2016.

Change in Fair Value of Derivative Liability. We recorded a gain of RMB24.6 million in 2016, compared with a loss of RMB2.1 million in 2015.

Change in Fair Value of Convertible Senior Notes and Capped Call Options. We recorded a loss of RMB110.2 million in 2016, compared with a loss of RMB14.6 million in 2015, primary due to the volatility of our stock prices.

Income Tax Expense. We recorded an income tax expense of RMB257.5 million in 2016, compared with an income tax expense of RMB100.5 million in 2015. The effective tax rate was negative 20.6% in 2016, compared with 11.6% in 2015. We determined that the future taxable income of certain of our subsidiaries with strong financial performance would be sufficient to realize the benefits of such tax assets and reversed the valuation allowance of RMB26.9million in 2016, resulting in a 8.9% increase in effective tax rate in 2016.

Net Income attributable to JinkoSolar Holding Co., Ltd. As a result of the foregoing, our net income attributable to JinkoSolar Holding Co., Ltd. increased from RMB683.8 million in 2015 to RMB1,826.7 million in 2016. Our net profit margin increased from 4.4% in 2015 to 8.5% in 2016.

Disposition of Downstream Solar Power Project Business

In the fourth quarter of 2016, we completed the sale of all 55% equity interest we indirectly held in Jiangxi Jinko Engineering through JinkoSolar Power, our then indirect subsidiary, to Shangrao Kangsheng Technology Co., Ltd. (the “Buyer”), a company formed by a buyer consortium led by Mr. Xiande Li, our chairman of the board of directors, pursuant to the a share purchase agreement between Wide Wealth Group Holding Limited, our indirect subsidiary, and the Buyer. As a result of the sale, we disposed of our downstream solar power project business in China and received US\$250 million in cash.

Assets and liabilities related to Jiangxi Jinko Engineering were reclassified as assets/liabilities held for sale as of December 31, 2015, while results of operations related to JinkoSolar Power, including comparatives, were reported as loss from discontinued operations.

We recognized a gain of RMB1.01 billion (US\$145.2 million) because of the disposition in 2016.

B. Liquidity and Capital Resources

We have financed our operations and capital expenditures primarily through equity contributions from our shareholders, the net proceeds of our equity and debt securities offerings, cash flow generated from operations, as well as short-term and long-term debt financing.

As of December 31, 2017, we had RMB1.93 billion (US\$296.4 million) in cash and cash equivalents and RMB833.1 million (US\$128.0 million) in restricted cash. Our cash and cash equivalents represent cash on hand and demand deposits with original maturities of three months or less that are placed with banks and other financial institutions. Our restricted cash represents deposits legally held by banks which are not available for general use. These deposits are held as collateral for issuance of letters of credit and bank acceptable notes to vendors for purchase of machinery and equipment and raw materials.

We have entered into purchase agreements for purchasing additional manufacturing equipment. Our purchase capital commitments under these contracts amounted to approximately RMB3.31 billion (US\$508.6 million) as of December 31, 2017, of which RMB1.59 billion (US\$244.8million) will be due in 2018. We plan to use the remaining available cash for research and development and for working capital and other day-to-day operating purposes. We are opening our first U.S. factory in Jacksonville, Florida, of which the annual production of solar modules is expected to be 400 MW. We leased buildings and lands for the factory under a non-cancelable operating lease from a third party. Total amount of the related operating lease commitments will be up to RMB104.6 million in the future.

As of December 31, 2017, we had total bank credit facilities available of RMB13.66 billion (US\$2.10 billion) with various banks, of which RMB9.08 billion (US\$1.39 billion) were drawn down and RMB4.58 billion (US\$0.71 billion) were available.

As of December 31, 2017, we had short-term borrowings (including the portion of long-term borrowings due within one year) of RMB6.20 billion (US\$953.6 million). As of December 31, 2017, we had short-term borrowings outstanding of RMB2.79 billion (US\$429.0 million), RMB3.17 billion (US\$487.6 million), RMB237.2 million

(US\$36.5 million) and RMB3.0 million (US\$0.5 million), which were denominated in RMB, U.S. dollars, JPY and INR, respectively, and bearing a weighted average interest rates of 3.81%, 3.51%, 0.75% and 9% per annum, respectively.

As of December 31, 2017, we pledged property, plant and equipment of a total net book value of RMB1.686 billion (US\$286.0 million), land use rights of a total net book value of RMB187.8 million (US\$28.9 million) and inventories of a total net book value of RMB171.1 million (US\$26.3 million) to secure repayment of our short-term borrowings of RMB736.0 million (US\$113.2 million). Although we have increased our level of short-term bank borrowings to meet our working capital, capital expenditures and other needs, we have not experienced any difficulties in repaying our borrowings.

We have long-term borrowings (excluding the portion of long-term borrowings due within one year) of RMB379.8 million (US\$58.4 million), which bore interest at an average annual rate of 3.73% as of December 31, 2017. In connection with most of our long-term borrowings, we have granted security interests over significant amounts of our assets. As of December 31, 2017, we pledged property of a net book value of RMB187.4 million (US\$28.8 million) to secure repayment of borrowings of RMB67.6 million (US\$10.4 million). As of December 31, 2017, long-term loans in the amount of RMB333.7 million (US\$51.9 million) will be due for repayment after one year, but within five years.

In addition, we have repayment obligations under our convertible senior notes. On January 22, 2014, we issued convertible senior notes in the principal amount of US\$150.0 million due 2019, bearing an annual interest rate of 4.0% and with an option for holders to require us to repurchase their notes in February 2017 for the principal of the notes plus accrued and unpaid interest, to qualified institutional buyers under Rule 144A and in reliance upon Regulation S of the Securities Act. We repurchased an aggregate principal amount of US\$88.9 million of such notes for a total consideration of RMB85.6 million in 2016. As of December 31, 2016, we had outstanding convertible senior notes due 2019 in the principal amount of US\$61.1 million. We completed the repurchase of substantially all of the convertible senior notes in February 2017. As of December 31, 2017, we had outstanding convertible senior notes in the principal amount of US\$10 thousand.

The relevant PRC laws and regulations permit payments of dividends by our PRC subsidiaries only out of their retained earnings, if any, as determined in accordance with PRC GAAP. In addition, the statutory general reserve fund requires annual appropriations of 10% of net after-tax income to be set aside prior to payment of any dividends by our PRC subsidiaries that are registered as wholly owned foreign investment enterprises or domestic enterprises. As a result of these and other restrictions under PRC laws and regulations, the PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to us either in the form of dividends, loans or advances. Even though we do not currently require any such dividends, loans or advances from the our PRC subsidiaries for working capital or other funding purposes, it may in the future require additional cash resources from the PRC subsidiaries due to changes in business conditions, to fund future acquisitions and development, or merely declare dividends or make distributions to the our shareholders. Our net assets subject to the above restrictions were RMB4.97 billion (US\$763.8 million), representing 74% of our total consolidated net assets as of December 31, 2017. Cash and cash equivalents of our PRC subsidiaries which intended to reinvest their earnings permanently amounted to RMB1,060.2 million (US\$163.0 million) as of December 31, 2017.

On September 25, 2013, we completed a follow-on public offering of 4,370,000 ADSs, receiving aggregate net proceeds of approximately US\$67.8 million, after deducting discounts and commissions and offering expenses. On January 22, 2014, we completed a follow-on public offering of 3,750,000 ADSs representing 15,000,000 ordinary shares, receiving aggregate net proceeds of approximately US\$126.2 million after deducting discounts and commissions and offering expenses.

In November 2014, we signed a US\$20.0 million two-year credit agreement with Wells Fargo, the term of which was later extended to October 2019. The credit limit was raised to US\$40.0 million in June 2015 and further to US\$60.0 million in July 2016 through amendments to the credit agreement. Borrowings under the credit agreement will be used to support our working capital and business operations.

In May 2015, we signed a US\$20.0 million three-year bank facility agreement with Barclay Bank, which was subsequently raised to US\$40.0 million, to support our working capital and business operations.

In September 2016, we signed a US\$25.0 million two-year bank facility agreement with Malayan Banking Berhad to support our working capital and business operations in Malaysia.

In May 2017, we provided a guarantee due April 2019 for a loan of Sweihan PV Power Company P.J.S.C, our equity investee, for developing overseas solar power projects, in an aggregate principal amount not exceeding US\$42.9 million.

In June 2017, we signed a JPY4.1 billion syndicated loan agreement up to two years with a bank consortium led by Sumitomo Mitsui Banking Corporation to provide working capital and support for our business operations in Japan.

In July 2017, we issued medium term notes of RMB300.0 million due July 2020 for working capital purposes.

In July 2017, we entered into a four-year financial lease in the amount of RMB600.0 million to support the improvement of our production efficiency.

In September 2017, we filed a prospectus supplement to sell up to an aggregate of US\$100 million of our ADSs through the ATM program. In January 2018, we terminated the ATM program and did not sell any ADSs under the ATM program.

In September 2017, we signed a JPY500.0 million one-year facility agreement with ORIX Bank Corporation to provide working capital and support for our business operations in Japan.

In December 2017, we signed a US\$20.0 million due August 2018 bank facility agreement with Societe Generale to support our working capital and business operations.

In February 2018, we closed the follow-on offering of 4,140,000 ADSs, each representing four of our ordinary shares, par value US\$0.00002 per share, at US\$18.15 per ADS. The net proceeds of the follow-on offering to us, after deducting underwriting commissions and fees and estimated offering expenses, was approximately US\$71.1 million. Concurrently with the follow-on offering, we completed the private placement with Tanka International Limited, an exempted company incorporated in the Cayman Islands held by Mr. Xiande Li, our chairman, and Mr. Kangping Chen, our chief executive officer, of its purchase of US\$35 million of our ordinary shares.

We had negative working capital as of December 31, 2017. Our management believes that our cash position as of December 31, 2017, the cash expected to be generated from operations, net proceeds of US\$71.1 million from our follow-on offering closed in February 2018, and funds available from borrowings under our bank credit facilities will be sufficient to meet our working capital and capital expenditure requirements for at least the next 12 months from April 24, 2018, the date of issuance of our consolidated financial statements for 2017 included in this annual report.

Cash Flows and Working Capital

The following table sets forth a summary of our cash flows for the periods indicated:

	2015 (RMB) (in thousands)	2016 (RMB)	2017 (RMB)	(US\$)
Net cash provided by/ (used in) operating activities	1,339,049.5	(1,802,967.7)	(177,092.7)	(27,218.6)
Net cash (used in) investing activities	(3,314,637.7)	(6,908,979.8)	(2,433,193.4)	(373,975.0)
Net cash provided by financing activities	3,850,632.5	7,455,061.2	2,109,758.5	324,263.9
Net increase/ (decrease) in cash and cash equivalents	1,906,643.4	(1,182,246.6)	(573,114.6)	(88,086.1)
Cash and cash equivalents at the beginning of the year	1,777,020.7	2,392,591.1	2,501,417.5	384,460.8
Cash balance recorded in the held-for-sale assets	-	1,291,072.9	-	-
Cash and cash equivalents at the end of the year	3,683,664.1	2,501,417.5	1,928,302.9	296,374.7

Operating Activities

Net cash used in operating activities in 2017 was RMB177.1 million, consisting primarily of (i) an increase in accounts receivables of RMB699.0 million due to the increase in sales; (ii) an increase in prepayments and other current assets of RMB690.3 million; and (iii) a decrease in advance from – third parties of RMB622.1 million, partially offset by (i) depreciation of property, plant and equipment of RMB600.5 million; (ii) an increase of accounts payable – third parties of RMB390.4 million; and (iii) provision of inventory of RMB313.7 million.

Net cash used in operating activities in 2016 was RMB1,803.0 million, consisting primarily of (i) an increase in accounts receivables of RMB3,040.0 million due to the increase in sales; (ii) an increase in inventory of RMB2,001.0 million due to the increase of purchase; (iii) an increase in notes receivable – third parties of RMB426.1 million due to the increased sales; and (iv) an increase in other assets of RMB355.8 million, partially offset by (i) increase in accounts payables – third parties of RMB885.1 million due to an increase in purchase and longer credit terms; (ii) depreciation of property, plant and equipment of RMB449.1 million; (iii) provision of inventory of RMB439.0 million; (iv) depreciation of project assets of RMB328.2 million; and (v) share-based compensation charges of RMB203.3 million.

Net cash provided by operating activities in 2015 was RMB1,339.0 million, consisting primarily of (i) an increase in advance from customers of RMB873.4 million due to an increase in sales; (ii) an increase in accounts payable of RMB591.2 million due to an increase in purchase and longer credit terms; (iii) depreciation of property, plant and equipment of RMB393.2 million; and (iv) exchange loss of RMB117.7 million due to the appreciation of U.S. dollars against Renminbi, partially offset by (i) an increase in inventory of RMB1,411.0 million due to the increase of purchase; and (ii) an increase in accounts receivable and notes receivable of RMB390.1 million attributable to the increased sales.

Investing Activities

Net cash used in investing activities in 2017 was RMB2,433.2 million, consisting primarily of (i) cash paid for short-term investments and restricted short-term investment of RMB5,805.7 million, (ii) the purchase of property, plant and equipment of RMB2,178.5 million; and (iii) cash paid for project assets of RMB386.3 million, partially offset by cash collected from short-term investments of RMB5,901.4 million.

Net cash used in investing activities in 2016 was RMB6,909.0 million, consisting primarily of (i) cash paid for short-term investments and restricted short-term investment of RMB4,628.7 million, (ii) the purchase of property, plant and equipment of RMB1,975.4 million; (iii) cash paid for construction of project assets of RMB1,956.5 million related to our disposed downstream solar power project business in China before its disposition, which we subsequently disposed of in 2016, partially offset by cash collected from short-term investments of RMB2,289.2 million.

Net cash used in investing activities in 2015 was RMB3,314.6 million, consisting primarily of (i) cash paid for short-term investments and restricted short-term investment of RMB2,672.4 million, (ii) cash paid for construction of project assets of RMB2,129.3 million related to the disposed downstream solar power project business in China, (iii) the purchase of property, plant and equipment of RMB860.6 million, and (iv) cash paid for acquisition of subsidiaries of RMB75.2 million, partially offset by cash collected from short-term investments of RMB2,594.7 million.

Financing Activities

Net cash provided by financing activities in 2017 was RMB2,109.8 million, consisting primarily of (i) borrowings of RMB18.29 billion, (ii) an increase in notes payable of RMB875.7 million, and (iii) cash received from sales leaseback of RMB600 million, partially offset by (i) repayment of borrowings to third parties of RMB16.85 billion, and (ii) an increase in restricted cash for notes payable of RMB514.6 million, and (iii) repayment of convertible senior notes of RMB422.8 million.

Net cash provided by financing activities in 2016 was RMB7,455.1 million, consisting primarily of (i) borrowings of RMB21.18 billion, and (ii) increase in notes payable of RMB2,477.8 million, partially offset by (i) repayment of borrowings to third parties of RMB13.35 billion, and (ii) repurchase of embedded warrants of RMB938.6 million; (iii) repayment of convertible senior notes of RMB1,218.7 million; and (iv) repayment of bond payable of RMB800.0 million.

Net cash provided by financing activities in 2015 was RMB3,850.6 million, consisting primarily of (i) borrowings of RMB10.14 billion, and (ii) proceeds from warrants of RMB862.1 million, partially offset by (i) repayment of borrowings to third parties of RMB7,030.6 million, and (ii) repurchase of convertible bonds of RMB113.0 million.

Restrictions on Cash Dividends

For a discussion on the ability of our subsidiaries to transfer funds to our company and the impact this has on our ability to meet our cash obligations, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We rely principally on dividends and other distributions on equity paid by our principal operating subsidiaries, and limitations on their ability to pay dividends to us could have a material adverse effect on our business and results of operations,” and “Item 4. Information on the Company—B. Business Overview—Regulation—Dividend Distribution.”

Capital Expenditures

We had capital expenditures, representing the payments that we had made, of RMB3,034.0 million, RMB4,038.8 million and RMB2,592.0 million (US\$398.4 million) in 2015, 2016 and 2017, respectively. Our capital expenditures were used primarily to construct our manufacturing facilities and purchase equipment for the production of silicon wafers, solar cells and solar modules, acquire land use rights, and construction of project assets. We have been focusing on improving our efficiency to reduce our unit cost and have entered into purchase agreements for purchasing additional manufacturing equipment. Our purchase capital commitments under these contracts amounted to approximately RMB3.31 billion (US\$508.6 million) as of December 31, 2017, of which RMB1.59 billion (US\$244.8 million) will be due in 2018 and RMB1.72 billion (US\$263.8 million) will be due after one year but within five years. We may terminate these equipment purchase agreements or revise their terms in line with our new plan and as a result, may be subject to cancellation and late charges. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We may face termination and late charges and risks relating to the termination and amendment of certain equipment purchases contracts. Our reliance on equipment and spare parts suppliers may also expose us to potential risks.”

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606),” a new standard on revenue which will supersede the revenue recognition requirements in ASC 605. In August 2015, the FASB issued ASU No. 2015-14, “Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,” which delays the effective date of ASU 2014-09 by one year. The FASB also agreed to allow entities to choose to adopt the standard as of the original effective date. In March 2016, the FASB issued ASU No. 2016-08, “Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net),” which clarifies the implementation guidance on principal versus agent considerations. Further, in 2016, the FASB issued five amendments to the new standard. The new standard, as amended, sets forth a single comprehensive model for recognizing and reporting revenues. The new guidance requires us to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance requires us to apply the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, we satisfy a performance obligation. The standard also requires additional financial statement disclosures that will enable users to understand the nature, amount, timing and uncertainty of revenues and cash flows relating to customer contracts. The standard is effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2018. Early adoption is permitted but not before periods beginning on or after January 1, 2017. The standard allows for two methods of adoption: the full retrospective adoption, which requires the standard to be applied to each prior period presented, or the modified retrospective adoption, which requires the cumulative effect of adoption to be recognized as an adjustment to opening retained earnings in the period of adoption.

We will adopt the new revenue standard effective on January 1, 2018 by applying the modified retrospective method with a cumulative catch up adjustment of initially applying this standard recognized at the date of initial application. We have identified and evaluated all of our contracts with customers, and compared the requirements of the new standard with our current accounting policies. This includes an analysis of, among other things: the timing of revenue recognition and the allocation of value for performance obligations that might be bundled within contractual arrangements. We have also evaluated whether any revenue-related costs for commissions, customer acquisition or similar costs would be affected by the new standard.

As a result of adopting the new accounting standard, for the sales contracts with retainage terms, under which customers were allowed to withhold payment of 5% to 10% of the full contract price as retainage for a specified period from one year to two year (“Retainage Period”), revenue from retainage will be recognized upon us satisfying our performance obligation to transfer the goods to our customers instead of deferring recognition until the customers pay us after the Retainage Period expires. We expect revenue recognition for our other sales arrangements, including sales of solar modules, wafers, cells and revenue from generated electricity, to remain materially consistent with our historical practice.

In January 2016, the FASB issued Accounting Standards Update No. 2016-01 (ASU 2016-01), "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." The main objective of this update is to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The new guidance addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 is effective for annual reporting periods, and interim periods within those years beginning after December 15, 2017. Early adoption by public entities is permitted only for certain provisions. We are in the process of evaluating the impact of the standard on our consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (ASU 2016-02), "Leases". Under the new guidance, lessees will be required to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet. The update also expands the required quantitative and qualitative disclosures surrounding leases. This update is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years, with earlier application permitted. We are in the process of evaluating the impact of the standard on our consolidated financial statements.

In June 2016, the FASB issued Accounting Standards Update No. 2016-13 (ASU 2016-13), "Financial Instruments – Credit Losses", which introduces new guidance for credit losses on instruments within its scope. The new guidance introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments, including, but not limited to, trade and other receivables, held-to-maturity debt securities, loans and net investments in leases. The new guidance also modifies the impairment model for available-for-sale debt securities and requires the entities to determine whether all or a portion of the unrealized loss on an available-for-sale debt security is a credit loss. The standard also indicates that entities may not use the length of time a security has been in an unrealized loss position as a factor in concluding whether a credit loss exists. The ASU is effective for public companies for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted for all entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. We are in the process of evaluating the impact of the standard on our consolidated financial statements.

In August, 2016, the FASB issued Accounting Standards Update No. 2016-15 (ASU 2016-15), "Statement of Cash Flows", a proposed ASU on restricted cash in response to an EITF consensus-for-exposure. The proposed ASU would require an entity to include in its cash and cash-equivalent balances in the statement of cash flows those amounts that are deemed to be restricted cash and restricted cash equivalents. The proposal's primary purpose is to eliminate the diversity in practice related to how entities classify and present changes in restricted cash in the cash flow statement in accordance with ASC 230. The ASU is effective for annual and interim periods beginning after December 15, 2017 and early adoption is permitted. We do not expect that the new standard will have a material impact on our consolidated financial statements.

In October 2016, the FASB issued Accounting Standards Update No. 2016-16 (ASU 2016-16), "Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory". The new guidance requires that entities recognize the

income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs, rather than when the asset is sold to an outside party. The guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period (as of the first interim period if an entity issues interim financial statements). The new guidance requires adoption on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We not expect that the new standard will have a material impact on our consolidated financial statements.

In November, 2016, the FASB issued Accounting Standards Update No. 2016-18 (ASU 2016-18), “Statement of Cash Flows”, which amends ASC 230 to add or clarify guidance on the classification and presentation of restricted cash in the statement of cash flows. The ASU is effective for annual and interim periods beginning after December 15, 2017 and early adoption is permitted. We do not expect that the new standard will have a material impact on our consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update 2017-01 (ASU 2017-01), “Business Combinations (Topic 805): Clarifying the Definition of a Business”, which clarifies the definition of a business to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The standard introduces a screen for determining when assets acquired are not a business and clarifies that a business must include, at a minimum, an input and a substantive process that contribute to an output to be considered a business. This standard is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. We do not expect that the new standard will have a material impact on our consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04 (ASU 2017-04), “Simplifies Goodwill Impairment Test”, which removes the requirement to compare the implied fair value of goodwill with its carrying amount as part of step 2 of the goodwill impairment test. As a result, under the ASU, “an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.” The ASU is effective prospectively for fiscal years beginning after December 15, 2019. We are in the process of evaluating the impact of the standard on our consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, “Compensation—Stock compensation (Topic 718): Scope of modification accounting” to clarify when to account for a change to the terms or conditions of a share-based payment award as a modification. ASU 2017-09 is effective prospectively for all companies for annual periods beginning on or after December 15, 2017, and early adoption is permitted. We are in the process of evaluating the impact of this guidance on our consolidated financial statements.

In August 2017, the Financial Accounting Standard Board (“FASB”) issued ASU 2017-12, Derivatives and Hedging (Topic 815) – Targeted Improvements to Accounting for Hedging Activities, to simplify certain aspects of hedge accounting for both non-financial and financial risks and better align the recognition and measurement of hedge results with an entity’s risk management activities. ASU 2017-12 also amends certain presentation and disclosure requirements for hedging activities and changes how an entity assesses hedge effectiveness. ASU 2017-12 is effective for fiscal years and interim periods within those years beginning after December 15, 2018, and early adoption is permitted. We are in the process of evaluating the impact of this guidance on our consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, to address specific consequences of the U.S. Tax Reform. The update allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the U.S. Tax Reform. The accounting update is effective January 1, 2019, with early adoption permitted, and is to be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the U.S. federal corporate income tax rate in the U.S. Tax Reform is recognized. We are currently evaluating the impact of the new standard on our consolidated

financial statements.

C. Research and Development, Patents and Licenses, Etc.

Research and Development

We focus our research and development efforts on improving our manufacturing efficiency, the quality of our products and next generation PV technology. As of December 31, 2017, our research and development team consisted of 309 experienced researchers and engineers, of which, 119 experienced engineers were located in the Shangrao Economic Development Zone of Jiangxi Province and 190 experienced engineers were located in Haining, Zhejiang Province. In July 2012, we were selected as a finalist for the “Solar power projects in North America” category of the Intersolar Award 2012, which is presented each year to award innovation in the international solar industry. In January 2013, we were honored as the most promising enterprise by China Energy News and the China Institute of Energy Economics Research.

In addition to our full time research and development team, we also involve employees from our manufacturing department to work on our research and development projects on a part-time basis. We plan to enhance our research and development capability by recruiting additional experienced engineers specialized in the solar power industry. Certain members of our senior management spearhead our research and development efforts and set strategic directions for the advancement of our products and manufacturing processes.

We have entered into a cooperative agreement with Nanchang University in Jiangxi Province, China and established a joint PV materials research center on the campus of Nanchang University. Under the terms of the agreement, the research center is staffed with faculty members and students in doctoral and master programs from the material science and engineering department of Nanchang University as well as our technical personnel. The research center focuses on the improvement of our manufacturing process, solution of technical problems in our silicon wafer and solar module production process and the research and development of new materials and technologies. The research center also provides on-site technical support to us and training for our employees. Under the agreement, any intellectual property developed by the research center will belong to us. The research center has assisted us in improving the quality of our silicon wafers, including the conversion efficiency of our silicon wafers, as well as our silicon wafer production process. We also engage other universities in our research and development efforts. For example, in December 2013, we announced that we will partner with Beijing University's Solar Power Engineering Center to construct the university's first experimental PV power plant on campus, which will be used for collecting and analyzing data the power generation capabilities of PV modules when exposed to various conditions. In 2014, we established a long-term cooperative relationship with the State Key Laboratory of Silicon Materials of Zhejiang University and have launched a number of research and development projects since then. In 2015, we started to work with the Australian National University to explore certain cutting-edge battery technologies. In 2016, we established cooperative relationship with Sun Yat-Sen University and the National University of Singapore in the research of solar modules and solar cells, respectively. In 2017, we partnered with TÜV Rheinland, an independent provider of technical services for testing, inspection, certification, consultation and training, to develop standardized testing methods for bifacial PV technology.

We believe that the continual improvement of our research and development capability is vital to maintaining our long-term competitiveness. In 2015, 2016 and 2017, our research and development expenses were approximately RMB143.7 million, RMB181.1 million and RMB294.1 million (US\$45.2 million), respectively. We intend to continue to devote management and financial resources to research and development as well as to seek cooperative relationships with other academic institutions to further lower our overall production costs, increase the conversion efficiency rate of our solar power products and improve our product quality.

Intellectual Property

As of the date of this annual report, we have been granted 351 patents by the State Intellectual Property Office of the PRC, including 305 utility model patents, 43 invention patent and three design patents. We also have 285 pending patent applications. These patents and patent applications relate to the technologies utilized in our manufacturing processes. We intend to continue to assess appropriate opportunities for patent protection of critical aspects of our technologies. We also rely on a combination of trade secrets and employee and third-party confidentiality agreements to safeguard our intellectual property. Our research and development employees are required to enter into agreements that require them to assign to us all inventions, designs and technologies that they develop during the terms of their employment with us. We have not been a party to any intellectual property claims since our inception.

We filed trademark registration applications with the PRC Trademark Office, World Intellectual Property Organization, or WIPO and trademark authorities in other countries and regions. As of the date of this annual report, we have been granted 225 trademarks in the PRC, such as “”, “” and “”, and six trademarks in Hong Kong and Taiwan, including “”, and “”. We also have three trademarks registered in WIPO. We have pending trademark applications of 42 trademarks in 33 countries and regions, including India, Thailand, South Africa, and United Arab Emirates. In addition, we have registered four trademarks in the United States, three trademarks in Canada and 14 trademarks in Europe.

D.

Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for 2017 that are reasonably likely to have a material effect on our net revenues, income, profitability, liquidity or capital resources, or that would cause reported consolidated financial information not necessarily to be indicative of future operating results or financial conditions.

E. Off-balance Sheet Arrangements

Other than disclosed in this annual report, we have no other outstanding financial guarantees or other commitments to guarantee the payment obligations of our related parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us. We have not entered into nor do we expect to enter into any off-balance sheet arrangements.

F. Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2017:

Continuing operations Contractual Obligations	Payment due by period				
	Total	less than 1 year	2-3 years	4-5 years	more than 5 years
	(RMB in thousands)				
Short-term Debt Obligations*	6,307,510	6,307,510	-	-	-
Long-term Debt Obligations*	430,174	13,798	330,435	7,284	78,657
Convertible Senior Notes*	65	-	65	-	-
Operating Lease Obligations	357,039	54,114	84,861	76,303	141,761
Capital Commitment	3,309,349	1,592,950	1,716,399	-	-
Total	10,404,137	7,968,372	2,131,760	83,587	220,418

* Includes accrued interests.

G. Safe Harbor

We make “forward-looking statements” throughout this annual report. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we “believe,” “expect” or “anticipate” will occur, what “will” or “could” happen, and other similar statements), you must remember that our expectations may not be correct, even though we believe that they are reasonable. We do not guarantee that the transactions and events described in this annual report will happen as described or that they will happen at all. You should read this annual report completely

and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements made in this annual report relate only to events as of the date on which the statements are made. We undertake no obligation, beyond that required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even though our situation will change in the future.

Whether actual results will conform to our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. Some of the assumptions, future results and levels of performance expressed or implied in the forward-looking statements we make inevitably will not materialize, and unanticipated events may occur which will affect our results. “Item 3. Key Information—D. Risk Factors” describes the principal contingencies and uncertainties to which we believe we are subject. You should not place undue reliance on these forward-looking statements.

Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our directors and executive officers:

Name	Age	Position
Xiande Li	43	Chairman of the board of directors
Kangping Chen	45	Director and chief executive officer
Xianhua Li	44	Director and vice president
Longgen Zhang	54	Director
Wing Keong Siew	67	Independent director
Steven Markscheid	64	Independent director
Yingqiu Liu	68	Independent director
Haiyun (Charlie) Cao	41	Chief financial officer
Musen Yu	69	Vice president
Zhiqun Xu	51	Vice president

Mr. Xiande Li is a founder of our company, the chairman of our board of directors. Prior to founding our company, he served as the marketing manager at Zhejiang Yuhuan Solar Energy Source Co., Ltd. from 2003 to 2004, where his responsibilities included overseeing and optimizing day-to-day operations. From 2005 to 2006, he was the chief operations supervisor of ReneSola, a related company listed on the AIM market of the London Stock Exchange in 2006, then dual listed on the NYSE in 2008, where he was in charge of marketing and operation management. Mr. Li is a brother of Mr. Xianhua Li and the brother-in-law of Mr. Kangping Chen.

Mr. Kangping Chen is a founder, director and the chief executive officer of our company. Prior to founding our company, he was the chief financial officer of Zhejiang Supor Cookware Company Ltd., a company listed on the PRC A share market, from October 2003 to February 2008, where his major responsibilities included establishing and implementing its overall strategy and annual business plans. Mr. Chen is the brother-in-law of Mr. Xiande Li.

Mr. Xianhua Li is a founder, director and vice president of our company. Prior to founding our company, Mr. Li served as the chief engineer of Yuhuan Automobile Company, where his major responsibilities included conducting and managing technology research and development activities and supervising production activities, from 1995 to 2000. From 2000 to 2006, he was the factory director of Zhejiang Yuhuan Solar Energy Source Co., Ltd., where he was responsible for managing its research and development activities. Mr. Li is a brother of Mr. Xiande Li.

Mr. Longgen Zhang has been our director since May 2014. He was our chief financial officer from September 2008 to September 2014, and our financial advisor from September 2014 to February 2018. Prior to joining us, Mr. Zhang served as a director and the chief financial officer of Xinyuan Real Estate Co., Ltd., a company listed on the NYSE, from August 2006 to October 2008. Mr. Zhang served as the chief financial officer at Crystal Window and Door Systems, Ltd. in New York from 2002 to 2006. He has a master's degree in professional accounting and a master's degree in business administration from West Texas A&M University and a bachelor's degree in economic management from Nanjing University in China. Mr. Zhang is a U.S. certified public accountant.

Mr. Wing Keong Siew has been a director of our company since May 2008. Mr. Siew founded Hupomone Capital Partners in 2003. Mr. Siew was the president of H&Q Asia Pacific China and Hong Kong from 1998 to 2003 and a general manager of Fairchild Systems for Asia, managing director of Mentor Graphics Asia Pacific and managing director of Compaq Computer Corporation from January 1988 to September 1988. In 1995, he formed a joint venture with UBS AG to raise a China Private Equity Fund. He worked as senior vice president of H&Q Singapore from 1989 to 1995. Mr. Siew received his bachelor's degree in electrical and electronics engineering from Singapore University in 1975 and his presidential/key executive MBA from Pepperdine University in 1999.

Mr. Steven Markscheid has been an independent director of our company since September 15, 2009. Mr. Markscheid is a venture partner at DealGlobe, a Shanghai based investment bank. He serves as independent non-executive director of CNinsure, Inc., Ener-Core Inc., ZZ Capital International Ltd., ChinaCast Education Corporation, and is also a trustee of Princeton-in-Asia. From 1998 to 2006, Mr. Markscheid worked for GE Capital. During his time with GE, he led GE Capital's business development activities in China and Asia Pacific, primarily acquisitions and direct investments. Prior to GE, he worked with the Boston Consulting Group throughout Asia. Mr. Markscheid was a commercial banker for ten years in London, Chicago, New York, Hong Kong and Beijing with Chase Manhattan Bank and First National Bank of Chicago. He began his career with the US-China Business Council, in Washington D.C. and Beijing. He received his bachelor's degree in East Asian Studies from Princeton University in 1976, his master's degree in international affairs from Johns Hopkins University in 1980 and an MBA from Columbia University in 1991.

Mr. Yingqiu Liu has been an independent director of our company since April 2015. Mr. Liu is a member of the China Federation of Industry and Commerce Committee, a Specially Invited Vice President of the China Association of Small and Medium Enterprises, a Vice Director of China Research Society of Urban Development, a member of the Chinese Economic Social Development Council, a member of China International Culture Exchange Centre and the Director General of the Center for Private Economic Studies in the Chinese Academy of Social Sciences (“CASS”). Mr. Liu was previously the President of the University of CASS, the Vice Director General of Scientific Research Bureau of CASS, a visiting professor in University of Michigan, the Vice-Governor of Hulun Buir League in Inner-Mongolia, the Director of Macroeconomics Research Department of the Economic Institute in CASS and the Vice-Director of Socialist economic theory Research Department in Nankai University. Mr. Liu graduated from Nankai University with a doctor degree in economics in April 1991. In 1993, Mr. Liu was recognized as an expert who enjoys the life-time special allowance by the State Council.

Mr. Haiyun (Charlie) Cao has been our chief financial officer since September 2014. He was our financial controller from February 2012 to September 2014. Prior to joining us, Mr. Cao served as a senior audit manager at PricewaterhouseCoopers from 2002 to 2012. Mr. Cao holds professional accounting qualifications, including AICPA and CICPA. He has a master’s degree in management science and engineering from Shanghai University of Finance and Economics in 2002 and a bachelor’s degree in accounting from Jiangxi University in 1999.

Mr. Musen Yu is vice president of our company. Prior to joining us in 2007, he was a researcher of the Coal and Gold Production Bureau of the Shangrao Municipality from 2005 to 2007, head of the Coal and Gold Production Bureau of the Shangrao Municipality from 2000 to 2005 and the deputy head of the Coal and Gold Production Bureau of the Shangrao Municipality from 1992 to 2002. Mr. Yu was the party committee secretary of the Mining Affairs Bureau of Le Municipality from 1986 to 1992. Mr. Yu was the deputy secretary of the Party Committee and secretary of the Party Disciplinary Committee of the Mining Affairs Bureau of Yinggang Ling from 1984 to 1986. Mr. Yu received his bachelor’s degree in mining engineering from the China University of Mining and Technology in 1984.

Mr. Zhiqun Xu is the vice president of our company and the general manager of wafer division of our company. Prior to joining us in December 2008, Mr. Xu served as an executive Vice President of Hareon Solar Technology Co., Ltd. from October 2007 to November 2008. From January 2005 to September 2007, Mr. Xu was a sales and marketing manager of Saint Gobain Quartz (Jinzhou) Co., Ltd. Mr. Xu was a technical director of semiconductor wafer division in Shanghai Shenhe Thermo-Magnetics Electronics Co., Ltd. from April 2002 to December 2004. In addition, he was a project manager and deputy general manager of production of Shanghai General Silicon Material Co., Ltd. from February 2000 to March 2002. Mr. Xu was a manager of production and technology department of MCL Electronics Material Co., Ltd. from April 1996 to January 2000. In 1990, he joined Luoyang Monocrystalline Silicon Factory as a monocrystalline growth process engineer. Mr. Xu received a bachelor’s degree in science from Jilin University in 1990.

The business address of our directors and executive officers is c/o JinkoSolar Holding Co., Ltd., 1 Jingke Road, Shangrao Economic Development Zone, Jiangxi Province, 334100, People’s Republic of China.

B. Compensation of Directors and Executive Officers

All directors receive reimbursements from us for expenses necessarily and reasonably incurred by them for providing services to us or in the performance of their duties. Our directors who are also our employees receive compensation in the form of salaries in their capacity as our employees.

In 2017, we paid cash compensation in the aggregate amount of RMB19.8 million (US\$3.0 million) to our executive officers and directors. The total amount we set aside for the pension or retirement or other benefits of our executive officers and directors was approximately RMB399.0 thousand (US\$61.3 thousand) in 2017.

Share Incentive Plans

2009 Long Term Incentive Plan

We adopted our 2009 Long Term Incentive Plan on July 10, 2009, which was subsequently amended and restated. Our 2009 Long Term Incentive Plan provides for the grant of incentive plan options, restricted shares, restricted share units, share appreciation rights and other share-based awards, referred to as the “Awards.” The purpose of the 2009 Long Term Incentive Plan is to attract, retain and motivate key directors, officers and employees responsible for the success and growth of our company by providing them with appropriate incentives and rewards and enabling them to participate in the growth of our company. We have reserved 9,322,380 ordinary shares for issuance under our 2009 Long Term Incentive Plan.

Plan Administration. Our 2009 Long Term Incentive Plan is administered by a committee appointed by our board of directors or in the absence of a committee, our board of directors. In each case, our board of directors or the committee will determine the provisions and terms and conditions of each award grant, including, but not limited to, the exercise price, time at which each of the Awards will be granted, number of shares subject to each Award, vesting schedule, form of payment of exercise price and other applicable terms. The plan administrator may also grant Awards in substitution for options or other equity interests held by individuals who become employees of our company as a result of our acquisition or merger with the individual’s employer. If necessary to conform the Awards to the interests for which they are substitutes, the plan administrator may grant substitute Awards under terms and conditions that vary from those that the 2009 Long Term Incentive Plan otherwise requires. Notwithstanding anything in the foregoing to the contrary, any Award to any participant who is a U.S. taxpayer will be adjusted appropriately to comply with Code Section 409A or 424, if applicable.

Award Agreement. Awards granted under our 2009 Long Term Incentive Plan are evidenced by an Award Agreement that sets forth the terms, conditions and limitations for each award grant, which includes, among other things, the vesting schedule, exercise price, type of option and expiration date of each award grant.

Eligibility. We may grant awards to an employee, director or consultant of our company, or any business, corporation, partnership, limited liability company or other entity in which our company holds a substantial ownership interest, directly or indirectly, but which is not a subsidiary and which in each case our board of directors designates as a

related entity for purposes of the 2009 Long Term Incentive Plan.

Option Term. The term of each option granted under the 2009 Long Term Incentive Plan may not exceed ten years from the date of grant. If an incentive stock option is granted to an eligible participant who owns more than 10% of the voting power of all classes of our share capital, the term of such option shall not exceed five years from the date of grant.

Exercise Price. In the case of non-qualified stock option, the per share exercise price of shares purchasable under an option shall be determined by our board of directors and specified in the Award Agreement. In the case of incentive stock option, the per share exercise price of shares purchasable under an option shall not be less than 100% of the fair market value per share at the time of grant. However, if we grant an incentive stock option to an employee, who at the time of that grant owns shares representing more than 10% of the total combined voting power of all classes of our share capital, the exercise price is at least 110% of the fair market value of our ordinary shares on the date of that grant.

Amendment and Termination. Our board of directors may amend, suspend or terminate the 2009 Long Term Incentive Plan at any time and for any reason, provided that no amendment, suspension, or termination shall be made that would alter or impair any rights and obligations of a participant under any award theretofore granted without such participant's consent. Unless terminated earlier, our 2009 Long Term Incentive Plan shall continue in effect for a term of ten years from the effective date of the 2009 Long Term Incentive Plan.

2014 Equity Incentive Plan

We adopted our 2014 Equity Incentive Plan in August 2014. Our 2014 Equity Incentive Plan provides for the grant of options, share appreciation rights and other share-based awards such as restricted shares, referred to as “Awards,” to our directors, key employees or consultants up to 12,796,745 of our ordinary shares. The purpose of the plan is to aid us and our affiliates in recruiting and retaining key employees, directors or consultants of outstanding ability and to motivate such employees, directors or consultants to exert their best efforts on behalf of us and our affiliates by providing incentives through the granting of awards. Our board of directors expects that it will benefit from the added interest which such key employees, directors or consultants will have in our welfare as a result of their proprietary interest in our success. The following paragraphs summarize the terms of the 2014 Equity Incentive Plan.

Types of Awards. The 2014 Equity Incentive Plan permits the awards of options, share appreciation rights or other share-based awards.

Administration. Our 2014 Equity Incentive Plan is administered by our compensation committee. The compensation committee is authorized to interpret the plan, to establish, amend and rescind any rules and regulations relating to the plan, and to make any other determinations that it deems necessary or desirable for the administration of the plan. The compensation committee will determine the provisions, terms and conditions of each award consistent with the provisions of our 2014 Equity Incentive Plan, including, but not limited to, the exercise price for an option, vesting schedule of options and restricted shares, forfeiture provisions, form of payment of exercise price and other applicable terms.

Option Exercise. The term of options granted under the 2014 Equity Incentive Plan may not exceed ten years from the date of grant. The consideration to be paid for our ordinary shares upon exercise of an option or purchase of shares underlying the option may include cash, or its equivalent, ordinary shares of our company, or any combination of the foregoing methods of payment, or consideration received by us in a cashless exercise.

Change in Control. In the case of a change in control event, which is the sale or disposal of all, or substantially all of our assets, the acquisition by a third party of more than 50% of the voting power in our company by way of a merger, consolidation, tender or exchange offer or otherwise, the compensation committee may decide that all outstanding awards that are unexercisable or otherwise unvested or subject to lapse restrictions will automatically be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the case may be, as of immediately prior to such change in control event. The compensation committee may also decide to cancel such awards for fair value (as determined in its sole discretion), provide for the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected awards previously granted, or provide that affected options will be exercisable for a period of at least 15 days prior to the change in control event but not thereafter.

Amendment and Termination of Plan. Our board of directors may at any time amend, alter or discontinue our 2014 Equity Incentive Plan. Amendments or alterations to our 2014 Equity Incentive Plan are subject to shareholder approval if they increase the total number of shares reserved for the purposes of the plan or change the maximum number of shares for which awards may be granted to any participant, provided in each case only to the extent such shareholder approval is required by stock exchange rules. Amendment, alteration or discontinuation of our 2014 Equity Incentive Plan cannot be made without the consent of a recipient of awards if such action would diminish the rights of that recipient under the awards, provided that the board may amend the plan as it deems necessary to permit the granting of awards to meet the requirements of applicable laws and stock exchange rules.

Unless terminated earlier, our 2014 Equity Incentive Plan shall continue in effect for a term of ten years from the date of adoption.

2014 Equity Incentive Plan of JinkoSolar Power

In October 2014, JinkoSolar Power adopted its 2014 Equity Incentive Plan (the “JinkoSolar Power 2014 Plan”), which permits the grant of stock options, restricted shares and restricted share units of JinkoSolar Power to its employees, directors and consultants of JinkoSolar Power. Under the plan, a total of 12,766 ordinary shares (12,766,000 shares post the thousand-for-one share split by JinkoSolar Power in April 2015) of JinkoSolar Power were initially reserved for issuance.

On May 4, 2015, JinkoSolar Power granted 8,680,880 share options to its directors, officers and employees, under JinkoSolar Power 2014 Plan to purchase ordinary shares of JinkoSolar Power. The exercise price of the share option is US\$3.9166 per share and the term is 10 years from the date of grant. Subject to the individuals' continued employment with JinkoSolar Power, and only upon the completion of an IPO of JinkoSolar Power, the option shall vest and become exercisable with respect to the vesting schedule as following.

7,021,300 share options granted to directors and employees will vest and exercisable in five successive equal annual installments on the last day of each year from grant date.

1,659,580 share options granted to an officer will vest by 40% on the grant date, and 30% on each of the second and third anniversaries of the grant date. In addition, if the officer's employment with JinkoSolar Power is terminated as a result of certain defined events or situations, any then unvested share options for this officer will immediately become fully vested.

The disposition of our downstream solar power projects business triggered immediate vesting of the share options pursuant to the terms of the share option agreements. We fully recognized share based compensation expense amounted to RMB113.7 million in the discontinued operations for the year ended December 31, 2016. At the same time, JinkoSolar Power signed agreements with the relevant employees to cancel and terminate the share options granted irrevocably and unconditionally with no consideration.

Share Options

As of the date of this annual report, options to purchase 9,052,668 ordinary shares are outstanding. The following table summarizes the outstanding options that we granted to our directors and executive officers and to other individuals as a group under our share incentive plans as of the date of this annual report. We did not grant our directors and executive officers any outstanding options other than the individuals named below.

Name	Number of Shares	Exercise Price (US\$)	Grant Date	Expiration Date
Kangping Chen	*	3.2875	October 10, 2014	October 9, 2024
Xiande Li	*	3.2875	October 10, 2014	October 9, 2024
Haiyun (Charlie) Cao	*	1.42475	December 21, 2012	January 31, 2019
	*	3.2875	October 10, 2014	October 9, 2024
Xianhua Li	*	3.2875	October 10, 2014	October 9, 2024
Steven Markscheid	*	3.2875	October 10, 2014	October 9, 2024
Yingqiu Liu	*	3.2875	April 13, 2015	April 13, 2025
Wing Keong Siew	*	3.2875	October 10, 2014	October 9, 2024
Zhiquan Xu	*	1.42475	October 1, 2011	September 30, 2018

	*	3.2875	October 10, 2014	October 9, 2024
Longgen Zhang	160,000	** 3.2875	October 10, 2014	October 9, 2024
Other Employees	5,074,536	1.42~6.50	December 21, 2012	January 31, 2019
			October 1, 2013	September 30, 2018
			October 1, 2013	September 30, 2020
			October 10, 2014	October 9, 2024
			November 15, 2016	November 15, 2026

*Upon exercise of all share options, would beneficially own less than 1.0% of our then outstanding share capital.

** The outstanding shares will be beneficially owned upon exercise of all options.

C. Board Practices

Board of Directors

Our board of directors currently consists of seven directors. The law of our home country, which is the Cayman Islands, does not require a majority of the board of directors of our company to be composed of independent directors, nor does the Cayman Islands law require that of a compensation committee or a nominating committee. We intend to follow our home country practice with regard to composition of the board of directors. A director is not required to hold any shares in our company by way of qualification. A director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with our company must declare the nature of his interest at a meeting of the directors. Subject to the NYSE rules and disqualification by the chairman of the relevant board meeting, a director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at the relevant board meeting at which such contract or transaction or proposed contract or transaction is considered. Our board of directors may exercise all of the powers of our company to borrow money, and to mortgage or charge our undertakings, property and uncalled capital, and to issue debentures or other securities whenever money is borrowed or pledged as security for any debt, liability or obligation of our company or of any third party.

Committees of the Board of Directors

We have an audit committee, a compensation committee and a nominating committee under the board of directors. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee

Our audit committee consists of Steven Markscheid, Yingqiu Liu and Wing Keong Siew, and is chaired by Steven Markscheid. All of the members of the audit committee satisfy the "independence" requirements of the NYSE Listed Company Manual, Section 303A, and meet the criteria for "independence" under Rule 10A-3 under the Exchange Act. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- selecting the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;

- reviewing with the independent auditors any audit problems or difficulties and management's response;

- reviewing and approving all proposed related-party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;

- discussing the annual audited financial statements with management and the independent auditors;

- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of material control deficiencies;

- meeting separately and periodically with management and the independent auditors; and

- reporting regularly to the full board of directors.

Compensation Committee

Our compensation committee consists of Xiande Li, Kangping Chen and Steven Markscheid, and is chaired by Xiande Li. Steven Markscheid satisfies the “independence” requirements of the NYSE Listed Company Manual, Section 303A, and meets the criteria for “independence” under Rule 10A-3 under the Exchange Act. Our home country practice differs from the NYSE rules that require the compensation committees of listed companies to be comprised solely of independent directors. There are, however, no specific requirements under Cayman Islands law on the composition of compensation committees. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. The compensation committee is responsible for, among other things:

- reviewing and approving the total compensation package for our three most senior executives;
- reviewing and recommending to the board the compensation of our directors;

reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer, evaluating the performance of our chief executive officer in light of those goals and objectives, and determining the compensation level of our chief executive officer based on this evaluation;

reviewing periodically and making recommendations to the board regarding any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans; and

reporting regularly to the full board of directors.

Nominating Committee

Our nominating and corporate governance committee consists of Yingqiu Liu, Xiande Li and Steven Markscheid, and is chaired by Xiande Li. Yingqiu Liu and Steven Markscheid satisfy the “independence” requirements of the NYSE Listed Company Manual, Section 303A, and meet the criteria for “independence” under Rule 10A-3 under the Exchange Act. Our home country practice differs from the NYSE rules that require the nominating committees of listed companies to be comprised solely of independent directors. There are, however, no specific requirements under Cayman Islands law on the composition of nominating committees. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

identifying and recommending to the board nominees for election by the shareholders or appointment by the board, or for appointment to fill any vacancy;

reviewing annually with the board the current composition of the board with regard to characteristics such as knowledge, skills, experience, expertise and diversity required for the board as a whole;

identifying and recommending to the board the directors to serve as members of the board’s committees;

developing and recommending to the board of directors a set of corporate governance guidelines and principles applicable to our company;

monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance; and

reporting regularly to the full board of directors.

Duties of Directors

Under Cayman Islands law, our directors owe to us fiduciary duties, including a duty of loyalty, a duty to act honestly and a duty to act in good faith and in what they consider to be our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our Company has the right to seek damages if a duty owed by our directors is breached.

Terms of Directors and Executive Officers

One-third of our directors for the time being (or, if the number of our directors is not a multiple of three, the number nearest to but not greater than one-third) will retire from office by rotation at each annual general meeting. However, the chairman of our board of directors will not be subject to retirement by rotation or be taken into account in determining the number of our directors to retire in each year. A director will cease to be a director if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors, (ii) dies or is found by our company to be or becomes of unsound mind, (iii) resigns his office by notice in writing to our Company, (iv) without special leave of absence from our board of directors, is absent from meetings of our board of directors for six consecutive months and the board resolves that his office be vacated or (v) is removed from office pursuant to any other provision of our memorandum and articles of association.

Our officers are appointed by and serve at the discretion of the board of directors.

Employment Agreements

We have entered into employment agreements with each of our executive officers. These employment agreements became effective on the signing date and will remain effective through 2017. We may terminate an executive officer's employment for cause, at any time, without prior notice or remuneration, for certain acts of the officer, including, but not limited to, failure to satisfy our job requirements during the probation period, a material violation of our regulations, failure to perform agreed duties, embezzlement that causes material damage to us, or conviction of a crime. An executive officer may terminate his or her employment for cause at any time, including, but not limited to, our failure to pay remuneration and benefits or to provide a safe working environment pursuant to the employment agreement, or our engagement in deceptive or coercive conduct that causes him or her to sign the agreement. If an executive officer breaches any terms of the agreement, which leads to results, including, but not limited to, termination of the agreement, resignation without notice, or failure to complete resignation procedures within the stipulated period, he or she shall be responsible for our economic losses and shall compensate us for such losses. We

may renew the employment agreements with our executive officers.

D.

Employees

As of December 31, 2015, 2016 and 2017, we had a total of 14,035, 16,920 and 12,696 employees, respectively. As of December 31, 2017, we had 12,696 full-time employees, including 10,185 in manufacturing, 1,183 in research and development, 249 in sales and marketing and 1,079 in administration. Substantially all of these employees are located in China with a small portion of employees based in the U.S., Europe and other countries and regions.

We believe we maintain a good working relationship with our employees, and we have not experienced any labor disputes or any difficulty in recruiting staff for our operations. In October 2013 and 2014, we were named one of the Top 100 Best Employers in China in 2013 by the World Executive Journal in conjunction with the World HR Laboratory, Bossline and CEO-ZINE.

Our employees are not covered by any collective bargaining agreement. In line with the expansion of our operations, we plan to hire additional employees, including additional accounting, finance and sales, marketing personnel as well as manufacturing and engineering employees.

In line with local customary practices, we have made contributions to the social insurance funds which met the requirement of the local minimum wage standard, instead of the employees' actual salaries as required, and have not made full contribution to the housing funds. We estimate the aggregate amount of unpaid social security benefits and housing funds to be RMB281.0 million, RMB355.8 million and RMB484.8 million (US\$74.5 million), respectively, as of December 31, 2015, 2016 and 2017. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Our failure to make payments of statutory social welfare and housing funds to our employees could adversely and materially affect our financial condition and results of operations."

E.

Share Ownership

The following table sets forth information with respect to the beneficial ownership of our shares as of the date of this annual report by:

· each of our directors and executive officers; and

· each person known to us to own beneficially more than 5.0% of our shares.

	Ordinary Shares Number	Beneficially Owned ⁽¹⁾⁽²⁾ %	
Directors and Executive Officers:			
Xiande Li ⁽³⁾	24,800,849	15.9	%
Kangping Chen ⁽⁴⁾	15,091,100	9.6	%
Xianhua Li ⁽⁵⁾	6,057,100	3.9	%
Longgen Zhang	—	—	
Wing Keong Siew	—	—	
Steven Markscheid	—	—	
Yingqiu Liu	—	—	
Haiyun (Charlie) Cao	—	—	
All Directors and Executive Officers as a group	45,949,049	29.4	%
Principal Shareholders:			
Brilliant Win Holdings Limited ⁽³⁾	17,735,449	11.3	%
Yale Pride Limited ⁽⁴⁾	10,540,234	6.7	%
Guolao Investments ⁽⁵⁾	10,107,200	6.5	%

- (1) Beneficial ownership is determined in accordance with Rule 13d-3 of the General Rules and Regulations under the Exchange Act, and includes voting or investment power with respect to the securities.

- The percentage of beneficial ownership is calculated by dividing the number of shares beneficially owned by such person or group by 156,457,441 ordinary shares, being the number of shares outstanding as of the date of this annual report (excluding 515,077 ADSs representing 2,060,308 ordinary shares reserved for future grants under our share incentive plans, and 1,723,200 ordinary shares as treasury stock), and the number of ordinary shares underlying options exercisable by such person or group within 60 days of the date of this annual report.

- Represents 17,735,449 ordinary shares held by Brilliant Win Holdings Limited, a British Virgin Islands company which is wholly owned by HSBC International Trustee Limited in its capacity as trustee of an irrevocable trust constituted under the laws of the Cayman Islands, with Xiande Li as the settlor and Yixuan Li, daughter of Xiande Li and Cypress Hope Limited, a British Virgin Islands company wholly owned by Xiande Li, as the beneficiaries. The trust was established for the purposes of Xiande Li's wealth management and family succession planning. HSBC International Trustee Limited as trustee of the irrevocable trust will indirectly hold the shares of Brilliant Win Holdings Limited which in turn holds our ordinary shares. HSBC International Trustee Limited is a professional trustee company wholly owned by HSBC Holdings plc, a public company and is ultimately controlled by the board of directors of HSBC Holdings plc which is answerable to the shareholders of HSBC Holdings plc. Xiande Li is the sole director of Brilliant Win Holdings Limited and as such has the power to vote and dispose of the ordinary shares held by Brilliant Win Holdings Limited, subject to the powers of HSBC International Trustee Limited as trustee. Therefore, Xiande Li is the beneficial owner of all our ordinary shares held by Brilliant Win Holdings Limited. The beneficiaries are also beneficial owners of our ordinary shares held by Brilliant Win Holdings Limited. The registered address of Brilliant Win Holdings Limited is Quastisky Building, PO Box 4389, Road Town, Tortola, British Virgin Islands. Mr. Li is a brother of Mr. Xianhua Li and the brother-in-law of Mr. Kangping Chen.

Represents 10,540,234 ordinary shares held by Yale Pride Limited, a British Virgin Islands company which is wholly owned by HSBC International Trustee Limited in its capacity as trustee of an irrevocable trust constituted under the laws of the Cayman Islands, with Kangping Chen as the settlor and Min Liang, Dong Chen, Xuanle Chen and Xiaoxuan Chen, all of whom are family members of Kangping Chen, and Charming Grade Limited, a British Virgin Islands company wholly owned by Kangping Chen, as the beneficiaries. The trust was established for the purposes of Kangping Chen's wealth management and family succession planning. HSBC International Trustee Limited as trustee of the irrevocable trust will indirectly hold the shares of Yale Pride Limited which in turn holds (4) our ordinary shares. HSBC International Trustee Limited is a professional trustee company wholly owned by HSBC Holdings plc, a public company and is ultimately controlled by the board of directors of HSBC Holdings plc which is answerable to the shareholders of HSBC Holdings plc. Kangping Chen is the sole director of Yale Pride Limited and as such has the power to vote and dispose of the ordinary shares held by Yale Pride Limited, subject to the powers of HSBC International Trustee Limited as trustee. Therefore, Kangping Chen is the beneficial owner of all our ordinary shares held by Yale Pride Limited. The beneficiaries are also beneficial owners of our ordinary shares held by Yale Pride Limited. The registered address of Yale Pride Limited is Quastisky Building, PO Box 4389, Road Town, Tortola, British Virgin Islands. Mr. Chen is the brother-in-law of Mr. Xiande Li.

Represents 10,107,200 ordinary shares beneficially owned by Guolao Investments in the form of ADSs, as reported (5) in the Schedule 13G amendment it filed on February 7, 2018. Guolao Investments is a Cayman Islands company and its address is 4th Floor, Harbour Place, 103 South Church Street, Grand Cayman, KY1-1002, Cayman Islands.

Our ADSs are traded on the NYSE and brokers or other nominees may hold ADSs in "street name" for customers who are the beneficial owners of the ADSs. As a result, we may not be aware of each person or group of affiliated persons who beneficially own more than 5.0% of our ordinary shares.

As of the date of this annual report, 156,457,441 ordinary shares are issued and outstanding (excluding 515,077 ADSs representing 2,060,308 ordinary shares reserved for future grants under our share incentive plans, and 1,723,200 ordinary shares as treasury stock). As of the date of this annual report, we have one record shareholder in the United States, our depositary. We cannot ascertain the exact number of beneficial shareholders with addresses in the United States.

None of our shareholders has different voting rights from other shareholders as of the date of this annual report. We are currently not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

Please refer to “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

B. Related Party Transactions

Related party balances

The following table sets forth the outstanding amounts due from/to related parties as of December 31, 2016 and 2017.

	As of December 31,	
	2016	2017
	RMB	RMB
Accounts receivable from related parties:		
Accounts receivable from Gansu Heihe Hydropower Industrial Investment LLC. (“Gansu Heihe”, in which JinkoSolar owns 9% equity interests)	44,616	-
Accounts receivable from Jiangxi Jinko Engineering for sales of solar modules and others	1,414,039,443	1,049,200,951
Accounts receivable from Sweihan PV Power Company P.S.J.C (“Sweihan PV”, which develops and operates solar power projects in Dubai)	-	1,063,841,109
Advances to related parties		
Advances to subsidiaries of ReneSola	661,788	-
Notes receivables from related parties:		
Notes receivables from Jiangxi Jinko Engineering for sales of solar modules	610,200,000	-
Other receivables from related parties:		
Advances of travel and other business expenses to executive directors who are also shareholders	68,106	8,000

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Other receivables from Jiangxi Jinko Engineering for receivable related to disposal of subsidiaries	-	28,634
Other receivables due from Sweihan Solar Holding Company	-	653,420
Other receivables from Jiangxi Jinko Engineering for miscellaneous transactions	16,704,113	6,712,861
Prepayments to Jiangxi Jinko Engineering for outsourcing services	-	10,333,131
Other receivables from Jiangxi Jinko Engineering for provision of guarantee	62,352,655	28,856,153
Other assets from related parties:		
Other assets from Jiangxi Jinko Engineering for provision of guarantee	173,375,586	146,025,979
Total	2,277,446,307	2,305,660,238
Accounts payable due to a related party:		
Accounts payable due to subsidiaries of ReneSola	-	800,027
Accounts payable due to Jiangsu Jinko-Tiansheng Co., Ltd. ("Jinko-Tiansheng", in which JinkoSolar owns 30% equity interests)	-	4,528,869
Advances from related parties		
Advances from Jiangxi Jinko Engineering for sales of solar modules	60,541,490	37,344,500
Advances from subsidiaries of ReneSola	-	55,444
Other payables due to a related party:		
Other payables to Desun for leasing of land and buildings	7,528,551	8,628,855
Other payables due to Jiangxi Jinko Engineering for payments on behalf of our company	68,505,022	3,704,629
Total	136,575,063	55,062,324

(1) Mr Xianshou Li, chairman and chief executive officer of Renesola, is the brother of Mr Xiande Li, chairman of the board of directors of us.

Advances of travelling and other business expenses to executive directors who are also shareholders represent the (2) amounts we advanced to them for expected expenses, charges and incidentals relating to their business development activities.

(3) Balances due to related parties are interest-free, not collateralized, and have no definitive repayment terms.

Related party transactions

In connection with our disposal of downstream solar project business in China in 2016, we entered into a master service agreement with Jiangxi Jinko Engineering under which we agreed to provide guarantee for Jiangxi Jinko Engineering's financing obligations under its separate loan agreements. In the event that Jiangxi Jinko Engineering fails to perform its obligations under the loan agreements or otherwise defaults thereunder, we will become liable for Jiangxi Jinko Engineering's obligations under the loan agreements, which amounted to RMB5.84 billion (US\$897.9 million) as of December 31, 2017. We charge Jiangxi Jinko Engineering service fees for the debt payment guarantee service according to the master service agreement.

In addition, according to the side agreement signed among Jiangxi Jinko Engineering, investors of Jiangxi Jinko Engineering (the original redeemable preferred shareholders of JinkoSolar Power) and us, the investors of Jiangxi Jinko Engineering will have the right to require Jiangxi Jinko Engineering to redeem the common shares of Jiangxi Jinko Engineering held by them, and, as a result of a guarantee issued by us, in the event that Jiangxi Jinko Engineering fails to perform its redemption obligations, we will become liable for Jiangxi Jinko Engineering's obligations under the redemption, which amounted to US\$297.3 million as of December 31, 2016. We will also charge Jiangxi Jinko Engineering service fees for the redemption guarantee service according to the master service agreement. On June 22, 2017, Jiangxi Jinko Engineering and all its investors reached a new articles of association in which terms and clauses related to the common share redemption guarantee were removed. Hence, management reversed unamortized redemption guarantee liabilities amounted to RMB22.1 million as well as the corresponding receivables amounted to RMB20.4 million. Difference between the guarantee liabilities and the corresponding assets amounted to RMB1.7 million (US\$0.3 million) was recognized as other income in the year ended December 31, 2017.

Pursuant to the master service agreement, guarantee service fee would be settled semi-annually, and we believe that the service fees we charge for the guarantee services are at market rates.

The guarantee receivables will be eliminated upon the receipt of guarantee fees from Jiangxi Jinko Engineering. We received RMB52.6 million (US\$8.1 million) guarantee fees from Jiangxi Jinko Engineering in 2017.

As of December 31, 2016 and December 31, 2017, we recorded the guarantee fee income receivable amounted to RMB235.7 million and RMB227.5 million and a guarantee liability amounted to RMB226.1 million and RMB148.2 million. The guarantee liability will be amortized over the expected guarantee period in the subsequent reporting periods. Other income from Jiangxi Jinko Engineering for the guarantee fee amortized for the period from November to December, 2016 and through the year ended December 31, 2017 amounted to RMB9.6 million and RMB64.2 million (US\$9.9 million), respectively.

After the disposition date of downstream solar project business through December 31, 2016 and in 2017, sales of solar module products to subsidiaries of Jiangxi Jinko Engineering amounted to RMB35.2 million and RMB453.3 million (US\$69.6 million), respectively.

After the establishment of SweihanSolar Holding Company Limited through December 31, 2017, sales of solar module products to Sweihan PV Power Company P.J.S.C amounted to RMB1,219.8 million (US\$187.5 million).

In 2016 and 2017, revenues from sales of products to subsidiaries of Gansu Heihe amounted to RMB103.0 million and nil, respectively.

After the disposition date of downstream solar project business through December 31, 2016 and in 2017, rental services provided to subsidiaries of Jiangxi Jinko Engineering amounted to RMB0.3 million and RMB2.1 million (US\$0.3 million) operating lease agreement, respectively.

Jinko-Tiansheng is an OEM service provider who provided PV module processing and assembling services to us. Since the establishment date of the Jinko-Tiansheng through December 31, 2017, Jinko-Tiansheng charged us processing services fee amounted to RMB8.4 million (US\$1.3 million). Price of the processing services was decided based on the market price.

In 2015, 2016 and 2017, revenues from sales of products to subsidiaries of ReneSola amounted to nil, nil, and RMB6.5 million (US\$1.0 million), respectively.

In 2015, 2016 and 2017, raw materials purchased from a subsidiary of ReneSola amounted to RMB62,640, nil and RMB2.9 million (US\$0.4 million), respectively.

In the fourth quarter of 2017, JinkoSolar International Development Limited disposed Lotapera and four Mexico power plants with the consideration of RMB28,634 (US\$4,383). Considerations associated with the transaction have not been collected as of December 31, 2017.

In November 2017, we entered into an agreement with Jiangxi Jinko Engineering, which entrusted Jiangxi Jinko Engineering to exercise certain shareholders' rights (other than right of profit distribution, right of residual property distribution and right of disposition) in five operating entities of overseas power stations wholly-owned by us, enabling Jiangxi Jinko Engineering to monitor the construction and daily operations of these power stations. We retain ownership of these power stations and there exists no call or other rights of Jiangxi Jinko Engineering in these stations. We agree to pay service fees calculated based on the actual costs incurred by Jiangxi Jinko Engineering during the power stations' construction period and a fixed amount fee during the operation period. We paid RMB13.1 million (US\$2.0 million) in advance and recorded service expenses incurred in 2017 amounted to RMB2.7 million

(US\$0.4 million) as cost of project assets.

On January 1, 2008, Desun and Jiangxi Jinko entered into an operating lease agreement pursuant to which Desun leased its buildings and land use rights to Jiangxi Jinko for a ten-year period from January 1, 2008 to December 31, 2017. Desun charged Jiangxi Jinko RMB1.1 million (US\$0.2 million) in rent in 2015, 2016 and 2017, respectively.

As of December 31, 2017, we entered into a RMB90.0 million loan agreement with a domestic bank which was collateralized on Desun's building and land use right amounted to RMB24.6 million (US\$, and JinkoSolar's certain building and equipment.

Employment Agreements

See “Item 6. Directors, Senior Management and Employees—C. Board Practices” for details regarding employment agreements with our senior executive officers.

Share Incentives

See “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers” for a description of share options and stock purchase rights we have granted to our directors, officers and other individuals as a group.

C. Interests of Experts and Counsel

Not applicable.

Item 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report. See “Item 18 Financial Statements”.

Legal and Administrative Proceedings

In 2011, SolarWorld Industries America Inc., a solar panel manufacturing company in the United States, filed anti-dumping and countervailing duty petitions with the U.S. Department of Commerce and U.S. International Trade Commission against the Chinese solar industry, accusing Chinese producers of CSPV cells, whether or not assembled into modules, of selling their products (i.e., CSPV cells or modules incorporating these cells) in the United States at less than fair value, and of receiving financial assistance from the Chinese governments that benefited the production, manufacture, or exportation of such products. JinkoSolar is on the list of the solar companies subject to such investigations by the U.S. Department of Commerce. On November 9, 2011, the U.S. Department of Commerce announced that it launched the antidumping duty and countervailing duty investigation into the accusations. On December 7, 2012, the U.S. Department of Commerce issued the antidumping duty order and countervailing duty order. As a result, the cash deposits are required to pay on import into the U.S. of the CSPV cells, whether or not assembled into modules from China. The announced cash deposit rates applicable to us are 13.94% (for antidumping margin) and 15.24% (for countervailing rate). The actual antidumping duty and countervailing duty rates at which entries of covered merchandise will be finally assessed may differ from the announced deposit rates because they are subject to the following administrative reviews by U.S. Department of Commerce. In January 2014, the U.S. Department of Commerce initiated the first administrative review of the antidumping duty order and countervailing duty order with respect to CSPV cells, whether or not assembled into modules, from China. In July 2015, the U.S. Department of Commerce issued the final results of this first administrative review, according to which, our tariff rates for dumping and subsidy are 9.67% and 20.94%, respectively. Such rates apply as the final rates on the import into the United States of the CSPV cells, whether or not assembled into modules from China, from May 25, 2012 to November 30, 2013 for dumping, and from March 26, 2012 to December 31, 2012 for countervailing, respectively. Such rates will be the cash deposit rates applicable to us from July 14, 2015. In February 2015 and February 2016, the U.S. Department of Commerce initiated the second administrative and the third administrative review of the antidumping duty order and countervailing duty order with respect to CSPV cells, whether or not assembled into modules, from China, respectively. The U.S. Department of Commerce issued the final results of the second administrative review in June and July of 2016 and the final results of the third administrative review in July 2017. As

we were not included in the second and the third administrative review, the tariff rates applicable to us remained at 9.67% (for antidumping) and 20.94% (for countervailing) after this review. In February 2017, the U.S. Department of Commerce initiated the fourth administrative review of the antidumping duty order and countervailing duty order with respect to CSPV cells, whether or not assembled into modules, from China. The fourth administrative reviews are pending as of the date of this annual report, and therefore, the final tariff rates applicable to us are subject to change. In November 2017, the U.S. Department of Commerce and the U.S. International Trade Commission initiated five-year reviews to determine whether revocation of the antidumping and countervailing duty orders with respect to crystalline silicon photovoltaic cells, whether or not assembled into modules from China, would likely lead to continuation or recurrence of material injury. In March 2018, the U.S. Department of Commerce determined that revocation of the countervailing order would likely to lead to continuation or recurrence of a net countervailable subsidy. The U.S. International Trade Commission's determination of the five-year reviews are pending as of the date of this annual report. In February 2018, the U.S. Department of Commerce initiated the fifth administrative review of the antidumping duty order and countervailing duty order with respect to CSPV cells, whether or not assembled into modules, from China. The fifth administrative reviews are pending as of the date of this annual report, and therefore, the final tariff rates applicable to us are subject to change.

In 2013, SolarWorld Industries America Inc. filed a separate petition with the U.S. Department of Commerce and the U.S. International Trade Commission resulting in the institution of new antidumping and countervailing duty investigations against import of certain CSPV products from China. The petitions accused Chinese producers of such certain CSPV modules of dumping their products in the United States and receiving countervailable subsidies from the Chinese government. This action excludes from its scope the CSPV cells, whether or not assembled into modules, from China. In February 2015, following the affirmative injury determination made by U.S. International Trade Commission, the U.S. Department of Commerce issued the antidumping duty order and countervailing duty order. As a result, the final cash deposits are required to pay on import into the United States of the CSPV modules assembled in China consisting of CSPV cells produced in a customs territory other than China. The announced cash deposit rates applicable to us are 65.36% (for antidumping) and 38.43% (for countervailing). The actual antidumping duty and countervailing duty rates at which entries of covered merchandise will be finally assessed may differ from the announced deposit rates because they are subject to the administrative reviews by the U.S. Department of Commerce. In April 2016 and April 2017, the U.S. Department of Commerce initiated the first and the second administrative review of the antidumping duty order and countervailing duty order with respect to CSPV modules assembled in China consisting of CSPV cells produced in a customs territory other than China, respectively. In July and September 2017, the U.S. Department of Commerce issued the final results of this first administrative review. The second administrative reviews of the antidumping duty order and countervailing duty order were rescinded by the U.S. Department of Commerce in August 2017 and November 2017, respectively. The tariff rates applicable to us remained at 65.36% (for antidumping) and 38.43% (for countervailing).

In May 2017, U.S. International Trade Commission initiated global safeguard investigation to determine whether CSPV cells (whether or not partially or fully assembled into other products) are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported articles ("Section 201 Investigation"). The Section 201 Investigations are not country specific. They involve imports of the products under investigation from all sources, including China. In September 2017, the U.S. International Trade Commission voted affirmatively in respect of whether imports of CSPV cells (whether or not partially or fully assembled into other products) are causing serious injury to domestic producers of CSPV products. On January 22, 2018, the U.S. President made the final decision to provide a remedy to the U.S. industry, and the CSPV cells/modules concerned are subject to the safeguard measures established in the U.S. President's final result, which includes that the CSPV cells and modules imported will be subject to additional duties of 30%, 25%, 20% and 15% from the first year to the fourth year, respectively, except for the first 2.5 GW of all imported CSPV cells concerned in each of those four years, which are excluded from the additional tariff. It is believed that the costs of solar power projects in the United States may increase and the demand for solar PV products in the United States may be adversely impacted due to the decision of the White House under the Section 201 Investigation. Although we are planning to construct a manufacturing facility in the United States, and the products manufactured in the facility should not be subject to tariffs, we will still be subject to tariffs if we ship our products from our manufacturing facilities overseas into the United States before the facility is operational and that we are able to ship products from the facility. Our imports of solar cells and modules into the United States are expected to be subject to the duties imposed by Section 201 Investigation starting in February 2018. Accordingly, our business and profitability of these products may be materially and adversely impacted by the decision of the White House under the Section 201 Investigation.

In August 2017, the United States Trade Representative initiated an investigation pursuant to the Trade Act of 1974, as amended (the “Trade Act”), to determine whether acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation are actionable under the Trade Act (“Section 301 Investigation”). The findings from the United States Trade Representative with the assistance of the interagency Section 301 committee show that the acts, policies, and practices of the Chinese government related to technology transfer, intellectual property and innovation are unreasonable or discriminatory and burden or restrict the U.S. commerce. On March 22, 2018, the U.S. President directed his administration to take a range of actions responding to China’s acts, policies, and practices involving the unfair and harmful acquisition of U.S. technology. These actions include imposing an additional duty of 25 percent on products from China in aerospace, information and communication technology, and machinery. On April 3, 2018, the United States Trade Representative proposes a list of products from China which will be subject to the additional duty. The list of products, which the United States Trade Representative may further revise, may affect the solar industry and the establishment of our new manufacturing facility in the United States.

Our sales in the United States may be adversely affected by these anti-dumping and countervailing duties, which may in turn materially adversely affect our business, financial condition and results of operations. We made provisions of RMB12.1 million (US\$1.9 million) for preliminary U.S. countervailing and anti-dumping duties in 2017. However, as the final tariff rates applicable to us are subject to the outcome of the administrative reviews which may be substantially increased by the U.S. Department of Commerce, we cannot assure you that our provision made is sufficient and our business and results of operations may be materially adversely affected if the outcome of the administrative reviews turn out to be negative.

In March 2018, the U.S. President signed a memorandum, instructing the relevant authorities to impose restrictions on China based on a report on investigation against China under the Trade Act (“Section 301 Investigation”) issued by the Office of the U.S. Trade Representative. According to the memorandum, the tariffs on US\$60 billion of Chinese exports to the United States in response to China’s alleged theft of U.S. intellectual property. The above action may restraint import from China which may affect the solar industry, especially to the business like ours.

On October 11, 2011, JinkoSolar, along with our directors and officers at the time of our initial public offering, or the Individual Defendants, and the underwriters of our initial public offering were named as defendants in a putative shareholder class action lawsuit filed in the United States District Court for the Southern District of New York captioned *Marco Peters v. JinkoSolar Holding Co., Ltd., et al.*, Case No. 11-CV-7133 (S.D.N.Y.). In an amended complaint filed on June 1, 2012, the plaintiff, representing a class of all purchasers and acquirers of ADSs of JinkoSolar between May 13, 2010 and September 22, 2011, inclusive, alleged that the defendants violated Sections 11 and 12(a)(2) of the Securities Act and Section 10(b) of the Exchange Act, by making material misstatements or failing to disclose material information regarding, among other things, JinkoSolar’s compliance with environmental regulations at its Haining facility. The amended complaint also asserted claims against the Individual Defendants for control person liability under Section 15 of the Securities Act and Section 20(a) of the Exchange Act. On January 22, 2013, the District Court issued a Memorandum and Order dismissing the amended complaint as against all defendants. The plaintiff appealed the District Court’s Order to the United States Court of Appeals for the Second Circuit, which issued an order on July 31, 2014 vacating the District Court’s Order and remanding the case to the District Court for further proceedings. Defendants filed a further motion to dismiss the amended complaint. On January 22, 2015, JinkoSolar agreed, subject to court approval, to settle the lawsuit. The settlement, if approved, will also resolve all related claims against JinkoSolar’s officers and directors as well as the underwriters involved in JinkoSolar’s public offerings during the relevant period. Under the terms of the proposed settlement, the members of the proposed class will receive a settlement fund of \$5.05 million, less any court-approved fees. JinkoSolar will contribute a portion of the settlement fund, and JinkoSolar’s insurers will fund the remaining portion. JinkoSolar will not take any charge in connection with the settlement. JinkoSolar has denied, and continues to deny, the allegations and is entering into this settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation. On March 11, 2016, the District Court entered an Order and Final Judgment approving such settlement, certifying the proposed class for settlement purposes, and dismissing the amended complaint with prejudice.

In July 2008, Jiangxi Jinko entered into a long-term supply agreement with Wuxi Zhongcai, a producer of polysilicon materials. Jiangxi Jinko provided a prepayment of RMB95.6 million pursuant to such contract. Wuxi Zhongcai subsequently halted production as a result of the adverse changes in the polysilicon market. In February 2013, Jiangxi

Jinko sued Wuxi Zhongcai in Shangrao City Intermediate People's Court for the refund of the outstanding balance of our prepayment of RMB93.2 million after deducting delivery made to Jiangxi Jinko by an affiliate of Wuxi Zhongcai. In February 2013, Wuxi Zhongcai sued Jiangxi Jinko in Shanghai Pudong New Area People's Court for approximately RMB2.7 million for breaching the contract by failing to make allegedly required payments and reject the refund of the prepayment of RMB 95.6 million to Jiangxi Jinko. In December 2015, Jiangxi Jinko made an alternation of the claim under which Jiangxi Jinko requested the refund of the prepayment of RMB93.2 million, the interests accrued from such prepayment, and the liquidated damages in the amount of RMB93.2 million. In January 2016, Wuxi Zhongcai also changed the compliant, in which it claimed for the liquidated damages amounting to approximately RMB102.0 million and the losses suffered from the termination of the agreement in the amount of RMB150.0 million and rejected the refund of the prepayment of RMB 95.6 million to Jiangxi Jinko. Shanghai High People's Court ruled on both lawsuits in June 2017. In Jiangxi Jinko v. Wuxi Zhongcai, the court sided with Wuxi Zhongcai and denied Jiangxi Jinko's complaint. In Wuxi Zhongcai v. Jiangxi Jinko, the court decided that Wuxi Zhongcai shall retain the balance of our prepayment in the amount of RMB93.2 million and the remaining claims of Wuxi Zhongcai were denied. Jiangxi Jinko appealed both court decisions. Wuxi Zhongcai appealed the decision on Wuxi Zhongcai v. Jiangxi Jinko. The first court hearing was held on November 22, 2017. The above two lawsuits are pending before the Supreme People's Court as of the date of this annual report. We provided full provision for the RMB93.2 million of the outstanding balance of prepayments to Wuxi Zhongcai in 2012.

In the fourth quarter of 2017, we decided to fulfill the demand for our solar products in South Africa through other overseas manufacturing facilities, and closed our manufacturing facility in South Africa. In December 2017, the South African Revenue Services (“SARS”), issued a letter of demand in terms of the Customs and Excise Act (the “Act”). The demand is for the amount of approximately ZAR573.1 million (US\$42.4 million) against JinkoSolar (Pty) Ltd, our subsidiary. SARS alleges that JinkoSolar (Pty) Ltd’s importation of certain components for the manufacturer of solar panels and the rebate of customs duty did not comply with the Act. We are of the view that SARS’ decision to persist with the letter of demand for the amounts in question is without any legal basis and intend on vigorously defending all claims against JinkoSolar (Pty) Ltd. JinkoSolar (Pty) Ltd has submitted an application to SARS for the suspension of payment for the amount demanded, pending the finalization of the dispute. JinkoSolar (Pty) Ltd intends to lodge an internal appeal in terms of section 77A – 77F of the Act against the decision of SARS to claim the amounts demanded and the basis thereof. We assessed the potential impact of the dispute and concluded that the potential exposure JinkoSolar (Pty) Ltd. would be subject to is less than RMB70,000, which is immaterial to our consolidated financial statements.

Other than as disclosed above, we are currently not a party to any other material legal or administrative proceedings, and we are not aware of any other material legal or administrative proceedings threatened against us. We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

Dividend Policy and Dividend Distribution

We have never declared or paid dividends, nor do we have any present plan to pay any cash dividends on our ordinary shares or ADSs in the foreseeable future. We currently intend to retain our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We rely principally on dividends paid to us by our wholly-owned operating subsidiaries in China, Jiangxi Jinko and Zhejiang Jinko, to fund the payment of dividends, if any, to our shareholders. PRC regulations currently permit our PRC subsidiaries to pay dividends only out of their retained profits, if any, as determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside a certain amount of their retained profits each year, if any, to fund certain statutory reserves. These reserves may not be distributed as cash dividends. Furthermore, when Jiangxi Jinko, Zhejiang Jinko or JinkoSolar Technology incurs debt on its own behalf, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us.

Subject to our memorandum and articles of association and applicable laws, our board of directors has complete discretion on whether to pay dividends. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial

condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, we will pay our ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ADSs, if any, will be paid in U.S. dollars.

The principal regulations governing distribution of dividends paid by wholly foreign owned enterprises include:

- Wholly Foreign Owned Enterprise Law (1986), as amended; and
- Wholly Foreign Owned Enterprise Law Implementation Rules (1990), as amended.

Under these regulations, foreign-invested enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign owned enterprise in China is required to set aside at least 10.0% of their after-tax profit based on PRC accounting standards each year to its general reserves until the accumulative amount of such reserves reach 50.0% of its registered capital. These reserves are not distributable as cash dividends. A foreign invested enterprise has the discretion to allocate a portion of its after-tax profits to staff welfare and bonus funds and expansion funds, which may not be distributed to equity owners.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. THE OFFER AND LISTING

A. Offering and Listing Details

Our ADSs, each representing four ordinary shares, have been listed on the NYSE since May 14, 2010. Our ADSs trade under the symbol “JKS.” For the period from May 14, 2010 to December 31, 2017, the trading price of our ADSs on the NYSE has ranged from US\$2.00 to US\$24.05 per ADS. The following table provides the high and low market prices for our ADSs on the NYSE.

	Price per ADS	
	High	Low
	(US\$)	
Annual highs and lows		
2010 (from May 14, 2010)	41.75	8.23
2011	32.21	4.55
2012	10.07	2.01
2013	34.88	3.96
2014	37.98	16.83
2015	32.28	14.32
2016	27.43	12.72
2017	30.50	13.70
Quarterly highs and lows		
First Quarter 2016	27.43	16.95
Second Quarter 2016	24.04	18.88
Third Quarter 2016	21.17	14.32

Fourth Quarter 2016	17.69	12.72
First Quarter 2017	17.98	13.70
Second Quarter 2017	22.19	16.30
Third Quarter 2017	30.50	19.61
Fourth Quarter 2017	29.38	21.90
First Quarter 2018	25.06	17.18
Second Quarter 2018 (through April 23, 2018)	20.04	18.81
Monthly highs and lows		
October 2017	26.67	22.60
November 2017	28.41	24.18
December 2017	26.66	22.58
January 2018	25.06	20.94
February 2018	21.80	17.18
March 2018	20.50	17.50
April 2018 (through April 23, 2018)	20.04	18.81

B.

Plan of Distribution

Not Applicable.

C. Markets

Our ADSs, each representing four ordinary shares, have been listed on the NYSE since May 14, 2010 under the symbol “JKS.”

D. Selling Shareholders

Not Applicable.

E. Dilution

Not Applicable.

F. Expenses of the Issue

Not Applicable.

Item 10. ADDITIONAL INFORMATION

A. Share Capital

Not Applicable.

B. Memorandum and Articles of Association

We incorporate by reference into this annual report the description of our amended and restated memorandum and articles of association contained in our F-1 registration statement (File No. 333-164432), as amended, initially filed with the Commission on February 9, 2010. Our shareholders adopted our amended and restated memorandum and articles of association on January 8, 2010 and effective upon completion of our initial public offering of common shares represented by our ADSs.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 4. Information on the Company” or elsewhere in this annual report.

D. Exchange Controls

See “Item 4. Information on the Company—B. Business Overview—Regulation—Foreign Currency Exchange” and “—Dividend Distribution.”

E. Taxation

The following summary of the material Cayman Islands, Hong Kong, the PRC and United States federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under United States state or local tax laws, or tax laws of jurisdictions other than the Cayman Islands, Hong Kong, the PRC and the United States.

Cayman Islands Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. No Cayman Islands stamp duty will be payable unless an instrument is executed in, or after execution, brought within the jurisdiction of the Cayman Islands, or produced before a court of the Cayman Islands. The Cayman Islands is not a party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Hong Kong Taxation

The following is a summary of the material Hong Kong tax consequences of the ownership of the ADSs by an investor that either holds the ADSs (or recognizes gains on a mark-to-market basis for accounting purposes) or resells the ADSs. This summary does not purport to address all possible tax consequences of the ownership of the ADSs, and does not take into account the specific circumstances of any particular investors (such as tax-exempt entities, certain insurance companies, broker-dealers etc.), some of which may be subject to special rules. Accordingly, holders or prospective purchasers (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult their own tax advisers regarding the tax consequences of purchasing, holding or selling our ADSs. This summary is based on the tax laws of Hong Kong as in effect on the date of this annual report and is subject to changes and does not constitute legal or tax advice to you.

Under the current laws of Hong Kong:

- No profits tax is imposed in Hong Kong in respect of capital gains from the sale of the ADSs.

However, revenue gains from the sale of ADSs by persons carrying on a trade, profession or business in Hong Kong where the gains are derived from or arise in Hong Kong from the trade, profession or business will be chargeable to Hong Kong profits tax, which is currently imposed at the rate of 16.5% on corporations and at the rate of 15% on individuals and unincorporated businesses. Certain categories of taxpayers whose trade, profession or business consists of buying and selling shares are likely to be regarded as deriving revenue gains rather than capital gains (for example, financial institutions, insurance companies and securities dealers) unless these taxpayers can prove that the investment securities are held as capital assets. Subject to the above, gains arising from the sale of ADSs, where the purchases and sales of ADSs are effected outside of Hong Kong (*e.g.*, on the New York Stock Exchange), should not be subject to Hong Kong profits tax.

According to the current tax practice of the Hong Kong Inland Revenue Department, dividends paid by us on ADSs would not be subject to any Hong Kong tax, even if received by investors in Hong Kong.

- No Hong Kong stamp duty is payable on the purchase and sale of the ADSs.

People's Republic of China Taxation

See “Item 4. Information on the Company—B. Business Overview—Regulation—Tax.”

U.S. Federal Income Taxation

Introduction

The following discussion describes the material U.S. federal income tax consequences of the purchase, ownership and disposition of the ordinary shares or ADSs (evidenced by ADRs) by U.S. Holders (as defined below). This discussion applies only to U.S. Holders that hold the ordinary shares or ADSs as capital assets. This discussion is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or to different interpretation. This discussion is also based in part on representations by the depositary and assumes that each obligation under the deposit agreement and any related agreement will be performed in accordance with its terms. This discussion does not address all of the tax considerations that may be relevant to specific U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special treatment under U.S. federal income tax law (such as banks, other financial institutions, insurance companies, tax-exempt entities, retirement plans, regulated investment companies, partnerships, dealers in securities or currencies, brokers, traders in securities electing to mark to market, financial institutions, U.S. expatriates, persons who have acquired the shares or ADSs as part of a straddle, hedge, conversion transaction or other integrated investment, persons that have a “functional currency” other than the U.S. dollar or persons that own (or are deemed to own) 10% or more of our stock by vote or value). If a partnership holds ordinary shares or ADSs, the consequences to a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding ordinary shares or ADSs should consult its own tax advisor regarding the U.S. tax consequences of its investment in the ordinary shares or ADSs through the partnership. This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift, the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders or alternative minimum tax considerations.

As used in this discussion, the term “U.S. Holder” means a beneficial owner of the ordinary shares or ADSs, for U.S. federal income tax purposes, that is (i) an individual who is a citizen or resident of the United States, (ii) a corporation, or other entity classified as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any state thereof, or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source thereof, or (iv) a trust with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on August 19, 1996 and were treated as domestic trusts on that date.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSIDERATIONS APPLICABLE TO THEM RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE ORDINARY SHARES OR AMERICAN DEPOSITARY SHARES, INCLUDING THE APPLICABILITY OF U.S. FEDERAL, STATE AND LOCAL TAX LAWS OR NON-U.S. TAX LAWS, ANY CHANGES IN APPLICABLE TAX LAWS AND ANY PENDING OR PROPOSED LEGISLATION OR REGULATIONS.

ADSs

In general, for U.S. federal income tax purposes, a U.S. Holder of an ADS will be treated as the owner of the ordinary shares represented by the ADSs and exchanges of ordinary shares for ADSs, and ADSs for ordinary shares, will not be subject to U.S. federal income tax.

The U.S. Treasury Department has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security, and the claiming of foreign tax credits, by the holder of the ADS (which may include, for example, pre-releasing ADSs to persons that do not have the beneficial ownership of the securities underlying the ADSs). These actions also may be inconsistent with the claiming of the reduced rate of tax applicable to certain dividends received by non-corporate U.S. Holders of ADSs, including individual U.S. Holders. Accordingly, among other things, the availability of foreign tax credits or the reduced tax rate for dividends received by non-corporate U.S. Holders, each discussed below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of an ADS and our company if, as a result of such actions, the holders of ADSs are not properly treated as beneficial owners of ordinary shares.

Dividends

Subject to the discussion below under “—Passive Foreign Investment Company,” the gross amount of any distribution made by us on the ordinary shares or ADSs generally will be treated as a dividend includible in the gross income of a U.S. Holder as ordinary income to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, when received by the U.S. Holder, in the case of ordinary shares, or when actually or constructively received by the Depositary, in the case of ADSs. If dividends are converted into U.S. dollars on the date of receipt, you generally should not be required to recognize foreign currency gain or loss in respect of the distribution. To the extent the amount of such distribution exceeds our current and accumulated earnings and profits as so computed, it will be treated first as a non-taxable return of capital to the extent of such U.S. Holder’s adjusted tax basis in such ordinary shares or ADSs and, to the extent the amount of such distribution exceeds such adjusted tax basis, will be treated as gain from the sale of such ordinary shares or ADSs. We, however, may not calculate earnings and profits in accordance with U.S. tax principles. In this case, all distributions by us to U.S. Holders will generally be treated as dividends.

Subject to certain exceptions for short-term positions, certain dividends received by non-corporate U.S. Holders, including individuals, generally will be subject to reduced rates of taxation. This reduced income tax rate is applicable to dividends paid by “qualified foreign corporations” and only with respect to ordinary shares or ADSs held for a minimum holding period of at least 61 days during a specified 121-day period, and if certain other conditions are met. A non-U.S. corporation is treated as a qualified foreign corporation with respect to dividends received from that corporation on shares (or ADSs backed by such shares) that are readily tradable on an established securities market in the United States and was not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company (a “PFIC”). We should be a qualified foreign corporation because our ADSs are listed on the NYSE. Accordingly, subject to the conditions described above and the discussions below under “—Passive Foreign Investment Company,” dividends paid by us on shares represented by ADSs generally will be eligible for the reduced income tax rate. A qualified foreign corporation also includes a foreign corporation that is eligible for the benefits of an income tax treaty with the United States, so long as the Secretary of the United States Treasury has determined such treaty is satisfactory for purposes of the reduced rate and such treaty includes an exchange of information program. The Secretary of the United States Treasury has determined that the U.S. income tax treaty with China satisfies these requirements. Accordingly, in the event that we are deemed to be a PRC tax resident enterprise under the CIT Law and if we are eligible for the benefits of the income tax treaty between the United States and China, dividends we pay on the ordinary shares, regardless of whether such shares are represented by ADSs, would be subject to the reduced rates of taxation described above (subject to the general conditions for the reduced tax rate on dividends described above). Dividends paid by us will not be eligible for the “dividends received” deduction generally allowed to corporate shareholders with respect to dividends received from U.S. corporations.

Because the ordinary shares are not themselves listed on a U.S. exchange, dividends received with respect to ordinary shares that are not represented by ADSs may not be treated as qualified dividends. U.S. Holders should consult their own tax advisors regarding the potential availability of the reduced dividend tax rate in respect of ordinary shares.

Dividends paid by us will constitute income from sources outside the United States for U.S. foreign tax credit limitation purposes and will be categorized as “passive category income” or, in the case of certain U.S. Holders, as “general category income” for U.S. foreign tax credit purposes. In the event that we are deemed to be a PRC tax resident enterprise under the CIT Law, PRC withholding taxes may be imposed on dividends paid with respect to the ordinary shares or ADSs, and, subject to certain conditions and limitations, such PRC withholding taxes may be treated as foreign taxes eligible for credit against your U.S. federal income tax liability. Alternatively, the U.S. Holder may deduct such PRC income taxes from its U.S. federal taxable income, provided that the U.S. Holder elects to deduct rather than credit all foreign income taxes for the relevant taxable year. In certain circumstances, however, if U.S. Holders have held the ordinary shares or ADSs for less than a specified minimum period during which such U.S. Holders are not protected from risk of loss, or are obligated to make payments related to the dividends, such U.S. Holders will not be allowed a U.S. foreign tax credit for any PRC withholding taxes imposed on dividends paid on the ordinary shares or ADSs. The rules relating to the U.S. foreign tax credit are complex. U.S. Holders should consult their own tax advisors regarding the availability of a foreign tax credit in their particular circumstance.

A distribution of additional ordinary shares or ADSs or rights to subscribe for ordinary shares or ADSs to U.S. Holders with respect to their ordinary shares or ADSs that is made as part of a pro rata distribution to all shareholders generally will not be subject to U.S. federal income tax, unless the U.S. Holder has the right to receive cash or property, in which case the U.S. Holder will be treated as if it received cash equal to the fair market value of the distribution.

Sale or Other Disposition of Ordinary Shares or ADSs

Subject to the discussion below under “—Passive Foreign Investment Company,” a U.S. Holder generally will recognize gain or loss for U.S. federal income tax purposes upon a sale or other disposition of the ordinary shares or ADSs in an amount equal to the difference between the amount realized from such sale or disposition and the U.S. Holder’s adjusted tax basis in such ordinary shares or ADSs. Such gain or loss generally will be a capital gain or loss and will be long-term capital gain (taxable at a reduced rate for non-corporate U.S. Holders, including individuals) or loss if, on the date of sale or disposition, such ordinary shares or ADSs were held by such U.S. Holder for more than one year. The deductibility of capital losses is subject to significant limitations. Any gain or loss on the sale or disposition will be treated as U.S. source income or loss for U.S. foreign tax credit limitation purposes. However, in the event that we are deemed to be a PRC tax resident enterprise under the CIT Law, a U.S. Holder may be eligible for the benefits of the income tax treaty between the United States and the PRC. Under that treaty, if any PRC tax was to be imposed on any gain from the disposition of the ordinary shares or ADSs, the gain may be treated as PRC-source income. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign withholding tax is imposed on a disposition of the ordinary shares or ADSs, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company

Based on the composition of our assets and income, we believe that we were not a PFIC for U.S. federal income tax purposes with respect to our 2017 taxable year, and we do not currently intend or anticipate becoming a PFIC for our 2018 taxable year or any future taxable year. The determination of PFIC status is a factual determination that must be made annually at the close of each taxable year. Changes in the nature of our income or assets, the manner and rate at which we spend cash that we hold, or a decrease in the trading price of the ordinary shares or ADSs may cause us to be considered a PFIC in the current or any subsequent year. However, as noted above, there can be no certainty in this regard until the close of each taxable year.

In general, a non-U.S. corporation will be treated as a PFIC for U.S. federal income tax purposes in any taxable year in which either (i) at least 75% of its gross income is “passive income” or (ii) on average at least 50% of the value of its assets is attributable to assets that produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents and gains from commodities and securities transactions. Passive income does not include rents and royalties derived from the active conduct of a trade or business. If we own at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of the PFIC tests, as owning our proportionate share of the other corporation’s assets and receiving our proportionate share of the other corporation’s income.

If we are a PFIC in any year during which a U.S. Holder owns the ordinary shares or ADSs, such U.S. Holder may experience certain adverse tax consequences. Such U.S. Holder could be liable for additional taxes and interest charges upon (i) distributions received by the U.S. Holder on our ordinary shares or ADSs during the year, but only to the extent that the aggregate of the distributions for the taxable year exceeds 125% of the average amount of distributions received by the U.S. Holder during the shorter of the preceding three years or the U.S. Holder’s holding period for the ordinary shares or ADSs, or (ii) upon a sale or other disposition of the ordinary shares or ADSs at a gain, whether or not we continue to be a PFIC (each an “excess distribution”). The tax will be determined by allocating the excess distribution ratably to each day of the U.S. Holder’s holding period. The amount allocated to the current taxable year and any taxable year with respect to which we were not a PFIC will be taxed as ordinary income (rather than capital gain) earned in the current taxable year. The amount allocated to other taxable years will be taxed at the highest marginal rates applicable to ordinary income for such taxable years and, in addition, an interest charge will be imposed on the amount of such taxes.

These adverse tax consequences may be avoided if the U.S. Holder is eligible to and does elect to annually mark-to-market the ordinary shares or ADSs. If a U.S. Holder makes a mark-to-market election, such holder will generally include as ordinary income the excess, if any, of the fair market value of the ordinary shares or ADSs at the end of each taxable year over their adjusted basis, and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted basis of the ordinary shares or ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Any gain recognized on the sale or other disposition of the ordinary shares or ADSs will be treated as ordinary

income. The mark-to-market election is available only for “marketable stock,” which is stock that is regularly traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in the applicable Treasury regulations. We expect the ADSs to be “marketable stock” because our ADSs are listed on the NYSE, but it is unclear whether our ordinary shares would be so treated.

A U.S. Holder’s adjusted tax basis in the ordinary shares or ADSs will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. If a U.S. Holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ordinary shares or ADSs are no longer regularly traded on a qualified exchange or the Internal Revenue Service consents to the revocation of the election. U.S. Holders are urged to consult their tax advisors about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

The above results may also be eliminated if a U.S. Holder is eligible for and makes a valid qualified electing fund election, or QEF election. If a QEF election is made, such U.S. Holder generally will be required to include in income on a current basis its pro rata share of its ordinary income and its net capital gains. We do not intend to prepare or provide the information that would entitle U.S. Holders to make a QEF election.

If we are a PFIC for any taxable year during which you hold our ordinary shares or ADSs, we will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold the ordinary shares or ADSs, unless we cease to be a PFIC and you make a “deemed sale” election with respect to the ordinary shares or ADSs, as applicable. If such election is made, you will be deemed to have sold the ordinary shares or ADSs you hold at their fair market value on the last day of the last taxable year for which we were a PFIC and any gain from such deemed sale would be subject to the excess distribution rules described above. After the deemed sale election, your ordinary shares or ADSs with respect to which such election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

If we are regarded as a PFIC, a U.S. Holder of ordinary shares or ADSs must make an annual return containing such information as the Secretary of the United States Treasury may require. Additionally, the reduced tax rate for dividend income, as discussed above under “—Dividends” is not applicable to a dividend paid by us if we are a PFIC for either the year the dividend is paid or the preceding year.

Prospective investors should consult their own tax advisors regarding the U.S. federal income tax consequences of an investment in a PFIC.

Foreign Financial Asset Reporting

Certain U.S. Holders that own “specified foreign financial assets” with an aggregate value in excess of US\$50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. The understatement of income attributable to “specified foreign financial assets” in excess of U.S.\$5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. U.S. Holders who fail to report the required information could be subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

Backup Withholding Tax and Information Reporting Requirements

Dividend payments made to U.S. Holders and proceeds paid from the sale or other disposition of their ordinary shares or ADSs may be subject to information reporting to the Internal Revenue Service and, possibly, to U.S. federal backup withholding. Certain exempt recipients are not subject to these information reporting requirements. Backup withholding will not apply to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification, or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification).

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability. A U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service in a timely manner and furnishing any required information.

Prospective investors should consult their own tax advisors as to their qualification for an exemption from backup withholding and the procedure for obtaining this exemption.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H.

Documents on Display

We have filed with the SEC registration statements on Form F-1 (File Number 333-164432 and File Number 333-170146). We also filed with the SEC a related registration statement on Form F-6 (File Number 333-164523) with respect to the ADSs. We have also filed with the SEC registration statements on Form F-3 (File Number 333-190273 and File Number 333-193379). With respect to our securities to be issued under our 2009 Long Term Incentive Plan, we have filed with the SEC registration statements on Form S-8 (File Number 333-170693 and 333-180787). With respect to our securities to be issued under our 2014 Equity Incentive Plan, we have filed with the SEC registration statement on Form S-8 (File Number 333-204082).

We are subject to the periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F no later than four months after the close of each fiscal year, which is December 31. Copies of reports and other information, when so filed with the SEC, can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. The public may obtain information regarding the Washington, D.C. Public Reference Room by calling the Commission at 1-800-SEC-0330. The SEC also maintains a web site at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We will furnish JPMorgan Chase Bank, N.A., the depositary of our ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

I.

Subsidiary Information

Not applicable.

Inflation

Since our inception, inflation in China has not materially impacted our results of operations. According to the National Bureau of Statistics of China, inflation as measured by the consumer price index in China was 1.4%, 2.0% and 1.6% in 2015, 2016 and 2017, respectively.

Foreign Exchange Risk

Our sales in China are denominated in Renminbi and our costs and capital expenditures are also largely denominated in Renminbi. Our export sales are generally denominated in U.S. dollars, Euros, AUD, and Japanese Yen and we also incur expenses in foreign currencies, including U.S. dollars, Japanese Yen and Euros, in relation to the procurement of silicon materials, equipment and consumables such as crucibles. In addition, we have outstanding debt obligations, and may continue to incur debts from time to time, denominated and repayable in foreign currencies. Accordingly, any significant fluctuations between the Renminbi and the U.S. dollar and other foreign currencies including Japanese Yen and Euro could expose us to foreign-exchange risk. In addition, as we expand our sales to major export markets, we expect our foreign-exchange exposures will increase.

We have entered into foreign exchange forward contracts with certain local banks to reduce volatility in our economic value caused by foreign currency fluctuations. These contracts are not designated as hedges and are marked to market at each reporting date, with changes in fair value recognized in the consolidated statements of operations. As of December 31, 2017, our foreign exchange forward contracts had a total notional value of US\$10 million. These contracts mature within 12 months. To determine fair value of these contracts, we use a discounted cash-flow methodology to measure fair value, which requires inputs such as interest yield curves and foreign exchange rates. We had a loss relating to change in fair value of foreign exchange forward contracts recognized in earnings of RMB8.2 million (US\$1.3 million) in 2017. However, we cannot predict the impact of future exchange rate fluctuations on our results of operations and may incur net foreign currency losses in the future in relation to unhedged foreign currency exposure or loss on our hedging instruments.

We provide credit to our overseas customers. We incurred a net foreign-exchange loss of RMB114.3 million (US\$17.6 million) in 2017 due to the appreciation of the U.S. dollars against the Renminbi. We incurred a net foreign-exchange gain of RMB208.8 million in 2016 and a net foreign-exchange loss of RMB86.5 million in 2015.

The value of your investment in our ADSs will be primarily affected by the foreign-exchange rate between U.S. dollars and Renminbi. To the extent we hold assets denominated in U.S. dollars any appreciation of the Renminbi against the U.S. dollar could result in a change to our statement of operations and a reduction in the value of our U.S. dollar denominated assets. On the other hand, a decline in the value of the Renminbi against the U.S. dollar could reduce the U.S. dollar equivalent amounts of our financial results, the value of your investment in our company and the dividends we may pay in the future, if any, all of which may have a material adverse effect on the prices of ADSs. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Fluctuations in exchange rates could adversely affect our results of operations.”

As of December 31, 2017, we held RMB1,928.3 million (US\$296.4 million) in cash and cash equivalents, of which RMB1,212.2 million (US\$186.3 million) were denominated in U.S. dollars, a 10% change in the exchange rates between the Renminbi and the U.S. dollar would result in an increase or decrease of RMB192.8 million (US\$29.6 million) in our cash and cash equivalents.

Interest Rate Risk

Our exposure to interest rate risks relates to interest expenses incurred in connection with our short-term and long-term borrowings, and interest income generated by excess cash invested in demand deposits and liquid investments with original maturities of three months or less.

As of December 31, 2017, our total outstanding RMB denominated short-term borrowings were RMB2.79 billion (US\$429.0 million) with a weighted average interest rate of 3.81% per annum and RMB denominated long-term borrowing were RMB242.6 million (US\$37.3 million) with a weighted average interest rate of 3.30%. In addition, as of December 31, 2017, we had outstanding short-term loans of RMB3 million denominated and payable in INR with a weighted average interest rate of 9% per annum, outstanding short-term loans of RMB3.17 billion (US\$487.6 million) denominated and payable in U.S. dollars with a weighted average interest rate of 3.51% per annum, and outstanding short-term loans of RMB237.2 million (US\$36.5 million) denominated and payable in JPY with a weighted average interest rate of 0.75% per annum. In addition, we had outstanding long-term loans of RMB137.2 million (US\$21.1 million) denominated and payable in U.S. dollars with a weighted average interest rate of 4.5% per annum.

In November 2014, we signed a US\$20.0 million two-year credit agreement with Wells Fargo, the term of which was later extended to October 2019. The credit limit was raised to US\$40.0 million in June 2015 and further to US\$60.0 million in July 2016 through amendments to the credit agreement. Borrowings under the credit agreement will be used to support our working capital and business operations

In May 2015, we signed a US\$20.0 million three-year bank facility agreement with Barclay Bank, which was subsequently raised to US\$40.0 million, to support our working capital and business operations.

In September 2016, we signed a US\$25.0 million two-year bank facility agreement with Malayan Banking Berhad to support our working capital and business operations in Malaysia.

In May 2017, we provided a guarantee due April 2019 for a loan of Sweihan PV Power Company P.J.S.C, our equity investee, for developing overseas solar power projects, in an aggregate principal amount not exceeding US\$42.9 million.

In June 2017, we signed a JPY4.1 billion syndicated loan agreement up to two years with a bank consortium led by Sumitomo Mitsui Banking Corporation to provide working capital and support for our business operations in Japan.

In July 2017, we issued medium term notes of RMB300.0 million due July 2020 for working capital purposes.

In July 2017, we entered into a four-year financial lease in the amount of RMB600.0 million to support the improvement of our production efficiency.

In September 2017, we signed a JPY500.0 million one-year facility agreement with ORIX Bank Corporation to provide working capital and support for our business operations in Japan.

In December 2017, we signed a US\$20.0 million due August 2018 bank facility agreement with Societe Generale to support our working capital and business operations.

In light of the amount of bank borrowings and bonds due in the near term future, sufficient funds may not be available to meet our payment obligations.

We have not used any derivative financial instruments to manage our interest rate risk exposure due to lack of such financial instruments in China. Historically, we have not been exposed to material risks due to changes in interest rates; however, our future interest income may decrease or interest expenses on our borrowings may increase due to changes in market interest rates. We are currently not engaged in any interest rate hedging activities.

Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A.

Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS Holders May Have to Pay

Our American depositary shares, each of which represents four ordinary shares, are listed on the NYSE. JPMorgan Chase Bank, N.A. is the depositary of our ADS program and its principal executive office is situated at 1 Chase Manhattan Plaza, Floor 58, New York, NY 10005-1401. The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

Persons depositing or withdrawing shares must pay:

For:

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property

Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates

\$.05 (or less) per ADS (or portion of each ADS)

Any cash distribution to ADS registered holders

\$1.50 per ADR or ADRs

Transfer of ADRs

A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs

Distribution or sale of securities to holders of deposited securities that are distributed by the depositary to ADS registered holders

\$.05 per ADSs per calendar year (or portion of each ADS)

Depositary services

Registration or transfer fees

Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares

Expenses of the depositary

Cable, telex and facsimile transmissions and deliveries (at the request of persons depositing or ADS registered holders delivering shares, ADRs and deposited securities)

Converting foreign currency to U.S. dollars

Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes

As necessary

Any charges incurred by the depositary or its agents for servicing the deposited securities

As necessary

Fees and Other Payments Made by the Depositary to Us

The depositary has agreed to reimburse us for expenses we incur that are related to the administration and maintenance of our ADS facility including, but not limited to, investor relations expenses, the annual NYSE listing fees, ADS offering expenses or any other program related expenses. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not related to the amounts of fees the depositary collects from investors. The annual reimbursement is also conditioned on certain requirements

and criteria and will be adjusted proportionately to the extent such requirements or criteria are not met. For 2017, the depositary paid us an annual reimbursement of approximately US\$207.4 thousand for legal and investor relations expenses.

Part II

Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A.-D. Material Modifications to the Rights of Security Holders

None.

E. Use of Proceeds

Not applicable.

Item 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and our chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of December 31, 2017, our disclosure controls and procedures were effective.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, for our company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements in accordance with generally accepted accounting principles and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of a company's assets, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that a company's receipts and expenditures are being made only in accordance with authorizations of a company's management and directors, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of a company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance with respect to consolidated financial statement preparation and presentation and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules promulgated by the Securities and Exchange Commission, our management assessed the effectiveness of internal control over financial reporting as of December 31, 2017 using the criteria set forth in the report "Internal Control—Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission (known as COSO). Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2017.

Attestation Report of the Independent Registered Public Accounting Firm

PricewaterhouseCoopers Zhong Tian LLP, our independent registered public accounting firm, audited the effectiveness of internal control over financial reporting as of December 31, 2017, as stated in its report, which appears on page F-2 of this Form 20-F.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred in 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16.

Item 16A.

AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Steven Markscheid, an independent director, is our audit committee financial expert. Mr. Steven Markscheid satisfies the independent requirements of Section 303A of the Corporate Governance Rules of the NYSE and Rule 60A-3 under the Exchange Act.

Item 16B.

CODE OF ETHICS

Our board of directors has adopted a code of ethics that applies to our directors, officers, employees and agents, including certain provisions that specifically apply to our chief executive officer, chief financial officer, chief operating officer, chief technology officer, vice presidents and any other persons who perform similar functions for us. We have filed our code of business conduct and ethics as an exhibit to Exhibit 99.1 of our registration statement on Form F-1/A (file No. 333-164432) filed with the Securities and Exchange Commission on February 4, 2010 and posted the code on our website at the following link: <http://ir.jinkosolar.com/zhcn/upload/201002031011121299.pdf>. We hereby undertake to provide to any person without charge, a copy of our code of business conduct and ethics within ten working days after we receive such person's written request.

Item 16C.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by PricewaterhouseCoopers Zhong Tian LLP, our independent registered public accounting firm, for the periods indicated. We did not pay any other fees to our independent registered public accounting firm during the periods indicated below.

	2016	2017	
	(RMB)	(RMB)	(US\$)
	(in thousands)		
Audit fees	6,300	5,390	828
Audit-related fees ⁽¹⁾	-	1,310	201
Tax fees ⁽²⁾	-	-	-
Total	6,300	6,700	1,029

“Audit-related fees” represents the aggregate fees billed for professional services rendered by our independent (1) registered public accounting firm in connection with our F-3 filing, additional offering in 2017 and follow-on offering and concurrent offering of additional shares in 2018.

(2) “Tax fees” represents the aggregated fees billed for professional services rendered by our independent registered public accounting firm for tax advice.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by our independent registered public accounting firm, including audit services, audit-related services, tax services and other services as described above, other than those for *de minimis* services that are approved by our audit committee prior to the completion of the audit. All fees listed above were pre-approved by our audit committee.

Item 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

Item 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

Item 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

Item 16G. CORPORATE GOVERNANCE

We are incorporated under the laws of Cayman Islands. Many of the corporate governance rules in the New York Stock Exchange Listed Company Manual, or the NYSE Standards, do not apply to us as a “foreign private issuer” and we are permitted to follow the corporate governance practices in the Cayman Islands in lieu of most corporate governance standards contained in the NYSE Standards. Section 303A.11 of the NYSE Standards requires foreign private issuers listed on the New York Stock Exchange to describe the significant differences between their corporate governance practices and the corporate governance standards applicable to U.S. domestic companies listed on the New York Stock Exchange, or the U.S. domestic issuers. The following table sets forth a summary of such significant differences:

	NYSE Listed Company Manual Requirements on Corporate Governance	Our Practice
Board of Directors	NYSE Standards require U.S. domestic issuers to schedule an executive session at least once a year to be attended by only independent directors. We are not subject to such requirement.	Our directors may attend all of our board meetings.
	NYSE Standards require U.S. domestic issuers to disclose a method for interested parties to communicate directly with the presiding director or with non-management directors as a group. We are not subject to such requirement.	We have not adopted any such method.

**Audit
Committee**

If an audit committee member simultaneously serves on the audit committees of more than three public companies, and the listed company does not limit the number of audit committees on which its audit committee members serve to three or less, then in each case, the boards of directors of U.S. domestic issuers are required to determine that such simultaneous service would not impair the ability of such member to effectively serve on its audit committee and disclose such determination in its annual proxy statement or annual report. We are not subject to such requirement.

Our board of directors has not made any such determination.

Compensation Committee	NYSE Standards require U.S. domestic issuers to have a compensation committee composed entirely of independent directors. We are not subject to such requirement.	We have a compensation committee that consists of one independent director and two executive directors.
	NYSE Standards require compensation committees of U.S. domestic issuers to produce a compensation committee report annually and include such report in their annual proxy statements or annual reports on Form 10-K. We are not subject to such requirement.	Our compensation committee has not produced any such report.
Nominating Committee	While NYSE Standards require U.S. domestic issuers to have only independent directors on their nominating committees, we are not subject to such requirement.	Our corporate governance and nominating committee consists of two independent directors and one executive director.

Item 16H.

MINE SAFETY DISCLOSURE

Not applicable.

Part III

Item 17.

FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

Item 18.

FINANCIAL STATEMENTS

See pages beginning on page F-1 in this annual report.

Item 19.

EXHIBITS

Exhibit Number	Description of Document
<u>1.1</u>	<u>Third Amended and Restated Memorandum and Articles of Association, as currently in effect (incorporated by reference to Exhibit 3.2 of our Registration Statement on Form F-1 (File No. 333-164432) filed with the Securities and Exchange Commission on February 9, 2010)</u>
<u>2.1</u>	<u>Registrant's Specimen American Depositary Receipt (included in Exhibit 2.3)</u>
<u>2.2</u>	<u>Registrant's Specimen Certificate for Shares (incorporated by reference to Exhibit 4.2 of our Registration Statement on Form F-1 (file No. 333-164432) filed with the Securities and Exchange Commission on January 20, 2010)</u>
<u>2.3</u>	<u>Form of Deposit Agreement among the Registrant, the depositary and holder of the American Depositary Receipts (incorporated by reference to Exhibit 4.3 of our Registration Statement on Form F-1 (file No. 333-164432) filed with the Securities and Exchange Commission on May 12, 2010)</u>
<u>4.1</u>	<u>2009 Long Term Incentive Plan, amended and restated as of September 28, 2011 (incorporated by reference to Exhibit 4.1 to our annual report on Form 20-F (file No. 001-34615) filed with the Securities and Exchange Commission on April 18, 2012)</u>
<u>4.2</u>	<u>Form of Indemnification Agreement between the directors and the Registrant (incorporated by reference to Exhibit 10.29 of our Registration Statement on Form F-1 (file No. 333-164432) filed with the Securities and Exchange Commission on January 20, 2010)</u>
<u>4.3</u>	<u>Form of Executive Service Agreement of Chief Financial Officer (incorporated by reference to Exhibit 10.27 of our Registration Statement on Form F-1 (file No. 333-164432) filed with the Securities and Exchange Commission on January 20, 2010)</u>
<u>4.4</u>	<u>English translation of Form of Employment Agreement (incorporated by reference to Exhibit 10.28 of our Registration Statement on Form F-1 (file No. 333-164432) filed with the Securities and Exchange Commission on January 20, 2010)</u>
<u>4.5</u>	<u>English translation of Plant Lease Agreement between Jinko Solar Co., Ltd. and Jiangxi Desun Energy Co., Ltd. dated January 1, 2008 (incorporated by reference to Exhibit 10.2 of our Registration Statement on Form F-1 (file No. 333-164432) filed with the Securities and Exchange Commission on January 20, 2010)</u>
<u>4.6</u>	<u>English translation of Form of Maximum Amount Guarantee Contract between the directors and Bank of China (incorporated by reference to Exhibit 10.21 of our Registration Statement on Form F-1 (file No. 333-164432) filed with the Securities and Exchange Commission on January 20, 2010)</u>
<u>4.7</u>	<u>English translation of Maximum Amount Guarantee Agreement between the directors and Agricultural Bank of China (incorporated by reference to Exhibit 10.39 of our Registration Statement on Form F-1 (file No. 333-164432) filed with the Securities and Exchange Commission on January 20, 2010)</u>

4.8 2014 Equity Incentive Plan (incorporated by reference to Exhibit 4.9 of our annual report on Form 20-F (File No. 001-34615) filed with the Securities and Exchange Commission on April 16, 2015)

134

- 4.9 Subscription Agreement Schedule and Amended and Restated Subscription Agreement among the Registrant, JinkoSolar WWG Investment Co., Ltd., JinkoSolar Power Engineering Group Limited, Jiangxi JinkoSolar Engineering Co., Ltd., Jinko Power Co., Ltd. and MEGCIF Investments 6 Limited (incorporated by reference to Exhibit 4.10 of our annual report on Form 20-F (File No. 001-34615) filed with the Securities and Exchange Commission on April 16, 2015)
- 4.10 Master Services Agreement between the Registrant and Jiangxi JinkoSolar Engineering Co., Ltd. dated October 18, 2016 (incorporated by reference to Exhibit 4.10 of our annual report on Form 20-F (File No. 001-34615) filed with the Securities and Exchange Commission on March 29, 2017)
- 4.11 English translation of Share Purchase Agreement between Wide Wealth Group Holdings Limited and Shangrao Kangsheng Technology Co., Ltd. dated October 18, 2016 (incorporated by reference to Exhibit 4.11 of our annual report on Form 20-F (File No. 001-34615) filed with the Securities and Exchange Commission on March 29, 2017)
- 4.12 Distribution Agency Agreement among the Registrant, Credit Suisse Securities (USA) LLC and Barclays Capital Inc. dated September 27, 2017 (Incorporated by referent to Exhibit 1.1 on Form 6-K filed with the Securities and Exchange Commission on September 27, 2017.)
- 4.13 Subscription Agreement between the Registrant and Tanka International Limited dated February 5, 2018 (Incorporated by referent to Exhibit 10.1 on Form 6-K filed with the Securities and Exchange Commission on February 8, 2018.)
- 4.14 Underwriting Agreement among the Registrant, Credit Suisse Securities (USA) LLC and Barclays Capital Inc. dated February 7, 2018 (Incorporated by referent to Exhibit 1.1 on Form 6-K filed with the Securities and Exchange Commission on February 8, 2018.)
- 8.1* Subsidiaries of the Registrant
- 11.1 Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 99.1 of our Registration Statement on Form F-1 (file No. 333-164432) filed with the Securities and Exchange Commission on February 4, 2010)
- 12.1* CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 12.2* CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 13.1** CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 13.2** CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 15.1* Consent of Independent Registered Accounting Firm
- 101.INS* XBRL Instance Document
- 101.SCH* XBRL Taxonomy Extension Schema Document

101.CAL* XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF* XBRL Taxonomy Extension Definition Linkbase Document

101.LAB* XBRL Taxonomy Extension Labels Linkbase Document

101.PRE* XBRL Taxonomy Extension Presentation Linkbase Document

*
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Filed with this annual report on Form 20-F
Furnished with this annual report on Form 20-F

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on this Form 20-F on its behalf.

JinkoSolar Holding Co., Ltd.

By: /s/ Kangping Chen

Name: Kangping Chen

Title: Director and Chief Executive Officer

Date: April 24, 2018

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	<u>F-2</u>
Consolidated Financial Statements	
<u>Consolidated Statements of Operations for the years ended December 31, 2015, 2016 and 2017</u>	<u>F-3</u>
<u>Consolidated Statements of Comprehensive Income for the years ended December 31, 2015, 2016 and 2017</u>	<u>F-4</u>
<u>Consolidated Balance Sheets as of December 31, 2016 and 2017</u>	<u>F-5</u>
<u>Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2015, 2016 and 2017</u>	<u>F-7</u>
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2016 and 2017</u>	<u>F-8</u>
<u>Notes to the Consolidated Financial Statements for the years ended December 31, 2015, 2016 and 2017</u>	<u>F-9</u>

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of JinkoSolar Holding Co., Ltd.:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of JinkoSolar Holding Co., Ltd and its subsidiaries (the "Company") as of December 31, 2017 and 2016, and the related consolidated statements of operations, of comprehensive income, of changes in shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing in Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers Zhong Tian LLP

PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
April 24, 2018

We have served as the Company's auditor since 2008.

F-2

JINKOSOLAR HOLDING CO., LTD.**CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE YEARS ENDED DECEMBER 31, 2015, 2016 AND 2017**

	For the year ended December 31			USD (Note 2 (an))
	2015 RMB	2016 RMB	2017 RMB	
Continuing operations				
Revenues from third parties	15,454,374,366	21,262,113,142	24,791,272,869	3,810,348,872
Revenues from related parties	-	138,524,950	1,681,670,585	258,468,037
Total revenues	15,454,374,366	21,400,638,092	26,472,943,454	4,068,816,909
Cost of revenues	(12,522,913,795)	(17,531,299,173)	(23,481,375,053)	(3,609,021,264)
Gross profit	2,931,460,571	3,869,338,919	2,991,568,401	459,795,645
Selling and marketing	(1,144,559,326)	(1,434,038,816)	(1,901,358,676)	(292,233,478)
General and administrative	(521,425,475)	(778,766,905)	(470,844,706)	(72,367,506)
Provision for advance to suppliers	-	(799,899)	-	-
Impairment of long-lived assets	-	(125,524,021)	-	-
Research and development	(143,670,521)	(181,106,128)	(294,102,790)	(45,202,771)
Total operating expenses	(1,809,655,322)	(2,520,235,769)	(2,666,306,172)	(409,803,755)
Income from operations	1,121,805,249	1,349,103,150	325,262,229	49,991,890
Interest expenses, net	(311,018,583)	(359,296,332)	(245,529,598)	(37,737,208)
Subsidy income	101,873,574	168,646,557	147,916,764	22,734,390
Exchange (loss)/gain, net	(86,517,698)	208,811,416	(114,344,622)	(17,574,447)
Other income, net	1,036,319	8,768,365	59,646,911	9,167,562
Investment income	-	4,902,527	-	-
Gain on disposal of subsidiaries	-	5,017,888	257,070	39,511
Change in fair value of forward contracts	56,931,943	(52,561,784)	(8,211,404)	(1,262,070)
Change in fair value of call spread options	(370,437)	-	-	-
Change in fair value of derivative liability	(2,096,024)	24,573,266	(16,122,313)	(2,477,954)
Change in fair value of convertible senior notes and capped call options	(14,571,200)	(110,242,492)	-	-
Income from continuing operations before income taxes	867,073,143	1,247,722,561	148,875,037	22,881,674
Income tax expenses	(100,533,829)	(257,487,006)	(4,628,003)	(711,311)
Equity in loss of affiliated companies	-	-	(2,055,669)	(315,951)
Income from continuing operations, net of tax	766,539,314	990,235,555	142,191,365	21,854,412
Discontinued operations				
Gain on disposal of discontinued operations before income taxes	-	1,007,884,060	-	-
Income from discontinued operations before income taxes	105,089,584	48,146,259	-	-

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Income tax expense, net	(11,329,810) (54,466,059) -	-
Income from discontinued operations, net of tax	93,759,774	1,001,564,260	-	-
Net income	860,299,088	1,991,799,815	142,191,365	21,854,412
Less: Net income/(loss) attributable to the non-controlling interests from continuing operations	(63,348	) (432,541	) 485,676	74,647
Less: Net income attributable to the non-controlling interests from discontinued operations	4,270,460	6,044,451	-	-
Less: Accretion to redemption value of redeemable non-controlling interests of discontinued operations	172,340,442	159,477,930	-	-
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders	683,751,534	1,826,709,975	141,705,689	21,779,765
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per share from continuing operations - Basic	6.15	7.87	1.10	0.17
Diluted	6.00	7.63	1.08	0.17
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per ADS from continuing operations - Basic	24.60	31.48	4.40	0.68
Diluted	24.00	30.52	4.32	0.68
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per share from discontinued operations - Basic	(0.66	) 6.64	-	-
Diluted	(0.65	) 6.40	-	-
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per ADS from discontinued operations - Basic	(2.64	) 26.56	-	-
Diluted	(2.60	) 25.60	-	-
Weighted average ordinary shares outstanding				
Basic	124,618,416	125,870,272	128,944,330	128,944,330
Diluted	127,802,961	130,590,441	131,687,230	131,687,230

Each ADS represents four ordinary shares.

The accompanying notes are an integral part of these consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2015, 2016 AND 2017**

	For the year ended December 31,			
	2015	2016	2017	USD
	RMB	RMB	RMB	(Note 2 (an))
Net income	860,299,088	1,991,799,815	142,191,365	21,854,412
Other comprehensive income:				
-Unrealized loss on available-for-sale securities	(412,529)	-	-	-
-Exchange loss on warrant liability	(3,950,373)	-	-	-
-Foreign currency translation adjustments	5,070,890	96,919,050	(81,488,175)	(12,524,503)
-Release of translation difference due to the liquidation of a foreign subsidiary	-	(4,716,918)	-	-
Comprehensive income	861,007,076	2,084,001,947	60,703,190	9,329,909
Less: comprehensive income attributable to non-controlling interests	4,207,112	5,611,910	485,676	74,647
Comprehensive income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders	856,799,964	2,078,390,037	60,217,514	9,255,262

The accompanying notes are an integral part of these consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.**CONSOLIDATED BALANCE SHEETS****AS OF DECEMBER 31, 2016 AND 2017**

	December 31, 2016	December 31, 2017	
	RMB	RMB	USD
			(Note 2 (an))
ASSETS			
Current assets:			
Cash and cash equivalents	2,501,417,491	1,928,302,849	296,374,721
Restricted cash	318,784,923	833,071,955	128,040,815
Restricted short-term investments	3,333,450,365	3,237,772,923	497,636,587
Short-term investments	71,301,081	2,684,530	412,605
Accounts receivable, net - related parties	1,414,084,059	2,113,042,060	324,768,618
Accounts receivable, net - third parties	4,753,715,319	4,497,634,528	691,273,770
Notes receivable, net - related parties	610,200,000	-	-
Notes receivable, net - third parties	915,314,761	571,231,826	87,796,724
Advances to suppliers - related parties	661,788	-	-
Advances to suppliers - third parties	325,766,259	397,076,248	61,029,502
Inventories, net	4,473,514,697	4,273,729,991	656,860,273
Forward contract receivables	640,876	-	-
Other receivables - related parties	79,124,874	46,592,198	7,161,090
Deferred tax assets - current	130,675,655	-	-
Prepayments and other current assets	766,644,253	1,706,717,271	262,317,640
Total current assets	19,695,296,401	19,607,856,379	3,013,672,345
Non-current assets:			
Restricted cash - non-current	197,214,485	248,672,003	38,220,187
Project assets, net	55,063,496	473,731,224	72,811,156
Investments in affiliates	7,200,000	22,321,863	3,430,808
Property, plant and equipment, net	4,738,681,353	6,680,187,156	1,026,725,967
Land use rights, net	450,940,595	443,269,172	68,129,224
Intangible assets, net	20,296,727	25,742,411	3,956,536
Deferred tax assets - non-current	134,791,362	275,372,108	42,323,918
Other assets – related parties	173,375,586	146,025,979	22,443,782
Other assets – third parties	617,779,748	713,226,373	109,620,886
Total non-current assets	6,395,343,352	9,028,548,289	1,387,662,464
Total assets	26,090,639,753	28,636,404,668	4,401,334,809

The accompanying notes are an integral part of these consolidated financial statements.

F-5

JINKOSOLAR HOLDING CO., LTD.**CONSOLIDATED BALANCE SHEETS****AS OF DECEMBER 31, 2016 AND 2017**

	December 31, 2016	December 31, 2017	
	RMB	RMB	USD
			(Note 2 (an))
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable - related parties	-	5,328,896	819,036
Accounts payable - third parties	4,290,070,506	4,658,202,091	715,952,552
Notes payable - third parties	4,796,766,263	5,672,496,637	871,846,770
Accrued payroll and welfare expenses	582,275,670	721,380,096	110,874,091
Advances from related parties	60,541,490	37,399,944	5,748,266
Advances from third parties	1,376,919,487	748,958,838	115,112,866
Income tax payable	168,111,676	27,779,845	4,269,684
Forward contract payables	-	4,520,619	694,806
Convertible senior notes - current	423,739,708	-	-
Deferred tax liabilities - current	17,074,064	-	-
Derivative liability - current	10,364,075	26,486,388	4,070,883
Bond payable and accrued interests	-	10,256,583	1,576,408
Short-term borrowings, including current portion of long-term bank borrowings	5,488,629,040	6,204,440,312	953,605,015
Other payables and accruals	1,019,420,371	1,804,799,594	277,392,618
Other payables - related parties	76,033,573	12,333,484	1,895,622
Guarantee liabilities to related parties	52,710,970	28,033,530	4,308,675
Total current liabilities	18,362,656,893	19,962,416,857	3,068,167,292
Non-current liabilities:			
Long-term borrowings	488,519,559	379,788,937	58,372,491
Accrued income tax – non-current	-	6,041,195	928,515
Long-term payables	44,015,631	538,410,044	82,752,109
Bond payables	-	298,425,000	45,867,083
Accrued warranty costs - non-current	511,208,557	571,718,223	87,871,482
Convertible senior notes	-	65,342	10,043
Deferred tax liability - non current	50,650,530	70,121,943	10,777,545
Guarantee liabilities to related parties - non current	173,375,586	120,154,085	18,476,345
Total non-current liabilities	1,267,769,863	1,984,724,769	305,046,613
Total liabilities	19,630,426,756	21,947,141,626	3,373,213,905
	-	-	-
Commitment and contingencies			
Redeemable non-controlling interests	-	-	-
Shareholders' equity:			

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Ordinary shares (US\$0.00002 par value, 500,000,000 shares authorized, 128,456,466 and 133,869,274 shares issued as of December 31, 2016 and December 31, 2017, respectively, 126,733,266 and 132,146,074 shares outstanding as of December 31, 2016 and December 31, 2017, respectively.)	17,881	18,604	2,859
Additional paid-in capital	3,145,262,253	3,313,608,385	509,292,284
Statutory reserves	466,252,857	516,885,853	79,443,901
Accumulated other comprehensive income	104,784,173	23,295,998	3,580,529
Treasury stock, at cost; 1,723,200 ordinary shares as of December 31, 2016 and December 31, 2017	(13,875,553	) (13,875,553	) (2,132,633)
Retained earnings	2,758,267,275	2,849,339,968	437,935,534
Total JinkoSolar Holding Co., Ltd. shareholders' equity	6,460,708,886	6,689,273,255	1,028,122,474
Non-controlling interests	(495,889	) (10,213	) (1,570)
Total shareholders' equity	6,460,212,997	6,689,263,042	1,028,120,904
Total liabilities, redeemable non-controlling interest and shareholders' equity	26,090,639,753	28,636,404,668	4,401,334,809

The accompanying notes are an integral part of these consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE YEARS ENDED DECEMBER 31, 2015, 2016 AND 2017**

	Ordinary shares issued				JinkoSolar Holding Co., shareholders' equity			
	Number of shares	Par value RMB	Additional paid-in capital RMB	Statutory reserves RMB	Accumulated other comprehensive (loss)/income RMB	Number of Treasury Stock	Treasury Stock RMB	Retain earnin (Accu losses RMB
Balance as of December 31, 2014	126,015,230	17,560	2,794,024,929	251,905,070	11,874,053	(1,723,200)	(13,875,553)	463,1
Share-based compensation expense	-	-	112,714,385	-	-	-	-	-
Appropriation to statutory reserves	-	-	-	99,858,201	-	-	-	(99,8
Foreign currency exchange translation adjustment	-	-	-	-	5,070,890	-	-	-
Exchange loss on derivative liability-warrants	-	-	-	-	(3,950,373)	-	-	-
Unrealized gain on available-for-sale investment	-	-	-	-	499,212	-	-	-
Realize gain on available-for-sale investment	-	-	-	-	(911,741)	-	-	-
Exercise of share options	1,181,900	151	17,596,865	-	-	-	-	-
Accretion to redemption value of redeemable	-	-	-	-	-	-	-	(172,
Non-controlling interests	-	-	-	-	-	-	-	856,0
Net income	-	-	-	-	-	-	-	856,0
Balance as of December 31, 2015	127,197,130	17,711	2,924,336,179	351,763,271	12,582,041	(1,723,200)	(13,875,553)	1,047

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Share-based compensation expense	-	-	203,269,631	-	-	-	-	-
Appropriation to statutory reserves	-	-	-	115,487,297	-	-	-	(115,487,297)
Foreign currency exchange translation adjustment	-	-	-	-	96,919,050	-	-	-
Exercise of share options	1,259,336	170	17,656,443	-	-	-	-	-
Accretion to redemption value of redeemable non-controlling interests	-	-	-	-	-	-	-	(159,000)
Net income	-	-	-	-	-	-	-	1,980,000
Release of translation difference due to the liquidation of a foreign subsidiary	-	-	-	-	(4,716,918)	-	-	-
Disposition of Jiangxi Jinko Engineering	-	-	-	(997,711)	-	-	-	-
Balance as of December 31, 2016	128,456,466	17,881	3,145,262,253	466,252,857	104,784,173	(1,723,200)	(13,875,553)	2,758,000
Share-based compensation expense	-	-	64,867,902	-	-	-	-	-
Appropriation to statutory reserves	-	-	-	50,632,996	-	-	-	(50,632,996)
Foreign currency exchange translation adjustment	-	-	-	-	(81,488,175)	-	-	-
Exercise of share options	5,412,808	723	103,478,230	-	-	-	-	-
Net income	-	-	-	-	-	-	-	141,700
Balance as of December 31, 2017	133,869,274	18,604	3,313,608,385	516,885,853	23,295,998	(1,723,200)	(13,875,553)	2,849,000

The accompanying notes are an integral part of these consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.**CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2015, 2016 AND 2017**

	For the year ended December 31,			USD
	2015	2016	2017	(Note 2 (an))
	RMB	RMB	RMB	
Cash flows from operating activities:				
Net income	860,299,088	1,991,799,815	142,191,365	21,854,412
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:				
Change in fair value of derivative forward contracts	14,068,932	(5,096,607)	) 4,520,619	694,806
Change in fair value of call spread options	370,437	-	-	-
Change in fair value of convertible senior notes	8,400,918	92,015,957	-	-
Change in fair value of capped call options	6,170,282	18,226,535	-	-
Change in fair value of derivative liability _ rate cap	-	10,364,075	16,122,313	2,477,954
Change in fair value of derivative liability _ warrant liability	2,096,024	(34,937,341)) -	-
Share-based compensation charge	112,714,385	203,269,631	64,867,902	9,970,014
Deferred income taxes	(6,554,493)	) 22,048,774	(7,507,742)	) (1,153,919)
Depreciation of property, plant and equipment	393,162,784	449,079,007	600,541,219	92,301,495
Depreciation of project assets	228,972,745	328,213,389	3,094,909	475,679
Amortization of land use rights	6,300,488	7,895,001	8,935,579	1,373,373
Amortization of intangible assets	2,223,458	3,202,787	3,481,991	535,172
Amortization for guarantee liability	-	(9,641,685)	) (65,935,450)	) (10,134,094)
Inventories provision	98,791,960	439,000,231	313,711,534	48,216,580
Provision/(reversal of provision) for allowance of doubtful accounts	(54,356,588)	) 82,676,843	(111,917,157)	) (17,201,352)
Provision/(reversal of provision) for other receivables	21,923,756	(11,666,061)) -	-
Provision for advance to suppliers	-	799,899	-	-
Loss/(Gain) on disposal of property, plant and equipment	12,476,763	33,072,876	(82,411,232)	) (12,666,374)
Amortization of deferred losses related to sales leaseback transactions	-	-	14,714,339	2,261,552
Gain on disposal of land use right	(3,013,258)) (3,727,161)) -	-
Loss on disposal of intangible assets	614,295	1,159,217	1,936,959	297,705

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Impairment of long-lived assets	-	125,524,021	-	-
Equity in income of affiliated companies	(13,669,112)	(15,265,937)	2,055,669	315,951
Gain on disposal of investment in Jiangxi Jinko Engineering	-	(1,007,884,060)	-	-
Gain on disposal of investment in subsidiaries-others	-	(5,017,888)	(257,070)	(39,511)
Investment income	-	(4,902,527)	-	-
Exchange loss/(gain), net	117,731,731	(183,370,195)	114,344,622	17,574,447
Changes in operating assets and liabilities (net of impact of disposition):				
(Increase)/decrease in accounts receivable – third parties	(63,566,502)	(2,859,160,553)	226,217,542	34,769,000
(Increase)/decrease in accounts receivable - related parties	113,560,001	(180,834,464)	(698,958,001)	(107,427,877)
(Increase)/decrease in notes receivable – third parties	(440,110,991)	(426,101,401)	181,406,314	27,881,640
Decrease in notes receivable - related parties	-	141,000,000	-	-
Increase in advances to suppliers – third parties	(169,276,751)	(82,394,136)	(74,386,502)	(11,432,996)
Decrease in advances to suppliers - related party	162,640	359,340	661,788	101,715
Increase in inventories	(1,410,968,951)	(2,001,046,682)	(114,224,770)	(17,556,026)
Decrease in other receivables - related parties	163,499	168,593,218	54,876,832	8,434,415
Increase in prepayments and other current assets	(52,933,157)	(7,621,260)	(695,828,766)	(106,946,923)
Increase in other assets-third parties	(304,202,544)	(182,430,305)	(1,276,503)	(196,195)
Increase in other assets-related parties	-	(173,375,586)	-	-
Increase in accounts payable – third parties	591,977,556	885,107,922	390,360,108	59,997,250
Increase/ (decrease) in accounts payable - related parties	-	(89,639,759)	5,328,896	819,036
Increase in accrued payroll and welfare expenses	163,166,447	142,568,241	139,104,426	21,379,959
Increase/(decrease) in advances from – third parties	873,434,523	170,803,277	(622,123,401)	(95,618,616)
Increase/(decrease) in advances from – related parties	-	60,541,490	(23,141,546)	(3,556,790)
Increase/(decrease) in income tax payables	30,252,380	62,620,224	(140,331,831)	(21,568,608)
Increase in accrued income tax – non - current	-	-	6,041,195	928,515
Increase/(decrease) in other payables and accruals – third parties	201,251,124	(9,666,219)	230,391,245	35,410,486
Increase/(decrease) in other payables and accruals – related parties	(2,584,341)	50,870,317	(63,700,089)	(9,790,524)
Net cash provided by/(used in) operating activities	1,339,049,528	(1,802,967,740)	(177,092,694)	(27,218,649)
Cash flows from investing activities:				
Maturity of restricted short-term investments	2,480,496,062	2,289,203,055	5,901,412,560	907,030,503

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Maturity of short-term investments	114,248,971	45,332,883	260,263,302	40,001,737
Proceeds from disposal of property, plant and equipment	7,138,759	8,999,454	49,391,037	7,591,263
Proceeds from disposal of land use right	-	36,095,570	8,600,520	1,321,876
Cash received from call spread	-	16,941,535	-	-
Cash disposed of, net of cash received from related party, for disposal of Jiangxi Jinko Engineering	-	(606,102,556)	-	-
Cash received from disposal of JinkoSolar Thailand	-	-	2,380,069	365,810
(Increase)/ decrease in restricted cash	(120,202,572)	179,371,409	(51,147,446)	(7,861,219)
Purchase of property, plant and equipment	(860,606,902)	(1,975,362,827)	(2,178,471,031)	(334,824,867)
Cash paid for project assets	(2,129,264,757)	(1,956,477,672)	(386,300,595)	(59,373,314)
Cash paid for deposits related to construction of solar projects	(3,505,573)	(161,972,465)	-	-
Cash paid for investment in affiliates	-	-	(16,879,589)	(2,594,345)
Refund of deposit for acquisition of subsidiaries	10,000,000	-	-	-
Cash paid for land use rights	(44,158,932)	(106,971,456)	(27,264,156)	(4,190,424)
Purchase of intangible assets	(13,462,651)	(7,474,367)	(10,864,634)	(1,669,864)
Purchase of restricted short-term investments	(2,640,760,590)	(4,462,135,353)	(5,805,735,118)	(892,325,149)
Purchase of short-term investments	(31,676,037)	(166,559,593)	(191,646,751)	(29,455,566)
Cash paid for call spread	(7,647,843)	(4,761,603)	-	-
Cash disposed of, net of cash received from third parties, for disposal of investment in subsidiaries	-	(106,712,599)	-	-
Cash acquired, net of cash paid to third parties, for the acquisition of subsidiaries	(75,235,668)	69,606,835	-	-
Cash collected for disposal of Zhejiang Leasing	-	-	13,068,400	2,008,576
Net cash used in investing activities	(3,314,637,733)	(6,908,979,750)	(2,433,193,432)	(373,974,983)
Cash flows from financing activities:				
Cash received from borrowings from sales lease back	-	-	600,000,000	92,218,311
Repayment of borrowings from sales lease back	-	-	(168,267,236)	(25,862,201)
Proceeds from exercise of share options	7,613,965	21,730,663	69,929,453	10,747,960
Proceeds from issuance of Bonds	-	-	297,900,000	45,786,392
Payment of deposit for lease	-	-	(64,920,000)	(9,978,021)
Cash received from borrowings with embedded warrants	862,138,360	-	-	-
Proceeds from bank borrowings	10,140,339,042	21,182,867,659	18,288,363,067	2,810,869,937
Repayment of bank borrowings	(7,030,645,681)	(13,345,699,597)	(16,851,550,800)	(2,590,035,934)
Increase in notes payable	61,318,108	2,477,804,347	875,730,374	134,597,294
Repurchase of convertible senior notes	(113,025,510)	(1,218,706,405)	(422,829,295)	(64,987,673)
Repayment of borrowings with embedded warrants	-	(902,949,503)	-	-
Repurchase of warrant	-	(35,696,581)	-	-
Repayment of bonds payable	-	(800,000,000)	-	-

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Change in restricted cash for notes payable	(77,105,818)	75,710,650	(514,597,104)	(79,092,127)
Net cash provided by financing activities	3,850,632,466	7,455,061,233	2,109,758,459	324,263,938
Effect of foreign exchange rate changes on cash and cash equivalents	31,599,153	74,639,667	(72,586,975)	(11,156,414)
Net increase/(decrease) in cash and cash equivalents	1,906,643,414	(1,182,246,590)	(573,114,642)	(88,086,108)
Cash balance recorded in held-for-sale assets	-	1,291,072,949	-	-
Cash and cash equivalents, beginning of year	1,777,020,667	2,392,591,132	2,501,417,491	384,460,829
Cash and cash equivalents, end of year	3,683,664,081	2,501,417,491	1,928,302,849	296,374,721
Supplemental disclosure of cash flow information				
Cash paid for income tax	115,062,404	250,150,235	189,477,968	29,122,230
Cash paid for interest expenses (net of amounts capitalized)	412,040,750	670,525,723	283,965,214	43,644,654
Supplemental disclosure of non-cash investing and financing cash flow information				
Purchases of property, plant and equipment included in other payables	309,342,683	385,399,199	793,515,334	121,961,074
Purchases of project assets included in other payables	1,185,512,052	-	77,809,001	11,959,024
Utilization of prior year's prepayment for the repurchase of convertible senior notes	25,471,153	-	-	-
Proceeds from exercise of share options received in subsequent period	10,210,003	6,135,783	39,685,283	6,184,495
Other receivables related to disposition of subsidiaries – related parties	-	-	28,634	4,401
Other receivables related to disposition of subsidiaries – third party	-	185,380,069	169,931,600	26,118,009
Other receivables related to disposal of property, plant and equipment – third party	-	-	111,500,000	17,137,236

JINKOSOLAR HOLDING CO., LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2015, 2016 AND 2017****1. ORGANIZATION AND NATURE OF OPERATIONS**

JinkoSolar Holding Co., Ltd. (the "Company") was incorporated in the Cayman Islands on August 3, 2007. On May 14, 2010, the Company became listed on the New York Stock Exchange ("NYSE") in the United States. The Company and its subsidiaries (collectively the "Group") are principally engaged in the design, development, production and marketing of photovoltaic products and provision of solar system integration services as well as developing commercial solar power projects.

JinkoSolar Technology Limited ("Paker", formally known as Paker Technology Limited) was incorporated in Hong Kong as a limited liability company on November 10, 2006 by a Hong Kong citizen and a citizen of People's Republic of China ("the PRC"), who held the investment on behalf of three PRC shareholders (the "Shareholders") via a series of entrustment agreements. On December 16, 2008, all of the then existing shareholders of Paker exchanged their respective shares of Paker for equivalent classes of shares of the Company (the "Share Exchange"). As a result, Paker became a wholly-owned subsidiary of the Company. On December 13, 2006, Paker established Jinko Solar Co., Ltd. ("Jiangxi Jinko") as a wholly foreign owned enterprise in Shangrao, Jiangxi province, the PRC.

The following table sets forth information concerning the Company's major subsidiaries as of December 31, 2017:

Subsidiaries	Date of Incorporation /Acquisition	Place of Incorporation	Percentage of ownership	
JinkoSolar Technology Limited ("Paker")*	November 10, 2006	Hong Kong	100	%
Jinko Solar Co., Ltd. ("Jiangxi Jinko")	December 13, 2006	PRC	100	%
Zhejiang Jinko Solar Co., Ltd. ("Zhejiang Jinko")	June 30, 2009	PRC	100	%
Jinko Solar Import and Export Co., Ltd. ("Jinko Import and Export")	December 24, 2009	PRC	100	%
JinkoSolar GmbH ("Jinko GmbH")	April 1, 2010	Germany	100	%

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Zhejiang Jinko Trading Co., Ltd.("Zhejiang Trading")	June 13, 2010	PRC	100	%
Xinjiang Jinko Solar Co., Ltd.	May 30, 2016	PRC	100	%
Yuhuan Jinko Solar Co., Ltd.	July 29, 2016	PRC	100	%
JinkoSolar (U.S.) Inc. ("Jinko US")	August 19, 2010	USA	100	%
Jiangxi Photovoltaic Materials Co., Ltd ("Jiangxi Materials")	December 1, 2010	PRC	100	%
JinkoSolar (Switzerland) AG("Jinko Switzerland")	May 3, 2011	Switzerland	100	%
JinkoSolar (US) Holdings Inc.("Jinko US Holding")	June 7, 2011	USA	100	%
JinkoSolar Italy S.R.L. ("Jinko Italy")	July 8, 2011	Italy	100	%
JinkoSolar SAS ("Jinko France")	September 12, 2011	France	100	%
Jinko Solar Canada Co., Ltd ("Jinko Canada")	November 18, 2011	Canada	100	%
Jinko Solar Australia Holdings Co. Pty Ltd ("Jinko Australia")	December 7, 2011	Australia	100	%
Jinko Solar Pty Ltd. ("JinkoSolar South Africa")	April 13, 2012	South Africa	100	%
Jinko Solar Japan K.K. ("JinkoSolar Japan")	May 21, 2012	Japan	100	%

Subsidiaries	Date of Incorporation /Acquisition	Place of Incorporation	Percentage of ownership	
JinkoSolar Power Engineering Group Limited (“JinkoSolar Power”)	November 12, 2013	Cayman	100	%
JinkoSolar WWG Investment Co., Ltd. (“WWG Investment”)	April 8, 2014	Cayman	100	%
JinkoSolar Comércio do Brazil Ltda (“JinkoSolar Brazil”)	January 14, 2014	Brazil	100	%
Projinko Solar Portugal Unipessoal LDA. (“JinkoSolar Portugal”)	February 20, 2014	Portugal	100	%
JinkoSolar Mexico S.DE R.L. DE C.V. (“JinkoSolar Mexico”)	February 25, 2014	Mexico	100	%
Shanghai Jinko Financial Information Service Co., Ltd	November 7, 2014	PRC	100	%
Jinko Solar Technology SDN.BHD. (“JinkoSolar Malaysia”)	January 21, 2015	Malaysia	100	%
Jinko Huineng Technology Services Co., Ltd	July 14, 2015	PRC	100	%
Zhejiang Jinko Solar Power Sales Co., Ltd	July 29, 2015	PRC	100	%
JinkoSolar Enerji Teknolojileri Anonlm Sirketi	April 13, 2017	Turkey	100	%
Jinko Solar Sweihan (HK) Limited	October 4, 2016	Hong Kong	100	%
Jinko Solar (Shanghai) Managemet Co., Ltd	July 25, 2012	PRC	100	%
JinkoSolar Trading Privated Limted	February 6, 2017	India	100	%
JinkoSolar LATAM Holding Limited	August 22, 2017	Hong Kong	100	%
JinkoSolar Middle East DMCC	November 6, 2016	Emirates	100	%
Jinko Power International (Hongkong) Limited	July 10, 2015	Hong Kong	100	%
JinkoSolar International Development Limited**	August 28, 2015	Hong Kong	100	%
Jinkosolar Household PV System Ltd.	January 12, 2015	BVI	100	%
Canton Best Limited(“Canton Best BVI”)	September 16, 2013	BVI	100	%
Wide Wealth Group Holding Limited(“Wide Wealth Hong Kong”) ***	June 11, 2012	Hong Kong	100	%
JinkoSolar (U.S.) Industrial Inc.	November 16, 2017	USA	100	%

*In the fourth quarter of 2016, Paker disposed Zhejiang Jinko Financial Leasing Co., Ltd (“Zhejiang Leasing”) with the consideration of RMB183.0 million (USD26.4 million). Loss on disposal amounted to RMB15.2 million (USD2.2 million) was recognized. Consideration amounted to RMB13.1 million (USD 2.0 million) was collected in 2017. Pursuant to the extended payment terms as agreed in 2017, all the outstanding considerations will be settled by May 2018.

**In the fourth quarter of 2016, JinkoSolar International Development Limited disposed Jinko Solar (Thailand) Co. Ltd (“Jinko Thailand”) with the consideration of RMB2.4 million (USD0.4 million). Loss of disposal amounted to RMB0.1 million (USD0.02 million) was recognized. Consideration associated with the transaction was collected in 2017.

**In the fourth quarter of 2017, JinkoSolar International Development Limited disposed Lotapera, S.L. with the consideration of RMB27.3 thousand (USD4.2 thousand). Gain on disposal amounted to RMB102.3 thousand (USD15.7 thousand) was recognized. Consideration associated with the transaction has not been collected as of December 31, 2017.

**In the fourth quarter of 2017, JinkoSolar International Development Limited disposed four Mexican power plants, including Energia Solar AHU, S.de R.L. de C.V., Energia Solar CAB, S.de R.L. de C.V., Energia Solar MAZ, S.de R.L. de C.V., and PV Energy SAM, S.de R.L. de C.V., with the consideration of RMB1.3 thousand (USD0.2 thousand). Gain on disposal amounted to RMB154.8 thousand (USD23.8 thousand) was recognized. Consideration associated with the transaction has not been collected as of December 31, 2017.

***In the fourth quarter of 2016, Wide Wealth Hong Kong disposed all of the 55% equity interest indirectly held by the Company in Jiangxi JinkoSolar Engineering Co., Ltd. (“Jiangxi Jinko Engineering”) to Shangrao Kangsheng Technology Co., Ltd., a company incorporated with limited liability under the laws of the People’s Republic of China, formed by a buyer consortium led by Mr. Xiande Li, chairman of the board of directors of the Company for a total consideration of US\$250.0 million. In conjunction, JinkoSolar Power repurchased all of its Series A, Series A-1 and Series A-2 redeemable convertible preferred shares (Note 8) with considerations of US\$225.0 million from the preferred shareholders, while Wide Wealth Hong Kong agreed to transfer the 45% equity interest of Jiangxi Jinko Engineering to related entities of the preferred shareholders with a total consideration of US\$225.0 million. These two transactions were net-settled as agreed with JinkoSolar Power, Wide Wealth Hong Kong and the preferred shareholders.

2.PRINCIPAL ACCOUNTING POLICIES

a. Basis of presentation and use of estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Group bases its estimates on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Significant accounting estimates reflected in the Company's consolidated financial statements include allowance for doubtful receivables, provision for inventories and advances to suppliers, the purchase price allocation with respect to business combinations, impairment of long-lived assets, the economic useful lives of property, plant and equipment, project assets and intangible assets, certain accrued liabilities including accruals for warranty costs, guarantees, sales-leaseback, accounting for share-based compensation, fair value measurements of share-based compensation and financial instruments, legal contingencies, income taxes and related deferred tax valuation allowance.

b. Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant transactions and balances among the Company and its subsidiaries have been eliminated upon consolidation.

For the Group's majority-owned subsidiaries, non-controlling interests is recognized to reflect the portion of their equity interests which are not attributable, directly or indirectly, to the Group. Consolidated net income on the consolidated statement of operation includes the net income attributable to non-controlling interests. The cumulative results of operations attributable to non-controlling interests are recorded as non-controlling interests in the Group's consolidated balance sheets. Cash flows related to transactions with non-controlling interests are presented under financing activities in the consolidated statements of cash flows.

c. Discontinued operations

A component of a reporting entity or a group of components of a reporting entity that are disposed or meet the criteria to be classified as held for sale, such as the management, having the authority to approve the action, commits to a plan to sell the disposal group, should be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. Discontinued operations are reported when a component of an entity comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity is classified as held for disposal or has been disposed of, if the component either (1) represents a strategic shift or (2) have a major impact on an entity's financial results and operations. Examples include a disposal of a major geographical location, line of business, or other significant part of the entity, or disposal of a major equity method investment. In the consolidated statement of operations, result from discontinued operations is reported separately from the income and expenses from continuing operations and prior periods are presented on a comparative basis. Cash flows for discontinuing operations are presented separately in note 3. In order to present the financial effects of the continuing operations and discontinued operations, revenues and expenses arising from intra-group transactions are eliminated except for those revenues and expenses that are considered to continue after the disposal of the discontinued operations.

Non-current assets or disposal groups are classified as assets held for sale when the carrying amount is to be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset.

d. Foreign currency translation

The Group's reporting currency is the Renminbi ("RMB"), the official currency in the PRC. The Company and certain subsidiaries use RMB as their functional currency. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates quoted by the People's Bank of China (the "PBOC") prevailing at the dates of the transactions. Gains and losses resulting from foreign currency transactions are included in the consolidated statements of operations. Monetary assets and liabilities denominated in foreign currencies are translated into RMB using the applicable exchange rates quoted by the PBOC at the applicable balance sheet dates. All such exchange gains or losses are included in exchange loss in the consolidated statements of operations.

For consolidation purpose, the financial statements of the Company's subsidiaries whose functional currencies are other than the RMB are translated into RMB using exchange rates quoted by PBOC. Assets and liabilities are translated at the exchange rates at the balance sheet date, equity accounts are translated at historical exchange rates and revenues, expenses and gains and losses are translated using the average exchange rates for the year. Translation adjustments are reported as cumulative translation adjustments and are shown as a separate component of in accumulated other comprehensive income in the consolidated statement of comprehensive income/ (loss).

F-12

The RMB is not a freely convertible currency. The PRC State Administration for Foreign Exchange, under the authority of PBOC, controls the conversion of RMB into foreign currencies. The value of the RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in China's foreign exchange trading system market. The Company's aggregate amount of cash, cash equivalents and restricted cash denominated in RMB amounted to RMB4,136.5 million and RMB4,509.4 million as of December 31, 2016 and 2017, respectively.

e. Cash and cash equivalents

Cash and cash equivalents represent cash on hand and demand deposits placed with banks or other financial institutions, which have original maturities of three months or less.

f. Restricted cash

Restricted cash represents deposits legally held by banks which are not available for the Group's general use. These deposits are held as collateral for issuance of letters of credit or guarantee, bank acceptance notes to vendors for purchase of machinery and inventories and forward contracts.

g. Restricted short-term investments

Restricted short-term investments represent the time deposits legally hold by banks with original maturities longer than three months and less than one year, which are held as collateral for issuance of letters of credit, guarantee, bank acceptance notes or deposits for short-term borrowings.

h. Available-for-sale investment

Investments in debt and equity securities are, on initial recognition, classified into the three categories: held-to-maturity securities, trading securities and available-for-sale securities. Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity securities and reported at amortized cost. Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses included in earnings.

Debt and equity securities not classified as either held-to-maturity securities or trading securities are classified as available-for-sale investments and are reported at fair value, with unrealized gains and losses recognized in accumulated other comprehensive income.

Subsequent to initial recognition, available-for-sale investment is measured at fair value with changes in fair value recognized in accumulated other comprehensive income included in shareholders' equity. When there is objective evidence that the investment is impaired, the cumulative losses from the declines in fair value that had been recognized directly in accumulated other comprehensive income are removed from equity and recognized in the statement of operations. When the available-for-sale investment is sold, the cumulative fair value adjustments previously recognized in accumulated other comprehensive income are recognized in the statement of operations. The Group evaluates the investments periodically for possible other-than temporary impairment. When other-than-temporary impairment has occurred for an available-for-sale debt security and the Group intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss, an impairment loss is recognized in earnings equal to the difference between the investment's amortized cost basis and its fair value at the balance sheet date. The new cost basis will not be changed for subsequent recoveries in fair value. To determine whether a loss is other-than-temporary, the Group reviews the cause and duration of the impairment, the extent to which fair value is less than cost, the financial condition and near-term prospects of the issuer, and the Group's intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery of its cost.

On September 20, 2013, the parent company ("Issuer") of one of the Company's customers issued convertible bond ("Bond") to the Company in order to settle the outstanding receivables owed by that customer of EUR 2,948,489. The Bond matured on December 31, 2015. Each Bond is convertible into one share at 1:1 ratio during September 1, 2014 to December 31, 2014, or June 1, 2015 to December 31, 2015. The Bond bears a simple interest of 5% per annum and is payable every six months in arrears on June 30 and December 31 of each year from 2013 to 2015. The Issuer, at any time, may redeem all the Bond outstanding by paying a sum of money at an amount equal to the greater of (1) the total nominal value of the Bond plus outstanding interest and (2) the counter- value. Upon maturity, the outstanding Bond will be reimbursed at the nominal value together with the accrued and unpaid interests.

The Company recorded such Bond as available-for-sale instruments as its intent is to convert the Bond into common shares when the common share price appreciates over its nominal value during the two convertible periods, and recorded the fair value change in the Bond in accumulated other comprehensive income.

In December 2015, upon the maturity of the Bond, the Company decided to waive the conversion right and choose to collect the total outstanding balance in cash. On December 21, 2015, the customer entered into a repayment arrangement with the Company. Considering the uncertainties of the cash collection, the Company provided full provision to the outstanding receivable of RMB21,923,756 as of December 31, 2015. During the year ended December 31, 2016, the Company received part of the cash repayment amounted to RMB 11,636,130 and reversed equivalent bad debt provisions. As of December 31, 2016 and 2017, the Company provided full provisions to the outstanding receivables amounted to RMB 10,287,626.

F-13

i. Notes receivable and payable

Notes receivable represents bank or commercial drafts that have been arranged with third-party financial institutions by certain customers to settle their purchases from the Group. The carrying amount of notes receivable approximate their fair values due to the short-term maturity of the notes receivables.

The Group also issues bank acceptance notes to its suppliers in China in the normal course of business. The Group classifies the changes in notes payable and the restricted cash held as collateral for issuance of bank acceptance notes as financing activities.

Notes receivable and payable are typically non-interest bearing and have maturities of less than six months.

j. Accounts receivable

Specific provisions are made against accounts receivable for estimated losses resulting from the inability of the Group's customers to make payments. The Group periodically assesses accounts receivable balances to determine whether an allowance for doubtful accounts should be made based upon historical bad debts, specific customer creditworthiness and current economic trends. Accounts receivable in the balance sheets are stated net of such provision, if any. Before approving sales to each customer, the Group conducts a credit assessment for each customer to evaluate the collectability of such sales. The assessment usually takes into consideration the credit worthiness of such customer and its guarantor, if any, the Group's historical payment experience with such customer, industry-wide trends with respect to credit terms, including the terms offered by competitors, and the macro-economic conditions of the region to which sales will be made. The Group will execute a sales order with a customer and arrange for shipment only if its credit assessment concludes that the collectability with such customer is reasonably assured. The Group may also from time to time require security deposits from certain customers to minimize its credit risk. After the sales are made, the Group closely monitors the credit situation of each customer on an on-going basis for any subsequent change in its financial position, business development and credit rating, and evaluates whether any of such adverse change warrants further action to be taken by the Group, including asserting claims and/or initiating legal proceedings against the customer and/or its guarantor, as well as making provisions. It is also the Group's general practice to suspend further sales to any customer with significant overdue balances.

k. Advances to suppliers

The Group provides short-term and long-term advances to secure its raw material needs, which are then offset against future purchases. The Group continually assesses the credit quality of its suppliers and the factors that affect the credit risk. If there is deterioration in the creditworthiness of its suppliers, the Group will seek to recover its advances to suppliers and provide for losses on advances which are akin to receivables in operating expenses because of suppliers' inability to return its advances. Recoveries of the allowance for advances to supplier are recognized when they are received. The Company classified short-term and long-term advances to suppliers based on management's best estimate of the expected purchase in the next twelve-months as of the balance sheet date and the Group's ability to make requisite purchases under existing supply contracts. The balances expected to be utilized outside of the 12 months are recorded in advances to suppliers to be utilized beyond one year. A provision of advance to suppliers of nil, RMB799,889 and nil was recorded for the years ended December 31, 2015, 2016 and 2017, respectively.

1. Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the weighted average method. Provisions are made for excessive, slow moving and obsolete inventories as well as for inventories with carrying values in excess of market. Certain factors could impact the realizable value of inventory, so the Group continually evaluates the recoverability based on assumptions about customer demand and market conditions. The evaluation may take into consideration historical usage, expected demand, anticipated sales price, new product development schedules, the effect new products might have on the sale of existing products, product obsolescence, customer concentrations, and other factors. The reserve or write-down is equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory reserves or write-downs may be required that could negatively impact the Group's gross margin and operating results. If actual market conditions are more favorable, the Group may have higher gross margin when products that have been previously reserved or written down are eventually sold. The sale of previously reserved inventory did not have a material impact on our gross margin percentage for any of the years presented.

In addition, the Group analyzes its firm purchase commitments, if any, at each period end. Provision is made in the current period if the net realizable value after considering estimated costs to convert polysilicon into saleable finished goods is higher than market selling price of finished goods as of the end of a reporting period. There was no loss provision recorded related to these long-term contracts for each of the three years ended December 31, 2015, 2016 and 2017.

m. Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes the prices paid to acquire or construct the assets, interest capitalized during the construction period and any expenditure that substantially extends the useful life of an existing asset. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	20 years
Machinery and equipment	10 years
Furniture, fixture and office equipment	3-5 years
Motor vehicles	4-5 years

Construction in progress primarily represents the construction of new production line and buildings. Costs incurred in the construction are capitalized and transferred to property, plant and equipment upon completion, at which time depreciation commences.

Expenditures for repairs and maintenance are expensed as incurred. The gain or loss on disposal of property, plant and equipment, if any, is the difference between the net sales proceeds and the carrying amount of the disposed assets, and is recognized in the consolidated statement of operations upon disposal.

n. Project Assets, net

Project assets represented the costs of solar power plants held for generation of electricity revenue and solar power plants under construction. Project assets are stated in the consolidated balance sheets at cost less accumulated depreciation and impairment provision, if any.

Costs of project assets consist primarily of costs relating to construction of solar power plants at various stages of development. These costs include costs for procurement of solar module and other equipment (including intercompany purchases), cost of land on which solar power plants are developed and other direct costs for developing and constructing solar power plants, such as costs for obtaining permits required for solar power plants and costs for designing, engineering, interest costs capitalized and installation in the course of construction. Such costs are capitalized starting from the point when it is determined that development of the solar power plant is probable. For a solar power project asset acquired from third parties, the initial cost is the acquisition cost which includes the consideration transferred and certain direct acquisition costs.

Costs capitalized in the construction of solar power plants under development will be transferred to complete solar power plants upon completion and when they are ready for intended use, which is at the point of time when the solar power plant is connected to grids and begins to generate electricity. Depreciation of the completed solar power plant commences once the solar power plant is ready for intended use. Depreciation is computed using the straight-line method over the expected life of 20 years.

After the disposition of the domestic downstream solar projects business in the fourth quarter of 2016, project assets as of December 31, 2016 and December 31, 2017 and are all relate to solar power plants constructed out of China.

o. Assets held for sale

Long-lived assets to be sold shall be classified as held for sale considering the recognition criteria in ASC 360-10-45-9 in which all of the following criteria are met:

“Management, having the authority to approve the action, commits to a plan to sell the asset.

..The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.

..An active program to locate a buyer and other actions required to complete the plan to sell the asset have been initiated.

..The sale of the asset is probable, and transfer of the asset is expected to qualify for recognition as a completed sale, within one year,

“The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.

..Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

p. Interest Capitalization

Interest expenses during the years ended December 31, 2015, 2016 and 2017 were RMB360,480,383, RMB409,731,845 and RMB322,002,538, net of with interest income of RMB42,080,673, RMB41,519,696 and RMB58,810,160, respectively.

The interest cost associated with major development and construction projects is capitalized and included in the cost of the property, plant and equipment or project assets. Interest capitalization ceases once a project is substantially completed or no longer undergoing construction activities to prepare it for its intended use. When no debt is specifically identified as being incurred in connection with a construction project, the Group capitalizes interest on amounts expended on the project at the Group's weighted average cost of borrowings. Interest expense capitalized associated with the project assets of discontinued operations for the years ended December 31, 2015, 2016 and 2017 were RMB66,896,537, RMB58,624,205, and nil, respectively. Interest expense capitalized associated with the construction projects of continuing operation for the years ended December 31, 2015, 2016 and 2017 were RMB7,381,127, RMB8,915,817, and RMB17,662,780, respectively.

q. Land use rights and land lease

a. Land use rights

Land use rights represent acquisition costs to purchase land use rights from the PRC government, which are evidenced by property certificates. The periods of these purchased land use rights are either 50 years or 70 years. The Company classifies land use rights as long term assets on the balance sheet and cash outflows related to acquisition of land use right as investing activities.

Land use rights are carried at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the straight-line method over the term specified in the land use right certificate for 50 years or 70 years, as applicable.

b. Land lease

For certain of the Group's solar power project, the Group enters into land lease contracts with the owners of the land use rights. Under such lease arrangements, the owners retain the property right of the land use rights. While the Group can only set up the solar panels on these leased lands but does not have the right to sell, lease or dispose the land use rights.

Accordingly, land leases are classified as operating leases, with the lease payments being recognised over the lease periods of 20 years to 50 years as operating expenses. Such land lease payments are classified as operating cash outflows.

r. Intangible assets

Intangible assets include purchased software and fees paid to register trademarks and are amortized on a straight-line basis over their estimated useful lives, which are 5 or 10 years, respectively.

s. Business combination and assets acquisition

U.S. GAAP requires that all business combinations not involving entities or businesses under common control be accounted for under the purchase method. The Group has adopted ASC 805 “Business Combinations,” and the cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred and equity instruments issued. The transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the (i) the total of cost of acquisition, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net tangible and intangible assets of the acquiree is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of operations and comprehensive income.

The determination and allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions and valuation methodologies requiring considerable management judgment. The most significant variables in these valuations are discount rates, terminal values, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine forecast the future cash inflows and outflows. Management determines discount rates to be used based on the risk inherent in the related activity’s current business model and industry comparisons. Terminal values are based on the expected life of products and forecasted life cycle and forecasted cash flows over that period. Although management believes that the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from the forecasted amounts and the difference could be material.

A non-controlling interest is recognized to reflect the portion of a subsidiary’s equity which is not attributable, directly or indirectly, to the Company. Consolidated net income on the consolidated statements of operations and comprehensive income includes the net income (loss) attributable to non-controlling interests when applicable. The cumulative results of operations attributable to non-controlling interests are also recorded as non-controlling interests in the Company’s consolidated balance sheets. Cash flows related to transactions with non-controlling interests are presented under financing activities in the consolidated statements of cash flows when applicable.

t. Investments in affiliates

The Group holds equity investments in affiliates in which it does not have a controlling financial interest, but has the ability to exercise significant influence over the operating and financial policies of the investee. These investments are accounted for under equity method of accounting wherein the Group records its' proportionate share of the investees' income or loss in its consolidated financial statements. Cost method is used for investments over which the Company does not have the ability to exercise significant influence.

Investments are evaluated for impairment when facts or circumstances indicate that the fair value of the investment is less than its carrying value. An impairment is recognized when a decline in fair value is determined to be other-than-temporary. The Group reviews several factors to determine whether a loss is other-than-temporary. These factors include, but are not limited to, the: (1) nature of the investment; (2) cause and duration of the impairment; (3) extent to which fair value is less than cost; (4) financial conditions and near term prospects of the issuers; and (5) ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value.

Due to the disposition of downstream power business, investment income of affiliated companies of the downstream power business is included in discontinued operations. (Note 3)

u. Impairment of long-lived assets

The Group's long-lived assets include property, plant and equipment, project assets, land use rights and intangible assets with finite lives. The Group's business requires heavy investment in manufacturing equipment that is technologically advanced, but can quickly become significantly under-utilized or rendered obsolete by rapid changes in demand for solar power products produced with those equipment.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. Factors considered important that could result in an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of acquired assets and significant negative industry or economic trends. The Group may recognize impairment of long-lived assets in the event the net book value of such assets exceeds the future undiscounted cash flows attributable to these assets. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss, if any, is recognized for the difference between the fair value of the asset and its carrying value. Fair value is generally measured based on either quoted market prices, if available, or discounted cash flow analyses.

v. Leases

Leases are classified as capital or operating leases. A lease that transfers to the lessee substantially all the benefits and risks incidental to ownership is classified as a capital lease. At inception, a capital lease is recorded at the present value of minimum lease payments or the fair value of the asset, whichever is less. Assets under capital leases are amortized on a basis consistent with that of similar fixed assets or the lease term, whichever is less. Operating lease costs are recognized on a straight-line basis over the lease term.

For a sale-leaseback transaction, when the transaction involves real estate or integral equipment, sale-leaseback accounting shall be used by a seller-lessee only if the transaction includes all of the following a) A normal leaseback; b) Payment terms and provisions that adequately demonstrate the buyer-lessor's initial and continuing investment in the property; c) Payment terms and provisions that transfer all of the other risks and rewards of ownership as demonstrated by the absence of any other continuing involvement by the seller-lessee.

Equipment is determined to be integral when the cost to remove the equipment from its existing location, ship and reinstall at a new site, including any diminution in fair value, exceeds 10% of the fair value of the equipment at the time of original installation.

If a sale-leaseback of real estate qualifies for sale-leaseback accounting, an analysis is performed to determine if the Company can record a sale and remove the assets from the balance sheet and recognize the lease; and if so, to determine whether to record the lease as either an operating or capital lease.

The Group's assets under capital lease transactions are derecognized upon sale at the net book value and rebooked at the financed amount. Any profit or loss on the sale will be deferred and amortized over the useful life of the assets. If the fair value of the assets at the time of the sale is less than its net book value, a loss will be recognized immediately.

If a sale-leaseback transaction does not qualify for sale-leaseback accounting because of any form of continuing involvement by the seller-lessee other than a normal leaseback, it is accounted for as a financing, whichever is appropriate under ASC 360.

w. Guarantees

The Group issues debt payment guarantees in favor of Jiangxi Jinko Engineering, a related party. The guarantees require the Group to make payments to reimburse the holders of these guarantees for losses they incur when Jiangxi Jinko Engineering fails to make repayments to the holders, when its liability to the holders falls due.

In addition, the Group also issues redemption guarantees in favor of Jiangxi Jinko Engineering, a related party. According to the side agreement among the Group, Jiangxi Jinko Engineering and investors of Jiangxi Jinko Engineering (the original redeemable preferred shareholders of JinkoSolar Power), the investors of Jiangxi Jinko Engineering will have the right to redeem the common shares of Jiangxi Jinko Engineering held by them, and, as a result of a guarantee issued by the Company, in the event that Jiangxi Jinko Engineering fails to perform its redemption obligations, the Company will become liable for Jiangxi Jinko Engineering's obligations under the redemption.

A guarantee liability is initially recognized at the estimated fair value in the Group's consolidated balance sheets unless it becomes probable that the Group will reimburse the holder of the guarantee for an amount higher than the carrying amount, in which case the guarantee is carried in the Group's consolidated balance sheets at the expected amount payable to the holder. The fair value of the guarantee liability is measured by the total consideration to be received in connection with the provision of guarantee. The guarantee liability would be amortized in straight line during the guarantee period.

Receivables have also been recorded for the guarantee payments to be received (note 31).

Pursuant to the master service agreement signed with Jiangxi Jinko Engineering, guarantee service fee would be settled on a half-year basis.

x. Revenue recognition

(a) Revenue recognition on product sales

The Group recognizes revenue for product sales when persuasive evidence of an arrangement exists, delivery of the product has occurred and title and risk of loss has passed to the customer, the sales price is fixed or determinable and the collectability of the resulting receivable is reasonably assured. For all sales, the Group requires a contract or purchase order which quantifies pricing, quantity and product specifications.

For sales of photovoltaic products from PRC to foreign customers, delivery of the products generally occurs at the point in time the product is delivered to the named port of shipment or received by the customers, which is when the risks and rewards of ownership are transferred to the customer. For sales of PV products to domestic customers in PRC or by foreign subsidiaries, delivery of the product occurs generally at the point in time the product is received by the customer, which is when the risks and rewards of ownership have been transferred. In the case of sales that are contingent upon customer acceptance, revenue is not recognized until the deliveries are formally accepted by the customers.

The Group enters into certain sales contracts with retainage terms beginning in 2012, under which customers were allowed to withhold payment of 5% to 10% of the full contract price as retainage after a specified period which generally range from one year to two years (the "Retainage Period"). Given the limited experience the Group has with respect to the collectability of the retainage, the Group defers recognition of the retainage as revenue until the customers pay it after the Retainage Period expires. The total amounts of retainage that were not recognized as

revenue were RMB144,875,453 and RMB89,848,484 as of December 31, 2016 and 2017, respectively. Additions of retainages in 2015, 2016 and 2017, were RMB35,682,215, RMB19,809,181 and RMB8,821,018, respectively. Revenue recognized upon the cash collection of the retainages in 2015, 2016 and 2017, were RMB 73,766,543, RMB31,092,562 and RMB63,847,987, respectively. All of the retainages are within the Retainage Period of the sales contracts ranged from one year to two years.

Advance payments received from customers for the future sale of products are recognized as advances from third party customers in the consolidated balance sheets. Advances from customers are recognized as revenues when the conditions for revenue recognition described above have been satisfied. Advances from customers have been recognized as a current liability because the amount at each balance sheet date is expected to be recognized as revenue within twelve months.

(b) Revenue on processing services

The Group provides solar power product processing services to customers and the revenue of processing services is recognized upon completion which is generally evidenced by delivery of processed products to the customers.

(c) Revenue on electricity generation

The Group recognizes electricity generation revenue when persuasive evidence of a power purchase arrangement with the power grid company exists, electricity has been generated and been transmitted to the grid and the electricity generation records are reconciled with the grid companies, the price of electricity is fixed or determinable and the collectability of the resulting receivable is reasonably assured.

(d) Revenue on solar system integration projects

The Group recognizes revenue related to solar system integration projects on the percentage-of-completion basis. The Company estimates its revenues using the cost-to-cost method, whereby it derives a ratio by comparing the costs incurred to date to the total costs expected to be incurred on the project. The Company applies the ratio computed in the cost-to-cost analysis to the contract price to determine the estimated revenues earned in each period. When the Company determines that total estimated costs will exceed total revenues under a contract, it records a loss accordingly. No loss provision was recorded in the years ended December 31, 2015, 2016 and 2017. There existed no unbilled receivables as of December 31, 2016 and 2017. The Company stopped its business of solar system integration upon the disposition of its household solar project business in the fourth quarter of 2016.

In the PRC, value added tax (“VAT”) at a general rate of 17% on invoice amount is collected on behalf of tax authorities in respect of the sales of product and is not recorded as revenue. VAT collected from customers, net of VAT paid for purchases, is recorded as a liability until it is paid to the tax authorities.

y. *Segment report*

The Group uses the management approach in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Group’s chief operating decision maker for making operating decisions, allocating resources and assessing performance as the source for determining the Group’s reportable segments. In prior years, management has determined that the Group operated its business in two segments, as that term is defined by FASB ASC Topic 280, *Segment reporting*.

The Group’s first segment was and is the vertically integrated solar power products manufacturing business (“manufacturing segment”), from silicon ingots, wafers, cells to solar modules.

In the fourth quarter of 2016, the Group disposed of its downstream solar projects business segment, through which the Group entities developed, constructed and operated the solar projects, including (i) project development, (ii) engineering, procurement, and construction (“EPC”), (iii) connecting solar projects to the grid, operating and maintenance (“O&M”).

z. *Cost of revenue*

Cost of revenue for sales of photovoltaic products includes production and indirect costs, as well as shipping and handling costs for raw materials purchase and provision for inventories.

Costs of revenues for solar system integration projects include all direct material, labor, subcontractor cost, and those indirect costs related to contract performance, such as indirect labor, supplies and tools. The Group recognizes job material costs as incurred costs when the job materials have been installed. The Group considers job materials to be installed materials when they are permanently attached or fitted to the solar power systems as required by the engineering design.

Costs of electricity generation revenue include depreciation of solar power project assets and costs associated with operation and maintenance of the project assets. Cost of electricity sales from continuing operations was nil, RMB0.6 million, and RMB3.1 million for years ended December 31, 2015, 2016 and 2017, respectively.

aa. Warranty cost

Solar modules produced by the Group are typically sold with either a 5-year or 10-year warranty for product defects, and a 10-year and 25-year warranty against declines of more than 10% and 20%, respectively, from the initial minimum power generation capacity at the time of delivery. Therefore, the Group is exposed to potential liabilities that could arise from these warranties. The potential liability is generally in the form of product replacement or repair.

Consistent with the practice of the solar industry, the Group has adopted the equivalent of 1% of product revenues to estimate the cost of its warranty obligation and recorded a warranty liability on that basis. In light of the historical sharp decline and the anticipated long-term decreasing trend of module prices, which it estimates to reflect replacement cost, as well as based on the accumulation of longer operating experience, the Group reassessed and updated the estimation of future warranty costs with effect from 31 December 2016 and 2017. The updated accrual basis consists two major inputs, which are the 1% expected failure rate and the product replacement cost. Based on the actual claims incurred during the past years which appears to be consistent with the market practice, the Group projected the expected failure rate as 1% for the whole warranty period, which is consistent with prior assumptions. Based on the Group's actual claims experience in the historical periods as well as management's current best estimation, the Group believes that the average selling price of solar modules over the past two years more accurately reflects the estimated warranty cost liability in connection with the products sold by the Group, as opposed to the current and past spot prices. According to the updated product replacement cost included in the warranty liability estimation, the Group reversed previous years' recorded warranty liability of RMB92,083,351 and RMB117,165,077 in 2016 and 2017 respectively.

The warranty costs were classified as current liabilities under other payables and accruals, and non-current liabilities under accrued warranty costs – non-current, respectively, which reflect our estimate of the timing of when the warranty expenditures will likely be made. For the years ended December 31, 2015, 2016 and 2017, warranty costs accrued for the modules delivered in the periods before the reversals due to updated project replacement cost were RMB149,304,487, RMB257,464,846 and RMB299,331,077, respectively. The utilization of the warranty accruals for the years ended December 31, 2015, 2016 and 2017 were RMB18,244,745, RMB11,957,359 and RMB114,112,651, respectively. Increase in the utilization of warranty accruals in the year of 2017 was mainly due to defects in a specific batch of raw materials provided by a certain former supplier of the Company, and no such claims are expected to incur in the future. Considering the defective modules only comprised a small portion of the Group's module shipments, it is less likely to have significant impact on the Group's estimation on the expected failure rate.

The Group purchases warranty insurance policy which provides coverage for the product warranty services of solar modules worldwide. Prepayment for warranty insurance premium is initially recorded as other assets and is amortized over the insurance coverage period. Prepayment for warranty insurance premium is not recorded as reduction of estimated warranty liabilities. Once the Group receives insurance recoveries, warranty expenses will be credited.

F-19

ab. Shipping and handling

Costs to ship products to customers are included in selling and marketing expenses in the consolidated statements of operations. Costs to ship products to customers were RMB542,857,593, RMB831,693,851 and RMB1,220,560,478 for the years ended December 31, 2015, 2016 and 2017, respectively.

ac. Research and development

Research and development costs are expensed when incurred.

ad. Start-up costs

The Group expenses all costs incurred in connection with start-up activities, including pre-production costs associated with new manufacturing facilities (excluding costs that are capitalized as part of property, plant and equipment) and costs incurred with the formation of new subsidiaries such as organization costs.

ae. Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and any tax loss and tax credit carry forwards. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates or tax laws is recognized in the consolidated statements of operations in the period the change in tax rates or tax laws is enacted. A valuation allowance is provided to reduce the amount of deferred income tax assets if it is considered more likely than not that some portion or all of the deferred income tax assets will not be realized.

The accounting for uncertain tax positions requires that the Company recognizes in the consolidated financial statements the impact of an uncertain tax position, if that position is more likely than not of being sustained upon examination, based on the technical merits of the position. Recognized income tax positions are measured at the

largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Group's policy is to recognize, if any, tax related interest as interest expenses and penalties as general and administrative expenses. The Group did not have any interest and penalties associated with uncertain tax positions in the year ended December 31, 2015, 2016 and 2017 as there were no uncertain tax positions.

af. Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

ag. Fair value of financial instruments

The Group does not have any non-financial assets or liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (also referred to as an exit price). A hierarchy is established for inputs used in measuring fair value that gives the highest priority to observable inputs and the lowest priority to unobservable inputs. Valuation techniques used to measure fair value shall maximize the use of observable inputs.

When available, the Group measures the fair value of financial instruments based on quoted market prices in active markets, valuation techniques that use observable market-based inputs or unobservable inputs that are corroborated by market data. Pricing information the Group obtains from third parties is internally validated for reasonableness prior to use in the consolidated financial statements. When observable market prices are not readily available, the Group generally estimates the fair value using valuation techniques that rely on alternate market data or inputs that are generally less readily observable from objective sources and are estimated based on pertinent information available at the time of the applicable reporting periods. In certain cases, fair values are not subject to precise quantification or verification and may fluctuate as economic and market factors vary and the Group's evaluation of those factors changes. Although the Group uses its best judgment in estimating the fair value of these financial instruments, there are inherent limitations in any estimation technique. In these cases, a minor change in an assumption could result in a significant change in its estimate of fair value, thereby increasing or decreasing the amounts of the Group's consolidated assets, liabilities, equity and net income.

The Group's financial instruments consist principally of cash and cash equivalents, restricted cash, restricted short-term investments, accounts and notes receivable, forward contract receivable, call spread options, other receivables, prepayments and other current assets, capped call options, accounts and notes payable, other payables and accruals, forward contracts payable, short-term borrowings, long-term borrowings, convertible senior notes, rate cap derivative and warrants.

F-20

The forward contracts receivable and payable, call spread options, capped call options, rate cap derivative, convertible senior notes and warrants are measured at fair value (Note 33). Except for these financial instruments and long-term borrowing, the carrying values of the Group's other financial instruments approximated their fair values due to the short-term maturity of these instruments. The carrying amount of long-term borrowing approximates their fair value due to the fact that the related interest rates approximate rates currently offered by financial institutions for similar debt instruments of comparable maturities.

ah. Government grants

Government grants related to technology upgrades and enterprise development are recognized as subsidy income when received. For the years ended December 31, 2015, 2016 and 2017, the Group received financial subsidies of RMB103,578,019, RMB168,646,557 and RMB147,916,764 from the local PRC government authorities, respectively. These subsidies were non-recurring, not refundable and with no conditions, including none related to specific use or disposition of the funds, attached. Such amounts were recorded as subsidy income in the consolidated statements of operations. There are no defined rules and regulations to govern the criteria necessary for companies to enjoy such benefits and the amount of financial subsidy is determined at the discretion of the relevant government authorities.

Government grants related to assets are initially recorded as other payables and accruals which are then deducted from the carrying amount when the assets are ready for use and approved by related government. The Company received government grant related to assets of nil, nil and RMB26,306,649 during the years ended December 31, 2015, 2016 and 2017, respectively.

ai. Repurchase of share

When the Company's shares are purchased for retirement, the excess of the purchase price over its par value is recorded entirely to additional paid-in capital subject to the limitation of the additional paid in capital when the shares were originally issued. When the Company's shares are acquired for purposes other than retirement, the purchase price is shown separately as treasury stock.

aj. Statutory reserves

Zhejiang Jinko, as sino-foreign owned joint venture incorporated in the PRC, is required to make appropriations of net profits, after recovery of accumulated deficit, to (i) a general reserve fund, (ii) an enterprise expansion fund, and (iii) a staff bonus and welfare fund prior to distribution of dividends to investors. These reserve funds are set at certain percentage of after-tax profit determined in accordance with PRC accounting standards and regulations (the "PRC GAAP"). The percentage of net profit for appropriation to these funds is at the discretion of their board of directors.

Jiangxi Jinko, as wholly foreign owned enterprises incorporated in the PRC, is required on an annual basis to make appropriations of net profits, after the recovery of accumulated deficit, to a general reserve fund and a staff bonus and welfare fund. These reserve funds are set at certain percentage of after-tax profit determined in accordance with the PRC GAAP. The percentage of the appropriation for general reserve fund is at least 10%, and the percentage of the appropriation for staff bonus and welfare fund is at the discretion of its boards of directors.

Except for the aforementioned subsidiaries, the Company's other subsidiaries, as domestic enterprises incorporated in the PRC, are required on an annual basis to make an appropriation of net profits, after the recovery of accumulated deficit, to a statutory reserve fund. The statutory reserve fund is set at the percentage of not lower than 10% of the after-tax profit determined in accordance with the PRC GAAP.

Once the level of the general reserve fund and the statutory reserve fund reach 50% of the registered capital of the underlying entities, further appropriations to these funds are discretionary. The Group's statutory reserves can only be used for specific purposes of enterprises expansion and staff bonus and welfare, and are not distributable to the shareholders except in the event of liquidation. Appropriations to these funds are accounted for as transfers from retained earnings to the statutory reserves.

During the years ended December 31, 2015, 2016 and 2017, the Group made total appropriations to statutory reserves of RMB99,858,201, RMB115,487,297 and RMB50,632,996, respectively.

ak. Earnings/(Loss) per share

Basic earnings(loss) per share is computed by dividing net income(loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights. Diluted earnings(loss) per share is calculated by dividing net income(loss) attributable to ordinary shareholders, as adjusted for the change in income or loss as result from the assumed conversion of those participating securities, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary share equivalents consist of the ordinary shares issuable upon the conversion of the convertible senior notes (using the if-converted method) and ordinary shares issuable upon the exercise of outstanding share options and warrants (using the treasury stock method). Potential dilutive securities are not included in the calculation of dilutive earnings per share if the effect is anti-dilutive.

Periodic accretion to redeemable non-controlling interests in connection with then outstanding redeemable convertible preferred shares of JinkoSolar Power (Note 8), and the remaining net profit of the subsidiary (if any after deducting the accretion) that attributes to its outstanding redeemable convertible preferred shares under the two-class method, are recorded as deductions to consolidated net income (loss) from discontinued operations to arrive at net income (loss) available to the Company's ordinary shareholders from discontinued operations.

Changes in income or loss as result from the assumed conversion of the convertible senior notes, if any, are recorded as the adjustment to the consolidated net income (loss) from continuing operations to arrive at the diluted net income (loss) available to the Company's ordinary shareholders from continuing operations.

al. Share-based compensation

The Company's share-based payment transactions with employees, including share options, are measured based on the grant-date fair value of the equity instrument issued. The fair value of the award is recognized as compensation expense, net of estimated forfeitures, over the period during which an employee is required to provide service in exchange for the award, which is generally the vesting period.

am. Other comprehensive income/(loss)

Other comprehensive income/(loss) is defined as the change in equity during a period from non-owner sources. The Company's other comprehensive income/(loss) for each period presented is comprised of foreign currency translation adjustment of the Company's foreign subsidiaries and unrealized gains and losses on available-for-sale securities. .

an. Convenience translation

Translations of balances in the consolidated balance sheet, consolidated statement of operation, consolidated statement of comprehensive income and statement of cash flows from RMB into United States dollars ("US\$" or "USD") as of and for the year ended December 31, 2017 are solely for the convenience of readers and were calculated at the rate of RMB6.5063 to US\$1.00, representing the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board. No representation is intended to imply that the RMB amounts could have been, or could be, converted, realized or settled into US\$ at that rate on December 31, 2017, or at any other rate.

ao,. Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," a new standard on revenue which will supersede the revenue recognition requirements in ASC 605. In August 2015, the FASB issued ASU No. 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date," which delays the effective date of ASU 2014-09 by one year. The FASB also agreed to allow entities to choose to adopt the standard as of the original effective date. In March 2016, the FASB issued ASU No. 2016-08, "Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)," which clarifies the implementation guidance on principal versus agent considerations. Further, in 2016, the FASB issued five amendments to the new standard. The new standard, as amended, sets forth a single comprehensive model for recognizing and reporting revenues. The new guidance requires the Company to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance requires the Company to apply the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, the Company satisfies a performance obligation. The standard also requires additional financial statement disclosures that will enable users to understand the nature, amount, timing and uncertainty of revenues and cash flows relating to customer contracts. The standard is effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2018. Early adoption is permitted but not before periods beginning on or after January 1, 2017. The standard allows for two methods of adoption: the full retrospective adoption, which requires the standard to be applied to each prior period presented, or the modified retrospective adoption, which requires the cumulative effect of adoption to be recognized as an

adjustment to opening retained earnings in the period of adoption.

The Group will adopt the new revenue standard effective on January 1, 2018 by applying the modified retrospective method with a cumulative catch up adjustment of initially applying this standard recognized at the date of initial application. The Group has identified and evaluated all of its contracts with customers, and compared the requirements of the new standard with its current accounting policies. This includes an analysis of, among other things: the timing of revenue recognition and the allocation of value for performance obligations that might be bundled within contractual arrangements. The Company has also evaluated whether any revenue-related costs for commissions, customer acquisition or similar costs would be affected by the new standard.

As a result of adopting the new accounting standard, for the sales contracts with retainage terms, under which customers were allowed to withhold payment of 5% to 10% of the full contract price as retainage for a specified period from one year to two year ("Retainage Period"), revenue from retainage will be recognized upon the Group satisfied its performance obligation to transfer the goods to its customers instead of deferring recognition until the customers pay it after the Retainage Period expires. The Group expects revenue recognition for its other sales arrangements, including sales of solar modules, wafers, cells and revenue from generated electricity, to remain materially consistent with its historical practice.

In January 2016, the FASB issued Accounting Standards Update No. 2016-01 (ASU 2016-01), "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." The main objective of this update is to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The new guidance addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 is effective for annual reporting periods, and interim periods within those years beginning after December 15, 2017. Early adoption by public entities is permitted only for certain provisions. The Group is in the process of evaluating the impact of the standard on its consolidated financial statements.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (ASU 2016-02), "Leases". Under the new guidance, lessees will be required to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet. The update also expands the required quantitative and qualitative disclosures surrounding leases. This update is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years, with earlier application permitted. The Group is in the process of evaluating the impact of the standard on its consolidated financial statements.

In June 2016, the FASB issued Accounting Standards Update No. 2016-13 (ASU 2016-13), “Financial Instruments – Credit Losses”, which introduces new guidance for credit losses on instruments within its scope. The new guidance introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments, including, but not limited to, trade and other receivables, held-to-maturity debt securities, loans and net investments in leases. The new guidance also modifies the impairment model for available-for-sale debt securities and requires the entities to determine whether all or a portion of the unrealized loss on an available-for-sale debt security is a credit loss. The standard also indicates that entities may not use the length of time a security has been in an unrealized loss position as a factor in concluding whether a credit loss exists. The ASU is effective for public companies for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted for all entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Group is in the process of evaluating the impact of the standard on its consolidated financial statements.

In August, 2016, the FASB issued Accounting Standards Update No. 2016-15 (ASU 2016-15), “Statement of Cash Flows”, a proposed ASU on restricted cash in response to an EITF consensus-for-exposure. The proposed ASU would require an entity to include in its cash and cash-equivalent balances in the statement of cash flows those amounts that are deemed to be restricted cash and restricted cash equivalents. The proposal’s primary purpose is to eliminate the diversity in practice related to how entities classify and present changes in restricted cash in the cash flow statement in accordance with ASC 230. The ASU is effective for annual and interim periods beginning after December 15, 2017 and early adoption is permitted. The Group does not expect that the new standard will have a material impact on its consolidated financial statements.

In October 2016, the FASB issued Accounting Standards Update No. 2016-16 (ASU 2016-16), “Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory”. The new guidance requires that entities recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs, rather than when the asset is sold to an outside party. The guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period (as of the first interim period if an entity issues interim financial statements). The new guidance requires adoption on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Group does not expect that the new standard will have a material impact on its consolidated financial statements.

In November, 2016, the FASB issued Accounting Standards Update No. 2016-18 (ASU 2016-18), “Statement of Cash Flows”, which amends ASC 230 to add or clarify guidance on the classification and presentation of restricted cash in the statement of cash flows. The ASU is effective for annual and interim periods beginning after December 15, 2017 and early adoption is permitted. The Group does not expect that the new standard will have a material impact on its consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update 2017-01 (ASU 2017-01), “Business Combinations (Topic 805): Clarifying the Definition of a Business”, which clarifies the definition of a business to assist entities with

evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The standard introduces a screen for determining when assets acquired are not a business and clarifies that a business must include, at a minimum, an input and a substantive process that contribute to an output to be considered a business. This standard is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. The Group does not expect that the new standard will have a material impact on its consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04 (ASU 2017-04), “Simplifies Goodwill Impairment Test”, which removes the requirement to compare the implied fair value of goodwill with its carrying amount as part of step 2 of the goodwill impairment test. As a result, under the ASU, “an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.” The ASU is effective prospectively for fiscal years beginning after December 15, 2019. The Group is in the process of evaluating the impact of the standard on its consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, “Compensation—Stock compensation (Topic 718): Scope of modification accounting” to clarify when to account for a change to the terms or conditions of a share-based payment award as a modification. ASU 2017-09 is effective prospectively for all companies for annual periods beginning on or after December 15, 2017, and early adoption is permitted. The Group is in the process of evaluating the impact of this guidance on its consolidated financial statements.

In August 2017, the Financial Accounting Standard Board (“FASB”) issued ASU 2017-12, Derivatives and Hedging (Topic 815) – Targeted Improvements to Accounting for Hedging Activities, to simplify certain aspects of hedge accounting for both non-financial and financial risks and better align the recognition and measurement of hedge results with an entity’s risk management activities. ASU 2017-12 also amends certain presentation and disclosure requirements for hedging activities and changes how an entity assesses hedge effectiveness. ASU 2017-12 is effective for fiscal years and interim periods within those years beginning after December 15, 2018, and early adoption is permitted. The Group is in the process of evaluating the impact of this guidance on its consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, to address specific consequences of the U.S. Tax Reform. The update allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the U.S. Tax Reform. The accounting update is effective January 1, 2019, with early adoption permitted, and is to be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the U.S. federal corporate income tax rate in the U.S. Tax Reform is recognized. The Group is currently evaluating the impact of the new standard on the Group's consolidated financial statements.

3.DISCONTINUED OPERATIONS

On October 31, 2016, the Company completed the sale of all of the 55% equity interest it indirectly held in Jiangxi Jinko Engineering to Shangrao Kangsheng Technology Co., Ltd. (the "Buyer"), a company formed by a buyer consortium led by Mr. Xiande Li, chairman of the board of directors of the Company, for a total consideration of US\$ 250 million pursuant to the previously announced Share Purchase Agreement entered into by Wide Wealth Group Holding Limited, a 55%-owned indirect subsidiary of the Company, and the Buyer.

In Conjunction, the Company repurchased all of its Series A, Series A-1 and Series A-2 redeemable convertible preferred shares (Note 8) with considerations of US\$225 million from the preferred shareholders, while the Company also agreed to transfer the 45% equity interest of Jiangxi Jinko Engineering to related entities of the preferred shareholders with a total consideration of US\$225 million. These two transactions were net-settled.

As a result of the above transactions, the Company disposed of its downstream business and received US\$250 million (RMB1,693.2 million) in cash in 2016.

Assets and liabilities related to Jiangxi Jinko Engineering were reclassified as assets/liabilities held for sale as of December 31, 2015, while results of operations related to Jiangxi Jinko Engineering, including comparatives, were reported as loss from discontinued operations.

A gain of RMB1,007.9 million (US\$145.2 million) was recognized because of the disposition. The disposal gain was comprised of i) premium of the consideration against the net assets of the discontinued operations as of the disposition date; ii) recognition of the un-realized profit generated from the module sales transactions between the continuing and discontinued operations before the disposition date, and reduced by the iii) recognition of warranty costs in connection with the standard warranty, same as 3rd party sales, provided by the continuing operations to the discontinued operations.

Income tax of RMB39,952,408 was recognized associated with the gain on disposition and is included in the total 2016 tax provision of RMB 54,466,059 for discontinued operations.

Upon the disposition of Jiangxi Jinko Engineering, the Company provided the loan guarantee and redemption guarantee to Jiangxi Jinko Engineering (note 31).

Results of the discontinued operations

	2015	January 1 – October 31 2016
	RMB	RMB
Revenues	622,107,137	952,968,658
Cost of revenues	(283,766,608)	(407,369,723)
Gross Profit	338,340,529	545,598,935
Operating expenses		
Selling and marketing	-	-
General and administrative	(126,468,315)	(276,685,730)
Total operating expenses	(126,468,315)	(276,685,730)
Income from operations	211,872,214	268,913,205
Interest expenses, net	(74,923,604)	(215,226,564)
Exchange loss	(31,214,031)	(25,441,221)
Change in fair value of forward contracts	-	4,455,731
Other income/(expenses), net	(16,018,551)	37,675
Subsidy income	1,704,445	141,496
Equity income in affiliated companies	13,669,111	15,265,937
Gain on disposal of discontinued operations	-	1,007,884,060
Income from discontinued operations before income taxes	105,089,584	1,056,030,319
Income tax expense, net	(11,329,810)	(54,466,059)
Income from discontinued operations, net of tax	93,759,774	1,001,564,260

Cash flows generated from/(used in) discontinued operations	2015	2016
Net cash used in operating activities	(1,431,244,810)	(2,017,319,542)
Net cash used in investing activities	(2,129,264,757)	(2,048,843,302)
Net cash provided by financing activities	4,390,737,581	5,074,465,592
Net increase in cash and cash equivalent	830,228,014	1,008,302,748

4.REVENUES

The Group's revenues for the respective periods are detailed as follows:

	For the years ended December 31		
	2015	2016	2017
	RMB	RMB	RMB
Sales of solar modules	15,086,256,789	20,825,750,050	25,656,934,835
Sales of silicon wafers	138,293,365	136,079,690	455,695,782
Sales of solar cells	215,048,296	155,016,285	346,069,432
Sales of recovered silicon materials	5,201,794	860,047	-
Solar system integration projects	-	269,661,653	-
Revenue from generated electricity	9,574,122	13,270,367	14,243,405
Total	15,454,374,366	21,400,638,092	26,472,943,454

The following table summarizes the Group's net revenues generated in respective geographic locations:

	For the years ended December 31		
	2015	2016	2017
	RMB	RMB	RMB
Inside China (including Hong Kong and Taiwan)	5,608,963,991	8,249,043,110	9,854,855,071
Outside China			
America	4,146,330,928	7,701,560,171	4,062,665,341
Mexico	171,870,586	119,325,996	2,759,307,925
Brazil	44,251,671	479,569,191	1,357,846,426
India	280,481,768	775,458,207	1,313,134,463
Japan	997,526,339	992,645,497	1,291,492,459
UAE	779,270	4,385,798	1,232,505,395
Turkey	377,663,473	366,929,805	983,543,694
Australia	213,594,103	261,450,393	780,619,935
Jordan	49,948,322	196,786,936	420,555,329
Rest of the world	3,562,963,915	2,253,482,988	2,416,417,416
Total	15,454,374,366	21,400,638,092	26,472,943,454

5. OTHER INCOME/(EXPENSES), NET

	For the years ended December 31		
	2015	2016	2017
	RMB	RMB	RMB
Guarantee income	-	9,641,685	65,935,450
Donations	-	(873,320)	(6,288,539)
Others	1,036,319	-	-
Total	1,036,319	8,768,365	59,646,911

In 2016, the Group issued debt payment guarantees and redemption guarantees in favor of Jiangxi Jinko Engineering, a related party (note 31). The guarantee liability which corresponds with the guarantee fees received is being amortized in straight line during the guarantee period by recognizing a credit to other income.

6. SEGMENT REPORT

In accordance with FASB ASC 280-010-50-22, the Company considered what financial information is included in the measures of segment profit or loss reviewed by the Company's chief operating decision maker ("CODM") or are otherwise regularly provided to the CODM, to determine whether to report or disclose a measure of profit or loss and total assets for each reportable segment. The specific items or accounts included in the measure of segment profit or

loss reviewed by the Company's CODM or are otherwise regularly provided to the CODM are: revenue from external customer, gross profit/(loss), interest income and expenses, and income /(loss) before income taxes.

The basis of accounting for recording revenue from external customer, interest income and expenses, and income/(loss) before income taxes is in conformity with the accounting policies used in the consolidated financial statements, and such segment financial information is prepared and disclosed in accordance with aforementioned accounting basis, is on the same basis by which the Company reports internally to its chief operating decision maker.

The Company's operating segments had certain of their own dedicated administrative and corporate key functions, such as accounting, administration, procurements, marketing, corporate legal and human resource. Costs for these functions are recorded and included in the respective selling, general and administrative costs for each of our segment. The Company allocates corporate costs to each segments based upon the estimated benefits, which are determined based on estimated time spent by corporate employees, provided to each segment from these corporate functions.

The Company's first segment was and is the vertically integrated solar power products manufacturing business ("manufacturing segment"), from silicon ingots, wafers, cells to solar modules.

The Company disposed the downstream solar projects segment in the fourth quarter of 2016.

7. TAXATION

The Company and its subsidiaries file separate income tax returns.

Cayman Islands

Under the current laws of the Cayman Islands, the Company and its subsidiaries in Cayman Islands are not subject to tax on its income or capital gains. In addition, upon any payment of dividends by the Company, no Cayman Islands withholding tax is imposed.

British Virgin Islands

Under the current laws of the British Virgin Islands("BVI"), the Company's subsidiary in BVI is not subject to tax on its income or capital gains. In addition, upon any payment of dividends by the Company, no British Virgin Islands withholding tax is imposed.

People's Republic of China

On March 16, 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") with effective on January 1, 2008. The CIT Law enacted a statutory income tax rate of 25%. As foreign invested enterprises, Jiangxi Jinko and Zhejiang Jinko are entitled to a two year tax exemption from CIT and a 50% CIT reduction for the succeeding three years thereafter. Jiangxi Jinko and Zhejiang Jinko are each subject to CIT rate of 12.5% from year 2010 to year 2012. Starting from year 2013, three of the major subsidiaries of the Group, Jiangxi Jinko, Zhejiang Jinko and Jinko Materials were recognized by State Administration of Taxation as a "National High and New Technology Enterprise", entitling them to a preferential tax rate of 15%. In November 2016, Jiangxi Jinko successfully renewed the qualification and continued to enjoy the preferential tax rate of 15%.

Under the CIT Law, 10% withholding income tax ("WHT") will be levied on foreign investors for dividend distributions from foreign invested enterprises' profit earned after January 1, 2008. For certain treaty jurisdictions such as Hong Kong which has signed double tax arrangement with the PRC, the applicable WHT rate could be reduced to 5% if foreign investors directly hold at least 25% shares of invested enterprises at any time throughout the 12-month period preceding the entitlement to the dividends and they are also qualified as beneficial owners to enjoy the treaty

benefit. Deferred income taxes are not provided on undistributed earnings of the Company's subsidiaries that are intended to be permanently reinvested in China. Cumulative undistributed earnings of the Company's PRC subsidiaries intended to be permanently reinvested totalled RMB2,025,814,478, RMB2,869,500,611 and RMB3,121,934,696 as of December 31, 2015, 2016, 2017 respectively, and the amount of the unrecognized deferred tax liability, calculated based on the 5% rate, on the permanently reinvested earnings was RMB101,290,724, RMB143,475,031, RMB156,096,735 as of December 31, 2015, 2016, 2017 respectively.

Hong Kong

The Company's subsidiaries established in Hong Kong are subject to Hong Kong profit tax at a rate of 16.5% on its assessable profit.

Luxemburg

Jinko Luxembourg is incorporated in Luxembourg and is subject to corporate income tax at 28.8%.

Japan

Jinko Japan is incorporated in Japan and is subject to corporate income tax at 38.0%.

European Countries

Jinko Switzerland is incorporated in Switzerland and according to its current business model where it employs limited staff and generates income exclusively from trading activities conducted outside Switzerland, is subject to a combined federal, cantonal and communal tax rate of 8.5% in 2017.

Jinko GMBH is incorporated in Germany and is subject to Germany profit tax rate of approximately 33% on the assessable profit.

Jinko Italy is incorporated in Italy and is subject to corporate income tax at 31.4%.

F-28

Jinko France is incorporated in France and is subject to corporate income tax at 33.33%.

Jinko Portugal is incorporated in Portugal and is subject to corporate income tax at 23%.

United States

Jinko US, Jinko US holding, and Jinko Solar (U.S.) Industries are Delaware incorporated corporations that are subject to U.S. corporate income tax on taxable incomes at a rate of up to 21% for taxable years beginning after December 31, 2017 and U.S. corporate income tax on taxable incomes of up to 35% for prior tax years. The U.S. Tax Reform signed into law on December 22, 2017 significantly modified the U.S. Internal Revenue Code by, among other things, reducing the statutory U.S. federal corporate income tax rate from 35% to 21% for taxable years beginning after December 31, 2017; limiting and/or eliminating many business deductions; and migrating the U.S. to a territorial tax system.

Malaysia

The Income Tax Act 1967 of Malaysia, revised in 1971, enacted a statutory income tax rate of 24%. Nevertheless, Malaysia offers a wide range of tax incentives, including tax exemptions, capital allowances, and enhanced tax deductions, to attract foreign direct investment. Incorporated in Malaysia, Jinko Malaysia is entitled to a five year 100% tax exemption, approved in February 2017 and retrospectively effective from August 2015, under the pioneer status (PS) incentive scheme as a company engaged in producing high technology products identified by the Malaysian Investment Development Authority (MIDA).

Canada

Jinko Canada is incorporated in Canada and is subject to a federal corporate income tax of 15% and provinces and territories income tax of 11.5%.

Australia

Jinko Australia is incorporated in Australia and is subject to corporate income tax at 30%.

South Africa

Jinko South Africa is incorporated in South Africa and is subject to corporate income tax at 28%.

Brazil

Jinko Brazil is incorporated in Brazil and is subject to corporate income tax at 15%.

Mexico

Jinko Mexico is incorporated in Mexico and is subject to corporate income tax at 30%.

Composition of Income Tax Expense

Income/(loss) from continuing operations before income taxes for the years ended December 31, 2015, 2016 and 2017 were taxed within the following jurisdictions:

	For the year ended December 31		
	2015	2016	2017
	RMB	RMB	RMB
Cayman Islands	(5,667,142)	(122,966,973)	8,709,933
PRC	786,947,233	1,394,413,594	438,904,245
Other countries	85,793,052	(23,724,060)	(298,739,141)
Income from continuing operations before income taxes	867,073,143	1,247,722,561	148,875,037

For the years ended December 31, 2015 and 2016, the losses attributed to Cayman Islands was mainly due to the fair value loss from convertible senior notes and capped call options. For the year ended December 31, 2017, the income attributed to Cayman Islands was mainly due to the guarantee income from Jiangxi Jinko Engineering (Note 31). For the year ended December 31, 2017, the losses attributed to other countries was mainly due to the decline in the average selling price of solar modules which caused significant losses in the Company's overseas manufactory

subsidiaries, particularly our Malaysian operations, which sells to the U.S. market.

F-29

The current and deferred positions of income tax expense from continuing operations included in the consolidated statement of operations for the years ended December 31, 2015, 2016 and 2017 are as follows:

	For the year ended December 31		
	2015	2016	2017
	RMB	RMB	RMB
Current income tax expenses			
PRC	(104,597,580)	(234,278,825)	(39,138,531)
Other countries	(12,024,951)	(35,469,815)	27,002,786
Total current income tax expenses	(116,622,531)	(269,748,640)	(12,135,745)
Deferred tax benefit	16,088,702	12,261,634	7,507,742
Income tax expense, net	(100,533,829)	(257,487,006)	(4,628,003)

F-30

Reconciliation of the differences between statutory tax rate and the effective tax rate

Reconciliation between the statutory CIT rate and the Company's effective tax rate from continuing operations is as follows:

	For the year ended December 31		
	2015	2016	2017
	%	%	%
Statutory CIT rate	25.0	25.0	25.0
Effect of permanent differences:			
—Share-based compensation expenses	2.0	1.1	6.6
—Change in fair value of convertible senior notes and capped call options	0.4	2.2	0.0
—Accrued payroll and welfare expenses	1.3	1.0	13.4
—Change of enacted tax rate	(3.5)	0.4	(12.1)
—Other tax preferences	(2.0)	(0.0)	(42.3)
Difference in tax rate of a subsidiary outside the PRC	(1.1)	0.9	7.5
Effect of tax holiday for subsidiaries	(9.1)	(10.9)	(8.8)
Change in valuation allowance	(1.4)	0.9	13.8
Effective tax rate	11.6	20.6	3.1

Change of enacted tax rate includes -3.5% impact (RMB30,046,299), 0.4% impact (RMB5,603,309), and -12.1% impact (RMB17,769,398) related to revaluation of deferred tax assets and liabilities upon the change of certain tax holidays during the year ended December 31, 2015, 2016 and 2017, respectively.

Other tax preferences were mainly due to the reversal of income tax expense amounting of RMB 17.3 million of one of the Company's overseas subsidiaries upon receiving a tax exemption for a five-year period starting from August 2015 to July 2020 in the first quarter of 2017, as well as the additional 2016 income tax deduction amounting of RMB 41.8 million for R&D costs approved by local tax bureau in the second quarter of 2017.

The aggregate amount and per share effect of reduction of CIT for certain PRC subsidiaries as a result of tax holidays are as follows:

	For the year ended December 31		
	2015	2016	2017
	RMB	RMB	RMB
The aggregate amount of effect	79,037,989	135,724,429	36,268,723

Per share effect—basic	0.63	1.08	0.28
Per share effect—diluted	0.62	1.04	0.27

Decrease of the aggregate amount of tax holidays effect in 2017 was mainly due to the decrease of profits in Jiangxi Jinko, Zhejiang Jinko and Jinko Materials, who were certified as “National High and New Technology Enterprise” entitling them to a preferential tax rate of 15%

Significant components of deferred tax assets/(liability)—current

	For the year ended December 31 2016 RMB	
Net operating losses	17,458,359	
Provision for inventories, accounts receivable, other receivable	81,441,291	
Change in fair value of forward contracts	(96,131)
Accrued warranty costs	10,505,141	
Accrued interest	637,754	
Timing difference for revenue recognition	10,974,242	
Other temporary differences	18,278,850	
Total deferred tax assets	139,199,506	
Less: Valuation allowance	(8,523,851)
Deferred tax assets—current, net	130,675,655	
Other temporary differences	(17,074,064)
Deferred tax liabilities—current, net	(17,074,064)

The Company adopted ASC 740-10-45-4 in 2017 for deferred tax classification on a prospective basis and beginning in 2017 all deferred tax assets and liabilities are classified as non-current.

Significant components of deferred tax assets/liability—non-current

	For the year ended December 31	
	2016	2017
	RMB	RMB
Net operating losses	57,699,650	125,206,224
Accrued warranty costs	118,214,437	147,133,263
Provision for inventories, accounts receivable, other receivable	-	54,705,934
Timing difference for project assets, property, plant and equipment	8,463,603	11,804,621
Timing difference for revenue recognition of retainage contract	8,113,322	13,764,075
Other temporary differences	-	9,201,353
Total deferred tax assets	192,491,012	361,815,470
Less: Valuation allowance	(57,699,650)	(86,443,363)
Deferred tax assets—non-current, net	134,791,362	275,372,107
Timing difference for project assets, property, plant and equipment	(50,625,310)	(70,121,943)
Other temporary differences	(25,220)	-
Deferred tax liabilities—non-current, net	(50,650,530)	(70,121,943)

Movement of valuation allowances

	For the year ended December 31		
	2015	2016	2017
	RMB	RMB	RMB
At beginning of year	(67,263,314)	(54,792,006)	(66,223,501)
Current year additions	(20,392,519)	(38,362,418)	(42,043,420)
Utilization and reversal of valuation allowances	32,863,827	26,930,923	21,823,558
At end of year	(54,792,006)	(66,223,501)	(86,443,363)

Valuation allowances were determined by assessing both positive and negative evidence and have been provided on the net deferred tax asset due to the uncertainty surrounding its realization. As of December 31, 2016 and 2017, valuation allowances of RMB66,223,501 and RMB86,443,363 were provided against deferred tax assets because it was more likely than not that such portion of deferred tax will not be realized based on the Group's estimate of future taxable incomes of all its subsidiaries. If events occur in the future that allow the Group to realize more of its deferred tax assets than the presently recorded amount, an adjustment to the valuation allowances will result in a non-cash income statement benefit when those events occur. Certain valuation allowance was reversed in 2017 when certain subsidiaries generated sufficient taxable income to utilize the deferred tax assets. Due to the strong financial performance and cumulative income position of certain subsidiaries, the Company has determined that the future taxable income of those subsidiaries is sufficient to realize the benefits of such deferred tax assets. As a result, the Company reversed the valuation allowance of RMB32.9 million, RMB26.9 million and RMB21.8 million in 2015, 2016 and 2017, respectively.

8. REDEEMABLE NON-CONTROLLING INTERESTS

In July 2014, JinkoSolar Power, one of the Company's wholly owned subsidiaries, entered into preferred share agreements with certain investors ("preferred shareholders") to issue 25,532 shares of series A redeemable convertible preferred shares, 26,809 shares of series A-1 redeemable convertible and preferred shares and 5,106 shares of series A-2 redeemable convertible preferred shares, respectively, at the price of US\$3,917 per share for an aggregate issuance price of US\$ 225 million (RMB1,385 million). The preferred shares on an as-if-converted basis represented approximately 45% of the aggregate issued and outstanding share capital of JinkoSolar Power on the closing date, with the Company holding the remaining 55%.

Pursuant to the preferred share agreement, the preferred shareholders have the right to convert all or any portion of their preferred shareholdings into ordinary shares of JinkoSolar Power at the initial conversion ratio of 1:1 at any time after the date of issuance of the preferred shares. Conversion ratio is subject to adjustment for dilution, including but not limited to stock splits, stock dividends and recapitalization. In addition, the Preferred Shares will automatically convert into the Company's ordinary shares upon the occurrence of a qualified initial public offering (IPO), at the then effective and applicable conversion price. The shareholders also have the right to require JinkoSolar Power, the Company and WWG Investment, which is a wholly owned subsidiary of the Company and the intermediate holding company that directly holds JinkoSolar Power, to redeem the preferred shares under certain conditions.

Because the series A preferred shares issued by JinkoSolar Power are redeemable at a determinable price on a determinable date, at the option of the holder, or upon occurrence of an event that is not solely within the control of the issuer. Accordingly, the redeemable preferred shares issued by JinkoSolar Power are recorded and accounted for as redeemable non-controlling interests outside of permanent equity in the Group's consolidated balance sheets in accordance with ASC 480-10-S99-3A. Because the applicable operative agreements do not give the preferred shareholders a contractual right to participate in JinkoSolar Power's earnings or dividends on an actual or if-convertible basis, no earnings or loss of JinkoSolar Power will be allocated at the Company level to the redeemable noncontrolling interests. The Group accretes for the difference between the initial carrying value and the ultimate redemption price to the earliest possible redemption date using the effective interest method. The accretion, which increases the carrying value of the redeemable noncontrolling interests, is recorded against retained earnings, or in the absence of retained earnings, by increasing the accumulated deficit.

Together with the disposition of Jiangxi Jinko Engineering, Jinko Solar Power repurchased all of the Series A redeemable convertible preferred shares (Note 8) with considerations of USD 225 million. At the same time, Wide Wealth Group Holding Limited transferred 45% of its equity interest of Jiangxi Jinko Engineering, a holding company of downstream business in China. The two transactions were net-settled as agreed by Jinkosolar Power Engineering Group Limited and the preferred shareholders.

After the disposition Jiangxi Jinko Engineering, the Company agreed to provide guarantee to the redemption right of the preferred shareholders associated with their 45% equity interest of Jiangxi Jinko Engineering (note 31).

The change in the carrying amount of redeemable non-controlling interests for the year ended December 31, 2015 and 2016 is as follows:

	For the year ended December 31	
	2015	2016
	RMB	RMB
Beginning Balance	1,435,585,290	1,607,925,732
Accretion to redemption value of redeemable non-controlling interests	172,340,442	159,477,930
Disposition of Jiangxi Jinko Engineering	-	(1,767,403,662)
Ending Balance	1,607,925,732	-

9. ACQUISITION OF SOLAR POWER PLANTS

In August 2016, the Group completed the transactions to acquire 100% equity interest of a solar power project company located in Yanshan, which has started production since 2015. The purchase consideration is RMB71.7 million. The transaction was accounted as business acquisition under ASC 805. The results of the acquired entity's operations have been included in the consolidated financial statements of the Company since the acquisition date. On the acquisition date, the allocation of the purchase price of the assets acquired and liabilities assumed based on their fair values was as follows:

	RMB
Total assets acquired	574,202,912
Total liabilities acquired	(502,532,912)
Net assets acquired	71,670,000
Total considerations	71,670,000

Based on the Group's assessment, the revenue and net earnings of Yanshan were not considered material to the Group both individually and in aggregate for the year ended December 31, 2016. Pro forma results of operations for the acquisitions described above have not been presented because they are not material to the consolidated statements of operations and comprehensive income, either individually or in aggregate.

Assets acquired through the acquisition were mainly project assets related to the solar power plant in Yanshan, and liabilities mainly represented payables in connection with the construction of the solar power plants.

The above power plant was disposed of as part of the disposition of downstream solar project business.

10. ACCOUNTS RECEIVABLE, NET—THIRD PARTIES

	As of December 31,	
	2016	2017
	RMB	RMB
Accounts receivables	5,130,289,380	4,762,291,432
Allowance for doubtful accounts	(376,574,061)	(264,656,904)
Accounts receivable, net	4,753,715,319	4,497,634,528

As of December 31, 2016 and 2017, accounts receivable with net book value of nil and RMB78,951,541 were pledged as collateral for the Group's borrowings (Note 22).

Movement of allowance of doubtful accounts

	As of December 31,		
	2015	2016	2017
	RMB	RMB	RMB
At beginning of year	428,570,077	335,713,383	376,574,061
Addition	151,959,676	274,128,700	147,474,390
Write-off	(38,500,106)	(41,816,165)	-
Reversal	(206,316,264)	(191,451,857)	(259,391,547)
At end of year	335,713,383	376,574,061	264,656,904

Group assesses creditworthiness of customers before granting any credit terms. This assessment is primarily based on reviewing of customer's financial statements and historical collection records, discussion with customers' senior management, and reviewing of information provided by third parties, such as Dun & Bradstreet and the insurance company that ultimately insures the Group against customer credit default.

The significant bad debt reversal represents the cash collection of the fully reserved long-term receivables. The Company made bad debt provisions for certain long-term receivables in prior years which were in line with the adverse economic environment in solar industry. With the recovery of solar industry since 2013, the Company made its best effort to improve the cash collection for the long-aged accounts receivables. The cash received was recorded as the reversal of prior year bad debt allowance.

Decrease in the addition of allowance of doubtful account in the year ended December 31, 2017, was mainly due to the Group's increase of credit sales in emerging markets, such as Mexico and Brazil, of which account receivables are generally secured by letters of credits. Risk of collectability associated with these receivables is believed to be lower than that of other markets.

11. ADVANCES TO SUPPLIERS, NET – THIRD PARTIES

	As of December 31,	
	2016	2017
	RMB	RMB
Advances to suppliers - current	333,291,005	404,600,994
Provision for advances to suppliers	(7,524,746)	(7,524,746)
Advances to suppliers, net	325,766,259	397,076,248

The Company recorded provisions of nil, RMB799,889 and nil against advances with other suppliers for the years ended December 31, 2015, 2016 and 2017, respectively.

As of December 31, 2016 and 2017, advances to suppliers with term of less than 1 year mainly represent payments for procurement of recoverable silicon materials, virgin polysilicon and solar cells and the Group has delivery plan with the respective suppliers to receive the materials in the next twelve months.

12. INVENTORIES

Inventories consisted of the following:

	As of December 31,	
	2016	2017
	RMB	RMB
Raw materials	943,958,480	856,151,730
Work-in-progress	809,571,580	1,247,357,915
Finished goods	2,719,984,637	2,170,220,346
Total	4,473,514,697	4,273,729,991

Write-down of the carrying amount of inventory to its estimated market value was RMB98,791,960, RMB439,000,231 and RMB313,711,534 for the years ended December 31, 2015, 2016 and 2017, respectively, and were recorded as cost of revenues in the consolidated statements of operations. Inventory write downs were mainly related to the inventories whose market value is lower than its carrying amount due to lower photoelectric conversion efficiencies.

As of and December 31, 2016 and December 31, 2017, inventories with net book value of RMB61,000,000 and RMB171,141,796 were pledged as collateral for the Group's borrowings (Note 22).

13. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets consisted of the following:

	As of December 31,	
	2016	2017
	RMB	RMB
Value-added tax deductible	286,198,731	695,298,614
Deposit for customer duty, bidding and others	154,023,704	276,486,282
Receivable related to disposal of subsidiaries (note 1)	185,380,069	169,931,600
Receivables related to a sales leaseback transaction (note 24)	-	150,000,000
Receivables related to disposal of property, plant and equipment	-	111,500,000
Prepayment for income tax	24,323,033	90,238,235
Receivables of option exercised	6,135,783	39,685,283
Prepaid commission	2,013,070	28,551,662
Rental deposit and prepayment	5,897,704	25,888,619
Prepaid insurance premium	19,237,805	16,388,399
Receivables related to discount from a supplier	-	15,607,413
Receivables related to disposal of land use right	23,172,107	14,571,587
Employee advances	8,584,936	10,576,736
Others	51,677,311	61,992,841
Total	766,644,253	1,706,717,271

Value-added tax deductible represented the balance that the Group can utilize to deduct its value-added tax liability within the next 12 months.

As of December 31, 2016 and 2017, all of the employee advances were business related, interest-free, not collateralized and will be repaid or settled within one year from the respective balance sheet dates.

14. INVESTMENTS IN AFFILIATES

Investments accounted for under the equity method.

On December 20, 2012, Jinko Power Co., Ltd, a fully owned subsidiary of Jiangxi Jinko Engineering, signed a strategic cooperation agreement with Jinchuan Group Co., Ltd. (“Jinchuan Group”), a Chinese state-owned enterprise, to jointly invest in and establish a company named Gansu Jintai Electronic Power Co., Ltd. (“Gansu Jintai” or “investee”), to develop 200 MW photovoltaic (“PV”) solar power plant in Jinchang, Gansu Province, China. Jinko Power Co., Ltd holds 28% equity interest in Gansu Jintai and accounts for its investment in Gansu Jintai using the equity method as Jinko Power Co., Ltd has the ability to exercise significant influence over the operating and financial policies of the investee. Jinko Power Co., Ltd’s share of Gansu Jintai’s results of operations is included in equity (loss)/gain in affiliated companies in the income from discontinued operations, with an amount of RMB13,669,112, RMB15,265,937 and nil for the year ended December 31, 2015, 2016 and 2017, respectively.

The above investment is disposed as part of the disposition of downstream solar project segment (note 3).

On February 26, 2017, JinkoSolar signed a shareholder agreement with AxiaPower Holdings B.V. (“Axia”), a subsidiary of Marubeni Corporation, to jointly invest in and establish a company named SweihanSolar Holding Company Limited (“SSHHC”) to hold 40% equity interest of Sweihan PV Power Company P.J.S.C (“the Project Company”), which develops and operates solar power projects in Dubai. JinkoSolar holds 50% equity interest in the SSHC and accounts for its investment using the equity method. JinkoSolar’s share of SSHC’s results of operations is included in equity (loss)/gain in affiliated companies in the Group’s consolidated statements of operations, with a loss of RMB1,869,496 for the year ended December 31, 2017. JinkoSolar sold modules of 488.8 MW and recognized revenue of Rmb 1,219.8 million on sales to the Project Company (note 31) during the year ended December 31, 2017. Unrealized profit amounted to RMB1,559,058 in connection with the intercompany transactions with the Project Company was eliminated during the year ended December 31, 2017.

On March 30, 2017, JinkoSolar signed a shareholder agreement with Yangzhou Tiansheng PV-Tech Co., Ltd., a Chinese PV enterprise, to jointly invest in and establish a company named Jiangsu Jinko-Tiansheng Co., Ltd. (“Jinko-Tiansheng”) to process and assemble the PV modules as OEM manufacturer in Jiangsu province, China. JinkoSolar holds 30% equity interest in Jinko-Tiansheng and accounts for its investment using the equity method. JinkoSolar’s share of Jinko-Tiansheng’s results of operations is included in equity (loss)/gain in affiliated companies in the Group’s consolidated statements of operations, with a loss of RMB186,173 for the year ended December 31, 2017. Jinko Tiansheng charged processing fee amounted to RMB8,375,075 to the Company for its OEM services provided (note 31) during the year ended December 31, 2017. Unrealized profit amounted to RMB 309,036 due to the intercompany transactions with Jinko Tiansheng was eliminated for the year ended December 31, 2017.

Investments accounted for under the cost method

In May 2012, the Group acquired a 9% stake in Heihe Hydropower Development Co., Ltd, a company in Gansu province, China, for a consideration of RMB7,200,000. The Group accounted for the RMB7.2 million using the cost method of accounting.

F-35

15.PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment used in continuing operation and related accumulated depreciation are as follows:

	As of December 31,	
	2016	2017
	RMB	RMB
Buildings	1,429,839,237	1,636,589,735
Machinery and equipment	4,886,493,031	6,547,574,340
Motor vehicles	34,434,859	31,862,146
Furniture, fixture and office equipment	136,797,799	208,180,764
	6,487,564,926	8,424,206,985
Less: Accumulated depreciation	(2,028,991,593)	(2,368,014,424)
Less: Impairment	(51,439,373)	(23,670,338)
Subtotal	4,407,133,960	6,032,522,223
Construction in progress	331,547,393	647,664,933
Property, plant and equipment, net	4,738,681,353	6,680,187,156

Depreciation expenses were RMB392,197,508, RMB449,079,007 and RMB600,541,219 for the years ended December 31, 2015, 2016 and 2017, respectively.

During the years ended December 31, 2015, 2016 and 2017, the Group disposed certain equipment with the net book value amounting of RMB19,615,522, RMB51,675,734 and RMB1,072,424,435, and recognized related disposal gain/(loss) amounted to RMB(12,476,763) and RMB(33,072,876) and RMB82,411,232, respectively.

During the year ended December 31, 2017, the Group disposed most of its solar power facilities owned by its Jiangxi and Zhejiang subsidiaries. As of December 31, 2017, the Group's outstanding receivables related to the disposal amounted to RMB 111,500,000 which will be due in September 2018. (Note 13)

Construction in progress primarily represents the construction of new production line. Costs incurred in the construction are capitalized and transferred to property and equipment upon completion, at which time depreciation commences.

Significant increase of property, plant and equipment during the year ended December 31, 2017 is attributable to the expansion of manufacturing capacity and automation upgrade of the Group.

In the years ended December 31, 2015, 2016 and 2017, the Group recorded impairment of nil, RMB125,524,021 and nil related to the retirement of certain equipment in production lines that had become obsolete.

In the fourth quarter of 2017, the Group decided to fulfill the demand for its solar products in South Africa through other overseas manufacturing facilities, and closed its manufacturing facility in South Africa. The equipment in the manufacturing facility in South Africa is planned to be relocated to the Group's other manufacturing facilities for continuing use. The carrying value of other assets which cannot be relocated is insignificant to the Group's consolidated financial statements.

As of December 31, 2016 and December 31, 2017, certain property, plant and equipment with net book value amounting of RMB1,899,053,100 and RMB1,853,520,442 are pledged as collateral for the Group's borrowings (Note 22).

16.PROJECT ASSETS, NET

Project assets represent the overseas solar projects operated by the Company after the disposition of downstream solar projects. In the year ended December 31,2016, the Company obtained two small solar projects in Italy as the settlement of the accounts receivables. In addition, the Company commenced developing solar power projects overseas, which are still under construction. Project assets and related accumulated depreciation are as follows:

	As of December 31,	
	2016	2017
	RMB	RMB
Completed	30,188,445	32,505,243
Under construction	31,935,354	451,381,193
Less: Accumulated depreciation	(7,060,303)	(10,155,212)
Project Assets, net	55,063,496	473,731,224

17.LAND USE RIGHTS, NET

Land use rights represent fees paid to the government to obtain the rights to use certain lands over periods of 50 to 70 years, as applicable, in the PRC.

As of December 31,	
2016	2017

	RMB	RMB
Land use rights	495,555,226	496,819,382
Less: accumulated amortization	(44,614,631)	(53,550,210)
Land use rights, net	450,940,595	443,269,172

F-36

Amortization expense was RMB6,300,488, RMB7,895,001 and RMB8,935,579 for the years ended December 31, 2015, 2016 and 2017, respectively. As of December 31, 2017, estimated amortization expense in each of the next five years is RMB9,034,788.

The Company disposed certain of its land use rights and recognized the gain of RMB3,013,258, RMB3,727,161 and nil for the year ended 2015, 2016, and 2017 respectively.

As of December 31, 2016 and December 31, 2017, certain land use rights with net book value of RMB120,325,828 and RMB 187,805,393 were pledged as collateral for the Company's borrowings (Note 22).

18. INTANGIBLE ASSETS, NET

Intangible assets and their related amortization are as follow:

	As of December 31,	
	2016	2017
	RMB	RMB
Trademark	3,071,480	3,260,160
Computer software	24,964,233	33,693,210
Less: accumulated amortization	(7,738,986)	(11,210,959)
Intangible assets, net	20,296,727	25,742,411

Amortization expense was RMB2,223,458, RMB3,202,787 and RMB3,481,991 ,for the years ended December 31, 2015, 2016 and 2017, respectively.

19. OTHER ASSETS – THIRD PARTIES

Other assets consisted of the following:

As of December 31,	
2016	2017
RMB	RMB

Deferred losses related to sales leaseback transactions (note 24)	-	251,751,659
Prepayments for purchase of property, plant and equipment	491,201,438	242,867,413
Prepayment for warranty insurance premium	103,714,696	112,969,373
Deposit for rent and others	-	77,447,776
Prepayment for land use rights	-	26,000,000
Deferred charges	22,863,614	-
Value-added tax recoverable for solar power plants	-	2,190,152
Total	617,779,748	713,226,373

20. OTHER PAYABLES AND ACCRUALS

Other payables and accruals consisted of the following:

	As of December 31,	
	2016	2017
	RMB	RMB
Payables for purchase of property, plant and equipment	410,326,566	894,631,342
Freight payables	208,186,310	351,465,861
Capital lease payables (note 24)	59,553,667	227,457,961
Value-added tax and other tax payables	84,469,920	89,900,273
Accrued warranty cost	64,045,947	71,589,630
Accrued utilities, rentals and interest	36,748,524	40,668,363
Contracted labor fee	25,873,505	39,766,982
Commission payables	1,125,092	21,549,703
Accrued professional service fees	11,378,367	19,271,636
Countervailing and anti-dumping duty	15,033,545	12,091,245
Government grants related to assets	21,436,902	6,551,657
Insurance premium payables	735,408	1,410,664
Public offering issuance cost	2,328,174	2,328,174
Others	78,178,444	26,116,103
Total	1,019,420,371	1,804,799,594

21. BONDS PAYABLE AND ACCRUED INTEREST

On January 29, 2013, Jiangxi Jinko issued a six-year bond with an aggregate principal amount of RMB800,000,000 which bears a fixed annual interest rate of 8.99% and will mature on January 28, 2019. At the end of the third year in the life of the bonds, the Group has the option to raise the interest rate by up to 100 basis points, and the bondholders will have the right to require Jiangxi Jinko to repurchase all or part of their bond, at such time. The bond is recorded on amortized cost basis with the interest rate of 8.99%.

Bonds payable are all issued at face value, unsecured from the issuance date.

The Company has repurchased the bond with the face value of RMB800,000,000 and settled all the interests in the year ended December 31, 2016.

On July 17 2017, Jiangxi Jinko issued a three year medium term notes(“MTN”) with an aggregate principal of RMB 300,000,000 which bears a fixed annual interest rate of 7.37% and will mature on July 17, 2020. At the end of the second year in the life of the MTN, the Group has the option to adjust the interest rate, and the MTN holders will have the right to require Jiangxi Jinko to repurchase all or part of their MTNs, at such time. The bond is recorded on amortized cost basis with the interest rate of 7.37%. Interest expense related to MTN was RMB10,256,583 for the year ended December 31, 2017.

Medium term notes are all issued at face value, unsecured from the issuance date.

According to ASU 2015-03, the MTN issuance costs amounted to RMB2,100,000 was recorded as direct deduction from the carrying amount of the MTN liability, and amortized over a two-year period, from the issuance date to the date the put option of the MTN holders is first exercisable.

22. BORROWINGS

(a) Short-term borrowings

As of December 31,	
2016	2017

	RMB	RMB
Short-term bank borrowings	5,245,641,157	6,046,574,490
Long-term bank borrowings—current portion	242,987,883	157,865,822
Total short-term borrowings	5,488,629,040	6,204,440,312

The short-term bank borrowings outstanding as of December 31, 2016 and December 31, 2017 carried a weighted average interest rate of 3.72% and 3.64% per annum, respectively. Included in the balance of short-term bank borrowings as of December 31, 2017 were borrowings of RMB3,172,214,531, RMB237,212,761 and RMB2,999,198 which are denominated and repayable in USD, JPY and INR, respectively.

In March 2017, Jiangxi Jinko entered into another 12-month RMB1.15 billion loan agreement with The Export-Import Bank of China. As of December 31, 2017, Jiangxi Jinko has drawn down RMB699,473,343 which is due and payable in 2018. The effective interest rate of the borrowing was 3.58% as of December 31, 2017.

As of December 31, 2017, the Group had short-term bank borrowings of RMB2,285,113,744 credit loans and RMB 121,757,649 letter of credit loan. The remaining short-term bank borrowings of RMB3,797,568,919 were either guaranteed by other parties and/or collateralized on the Group's assets, detailed as following:

- Borrowings of RMB389,272,669 guaranteed by JinkoSolar Holding, RMB 230,342,000 guaranteed by JinkoSolar Holding and Zhejiang Jinko, RMB 98,013,000 guaranteed by JinkoSolar Holding and Jinko Technology, RMB 1,312,293,743 guaranteed by Jiangxi Jinko, RMB23,000,000 guaranteed by Jiangxi Jinko and Zhejiang Trading, RMB192,105,480 guaranteed by JinkoSolar Holding, Zhejiang Jinko and shareholder, RMB 50,000,000 guaranteed by JX Heji, respectively.
- Borrowings of RMB 20,000,000 collateralized on the Jiangxi Jinko's share pledge, and guaranteed by Jiangxi Jinko.
- Borrowings of RMB246,162,067 collateralized on Standby Letter of Credit, among which RMB 161,217,467 is also collateralized on bank deposit amounted to RMB 32,671,000.

- Borrowings of RMB 500,000,000 collateralized on the bank deposit by Jiangxi Jinko, which amounted to RMB 506,000,000 for one-month restriction.
- Borrowings of RMB61,356,138 collateralized on the Group's certain inventory and guaranteed by JinkoSolar Holding.
- Borrowings of RMB 675,023,822 collateralized on the Group's certain building and equipment, including RMB533,000,000 which were also collateralized on the Group's certain land use rights, RMB186,000,000 were also collateralized on the Group's certain inventory. In addition, included in these borrowings there were borrowings of RMB34,500,000 guaranteed by Jinko Solar Holding, RMB 90,000,000 guaranteed by JinkoSolar Holding and Zhejiang Jinko, RMB166,000,000 guaranteed by Jiangxi Jinko, RMB20,000,000 guaranteed by Jiangxi Jinko and Zhejiang Trading. Borrowings of RMB 90,000,000 is also collateralized on the Desun's building and land use right amounted to RMB24,580,658.
- The net book value of the total collateralized land use right, building, equipment and inventory was RMB187,805,393, RMB545,105,430, RMB1,308,415,012 and RMB171,141,796, respectively as of December 31, 2017.

(b) Long-term bank borrowings

	As of December 31,	
	2016	2017
	RMB	RMB
Long-term bank borrowings	731,507,442	537,654,759
Less: Current portion	(242,987,883)	(157,865,822)
Total long-term borrowings	488,519,559	379,788,937

Future principal repayments on the long-term borrowings are as follows:

Year ended December 31,	RMB
2018	157,865,822
2019	205,342,000
Thereafter	174,446,937
Total	537,654,759

1) Long-term bank borrowings

- In 2016, the Company entered into a 3-year loan agreement with Jiangxi Guochuang Investment Co., Ltd. (“Guochuang”) with the principle amount of RMB 20,000,000 which was interest free. In 2017, the Company entered into another 3-year loan agreement with Jiangxi Guochuang Investment Co., Ltd. (“Guochuang”) with the principle amount of RMB 50,000,000 which was interest free., Guochuang is a government background entity who provided the interest-free loan to the Company to support its daily operations. The borrowing was collateralized on Jiangxi Jinko’s share pledge.
- In 2015, the Company entered into a 3-year loan agreement with Finance and Investment Management Center of Jiangxi Province in China with the principle amount of RMB20, 000,000 and interest rate of 3.0%. The borrowing was collateralized on the Jiangxi Jinko’s share pledge and guaranteed by Jiangxi Jinko. The loan was not discounted as the impact was immaterial.
- In 2015 and 2016, the Company entered into loan agreements with the Export-Import Bank of China for an aggregate amount of RMB609,283,000, which were repayable from April 2017 to June 2020. As of December 31 2017, balance of these borrowings amounted to RMB333,355,000, including RMB130,342,000 due on December 31, 2018. The effective interest rate of the borrowings was 3.83% in 2017. The Borrowings were guaranteed by Zhejiang Jinko and JinkoSolar Holding.
- In 2016, the Company entered into a 10-year loan agreement with China Merchants Bank for a principle amount of RMB87,880,000 with the interest rate of 5.39%, which was repayable from February 2016 to January 2026. As of December 31 2017, the total outstanding balances amounted to RMB75,094,559, including RMB7,523,822 due on December 31, 2018. The borrowing was collateralized on the Group’s certain buildings with the net book value of RMB187,369,393.
- In 2017, the Company entered into a 3-year loan agreement with Credit Suisse AG, Singapore Branch with the principle amount of USD 6,000,000 (RMB39,205,200). The interest rate is the aggregate of 5.62% and LIBOR. The borrowing was guaranteed by JinkoSolar Holding.

2) Long-term borrowings with embedded warrants

In July 2015, JinkoSolar Power entered into a loan agreement with Credit Suisse and 6 other financial institutions for an eighteen months loan in the principle amount of USD150,000,000 to develop power plant projects. The interest rate is 6% plus LIBOR per annum, and accrued interest is due and payable at the end of every six months. Total debt issuance cost of USD4,000,000 was deducted from the proceeds directly. The loan shall become immediately due and payable upon the occurrence of an IPO of JinkoSolar Power or change of control of JinkoSolar Holding, or any unlawful matter occurs. This financing was guaranteed by Canton Best BVI, Jinko Power Co., Ltd., and a subsidiary of Jinkosolar Holding.

F-39

In conjunction with the loan agreement, JinkoSolar Power issued 6,750 warrants or entitlement of 0.675% of JinkoSolar Power's fully diluted share capital to these 7 financial institutions to acquire JinkoSolar Power's fully-paid ordinary shares. The warrant holders can purchase ordinary shares anytime during the term of the above loan at exercise price which is the Par Value of US\$0.0000001. The entitlement of shares expressed as a percentage of JinkoSolar Power's fully diluted share capital is adjusted based on the time when IPO occurs, as: a) 0.675% if an IPO occurs within 6 months from July 24, 2015 ("Utilisation Date") b) 1.425% if an IPO occurs after 6 months and within 12 months Utilisation Date and c) 2.10% if an IPO occurs after 12 months of the Utilisation Date. The entitlement of the shares is also subject to adjustment in the case of a non-qualifying IPO event of JinkoSolar Power. Warrant holders can elect for net cash settlement if IPO of JinkoSolar Power occurs.

The warrant holders have the put rights to request JinkoSolar Power to purchase all or part of its outstanding warrants in case of a put event, where a) an IPO occurs prior to the Final Maturity Date of the loan (January 10, 2017) b) an IPO has not occurred as at the Final Maturity Date c) all of the Loan is repaid, or becomes due and payable, prior to the Final Maturity Date of the loan facility or d) an event of default occurs and (if the Loan is then outstanding) there is an acceleration of the loan prior to the Final Maturity Date. The repurchase price is equal to the aggregate of: (a) an amount that would give an internal rate of return of 10% on the aggregate principal amount of the loan, calculated from the Utilisation Date until the later of (i) the date of full repayment of the loan and (ii) the date that falls twelve months after the Utilisation Date less the aggregate principal amount of the loan which has been repaid and all interest paid by JinkoSolar Power at the time of a warrant holder's exercise of the warrant put rights.

In accordance with ASC subtopic 480, the warrants are legally detachable and separately exercisable from the loan and thus accounted for as a freestanding instrument. As the warrant holder can either exercise the warrant to subscribe for fully-paid ordinary shares, or elect for net cash settlement upon the exercise of the warrants, which falls within the scope of ASC 480. Accordingly, the warrants are liability derivatives which need to be fair valued on day one and marked to market subsequently at each reporting period end. The fair value gain or loss arising from the remeasurement is recognized in the consolidated statements of operations and comprehensive income.

Therefore, the loan proceeds are allocated first to the warrants based on their fair value, and the residual is allocated to the base loan facility and creating a discount on debt. The discount on debt resulted from the allocation of the proceeds to warrants and transactions fees allocated to the loan are accounted for under the effective interest method.

The fair value of the warrants at the issuance date of July 24, 2015 was US\$10,190,000 (RMB 62,331,211), and the residual allocated to the loan was US\$139,810,000 (RMB 855,203,789). Total transaction cost was US\$ 4,358,118 (RMB 26,658,170), among which US\$ 296,061 (RMB 1,810,978) allocated to warrants were charged to financial costs as incurred during the year ended December 31, 2015, and US\$ 4,062,057 (RMB 24,847,192) allocated to the loan were recorded as debt discount as the Group has early adopted ASU 201503 in 2015.

The fair value of the warrants at December 31, 2015 was US\$ 10,530,000 (RMB 68,377,608) and the fair value change of US\$ 340,000 (RMB 2,096,024) was recorded in the Company's consolidated statements of operations and comprehensive income. The effective interest rate of the loan was 13.95% per annum. Total interest cost associated with the loan incurred during the year ended December 31, 2015 was US\$ 8,017,525 (RMB 49,954,794). The carrying value of the loan as of December 31, 2015 was US\$139,453,836 (RMB 905,557,426) due to debt discount amortization of US\$ 3,705,892 (RMB 24,064,580).

In September 2016, JinkoSolar Power refinanced and repaid the loan in advance and the warrants were repurchased at the same time. Total interest cost associated with the loan incurred during the year ended December 31, 2016 was US\$18,109,126 (RMB119,050,121).

3)Financings associated with failed sale-lease back transactions

In 2015, certain subsidiaries of JinkoSolar Power ("seller-lessee") sold 317MW self-built solar projects ("leased assets") with carrying amount of RMB 1,276,496,254 to different domestic financial leasing companies ("buyer-lessors") for cash consideration of RMB2,033,000,000 and simultaneously entered into the contracts to lease back the leased assets from the buyer-lessors for 5 to 12 years. As of December 31, 2015, the seller-lessee received RMB1,589,704,880 proceeds in total netting off the transaction costs of RMB 53,295,120. Pursuant to the terms of the agreements, seller-lessee is required to pay to the buyer-lessors lease payment over the lease period and is entitled to obtain the ownership of these equipment at a nominal price upon the expiration of the lease.

As the leased assets are considered integral with real estate under ASC 360, the sale-leaseback rules related to real estate are applied. The lease transactions do not qualify as a sale-leaseback transaction as these solar projects are initially invested and build up by seller-lessee with expected useful life of 20 years, and are continually maintained by seller-lessee. Seller-lessee has an obligation to repurchase the leased assets upon the expiry of the lease. In addition, after the lease period, seller-lessee will keep using the assets and has no plans to sell or early-disposal.

Accordingly, these transactions are accounted for as financing transactions in accordance with ASC 840. Internal rate of return is used in the computation of interest cost.

As of December 31, 2015, the Company recorded RMB1,268,724,225 under long-term borrowings and RMB 149,481,917 as current portion. The weighted average effective interest rate of the financing was 6.55% and interest costs incurred during the year ended December 31, 2015 were RMB 9,813,448. These sale-leaseback financings were collateralized by each seller-lessee's solar power project assets, equity interests, accounts receivable, and also guaranteed by a shareholder, Jinko Power Co., Ltd., and Jiangxi Jinko. The net book value of solar power project assets, equity interest and accounts receivable collateralized were RMB1,276,496,254, RMB 862,082,542 and RMB 98,147,637 respectively, as of December 31, 2015.

Financings associated with the failed sale-lease back transactions are disposed of as part of the disposition of downstream solar project business. Interest costs incurred during the period from January 1, 2016 through the disposition date amounted to RMB142,644,823 was recorded in the discontinued operations (note 3).

23. Accrued income tax – non-current

	As of December 31,
	20162017
	RMBRMB
Accrued income tax – non-current	- 6,041,195

During the year ended December 31, 2017, certain domestic subsidiaries of the Company sold solar modules to the Company's overseas solar projects entities in Mexico and Argentina with unrealized losses. Considering these overseas solar projects are still under construction, the Company accrued income tax liability in connection with the unrealized losses in accordance with ASC 810-10.

24. LONG-TERM PAYABLES

Zhejiang Jinko Finance Leasing Co., Ltd. ("Zhejiang leasing") was a wholly owned subsidiary of the Company. On November 7, 2016, the Company disposed Zhejiang Leasing with the consideration of RMB183 million (USD26.4 million). The transaction was closed on November 30, 2016. Loss of disposal amounted to RMB15.2 million (USD2.2 million) was recognized. Until December 31, 2017, RMB13.1 million (USD2.0 million) of the consideration has been collected.

During the year ended December 31, 2015 and 2016, the Company sold certain module equipment ("leased assets") to Zhejiang Leasing (the "purchaserlessor") and simultaneously entered into one or three-year contracts to lease back the leased assets from the purchaser-lessor. Pursuant to the terms of the contracts, the Company is required to pay to the purchaser-lessor quarterly lease payment over three years and is entitled to obtain the ownership of these equipment at

a nominal price upon the expiration of the lease. The accounting was eliminated as intercompany transaction in the consolidated financial statements of the Company in previous periods. Upon the disposition of Zhejiang leasing, the lease is classified as capital lease. In October 2017, the contract was early terminated upon both parties' approval. The Company recognized finance expenses amounted to RMB 1.4 million upon the early termination of the contract.

In May 2017, the Company sold certain machinery and equipment (“leased assets”) with carrying amount of RMB 201.1 million to a third party (the “purchaser-lessor”) for consideration of RMB 150 million and simultaneously entered into a three-year contract to lease back the leased assets from the purchaser-lessor. Pursuant to the terms of the contract, the Company is required to pay to the purchaser-lessor quarterly lease payment over three years and is entitled to obtain the ownership of these equipment at a nominal price upon the expiration of the lease. The lease is classified as capital lease. In connection with this sale-leaseback transaction, the Company recognized a loss of approximately RMB 51.1 million, which is being deferred and amortized into expense over the remaining useful lives of the leased assets. Through the leaseback, the Company substantially retains all of the benefits and risks incident to the ownership of the property sold, therefore, the sale-leaseback transaction is a financing with the underlying assets as collateral.

In July 2017, the Company sold certain machinery and equipment (“leased assets”) with carrying amount of RMB 815.4 million to a third party (the “purchaser-lessor”) for consideration of RMB 600 million and simultaneously entered into a four-year contract to lease back the leased assets from the purchaser-lessor. Pursuant to the terms of the contract, the Company is required to pay to the purchaser-lessor quarterly lease payment over four years and is entitled to obtain the ownership of these equipment at RMB 0.6 million upon the expiration of the lease. The lease is classified as capital lease. In connection with this sale-leaseback transaction, the Company recognized a loss of approximately RMB 215.4 million, which is being deferred and amortized into expense over the remaining useful lives of the leased assets. Through the leaseback, the Company substantially retains all of the benefits and risks incident to the ownership of the property sold, therefore, the sale-leaseback transaction is a financing with the underlying assets as collateral.

In November 2017, the Company entered into a two-year finance leasing contract with a third-party lessor to lease certain machinery and equipment with carrying amount of RMB 74.9 million. Pursuant to the terms of the contract, the Company is required to pay to the purchaser-lessor quarterly lease payment over two years and is entitled to obtain the ownership of these equipment at a nominal price upon the expiration of the lease. The lease is classified as capital lease.

As of December 31, 2016 and 2017, the net value of the leased assets are:

	As of December 31,	
	2016	2017
	RMB	RMB
Equipment	159,980,000	824,892,821
Less: accumulated depreciation	(11,440,625)	(44,196,469)
Net Value	148,539,375	780,696,352

As of December 31, 2017, future minimum payments required under non-cancellable capital and financing lease are:

Year ending December 31,	RMB
Year ended December 31,	
2018	253,950,938
2019	253,950,938
2020	192,004,684
2021	124,790,399
Total minimum lease payments	824,696,959
Less: Amount representing interest	(58,828,954)
Present value of net minimum lease payments	765,868,005
Current portion	227,457,961
Non-current portion	538,410,044

The Group amortized deferred losses related to sales leaseback transactions amounted to RMB14,714,339 during the year ended December 31, 2017.

25. EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share have been calculated as follows:

	For the years ended December 31,		
	2015	2016	2017
	RMB	RMB	RMB
Numerator:			
Net income from continuing operations	766,539,314	990,235,555	142,191,365
Net income from discontinued operations	93,759,774	1,001,564,260	-
Total net income	860,299,088	1,991,799,815	142,191,365
Net income from continuing operations	766,539,314	990,235,555	142,191,365

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Less: Net (loss)/income attributable to non-controlling interests from continuing operations	(63,348)	(432,541)	485,676
Net income attributable to JinkoSolar's ordinary shareholders from continuing operations	766,602,662	990,668,096	141,705,689
Net income from discontinued operations	93,759,774	1,001,564,260	-
Less: Net income attributable to non-controlling interests from discontinued operations	4,270,460	6,044,451	-
Less: Accretion to redemption value of redeemable non-controlling interests from discontinued operations	172,340,442	159,477,930	-
Net income/(loss) attributable to JinkoSolar's ordinary shareholders from discontinued operations	(82,851,128)	836,041,879	-
Net income attributable to JinkoSolar's ordinary shareholders from continuing operations	766,602,662	990,668,096	141,705,689
Interest expense add back on assumed conversion of convertible senior notes	-	6,142,661	-
Numerator for diluted income per share for continuing operations	766,602,662	996,810,757	141,705,689
Numerator for diluted income/(loss) per share for discontinued operations	(82,851,128)	836,041,879	-
Denominator:			
Denominator for basic earnings per share - weighted average number of ordinary shares outstanding	124,618,416	125,870,272	128,944,330
Dilutive effects of share options	3,184,545	2,246,095	2,742,900
Incremental shares on assumed conversion of convertible notes	-	2,474,074	-
Denominator for diluted calculation - weighted average number of ordinary shares outstanding	127,802,961	130,590,441	131,687,230
Continuing operations:			
Basic earnings per share attributable to JinkoSolar's ordinary shareholders from continuing operations	6.15	7.87	1.10
Diluted earnings per share attributable to JinkoSolar's ordinary shareholders from continuing operations	6.00	7.63	1.08
Discontinued operations:			
Basic earnings/(loss) per share attributable to JinkoSolar's ordinary shareholders from discontinued operations	(0.66)	6.64	-
Diluted earnings/(loss) per share attributable to JinkoSolar's ordinary shareholders from discontinued operations	(0.65)	6.40	-

As disclosed in Note 8, redeemable non-controlling Interests, JinkoSolar Power issued redeemable convertible preferred shares, which are accounted for as redeemable non-controlling interest and are accreted from the initial carrying value to the ultimate redemption price on the earliest possible redemption date. For the year ended December 31, 2015, 2016 and 2017, accretion of RMB172,340,442, RMB159,477,930 and nil, respectively, for redeemable non-controlling interests was recorded as a charge to decrease net income from discontinued operations to arrive at net income from discontinued operations attributable to JinkoSolar Holding's ordinary shareholders.

For the year ended December 31, 2017, convertible senior notes convertible into 341,469 shares were not included in the computation of diluted EPS because of their anti-dilutive effect.

26.EMPLOYEE BENEFITS

According to the guidance promulgated by the central government, companies (and employees) are required to contribute, in specified portions, to the social insurance funds (including medical care insurance, work injury insurance, unemployment insurance, maternity insurance and pension benefits) as well as the housing funds (collectively, "employee welfare funds") on a monthly basis for all of the employees based on such employees' actual salaries or the applicable capped salary base, whichever is lower. An employee is entitled to request its employer to make the required portion of contributions in the statutory amounts to the employee welfare funds.

In line with local customary practices, the Company has made contributions to the social insurance funds which met the requirement of the local minimum wage standard, instead of its employees' actual salaries as required by the above described guidance, and has not made full contribution to the housing funds.

Based on the Company's observation of local practices and consultation with relevant government authorities, the Company believes its practice has been consistent with the common practice adopted by businesses in Shangrao and Haining, where the Company's main subsidiaries operate.

However, the Company believes it is probable that it will be required to make additional contributions to the employee welfare funds if (i) the government authorities were to strictly enforce the statutory contribution requirements, or (ii) the employees were to request the Company to make full contributions to their employee welfare funds (such request, if made, would most likely be supported by the labor arbitration center or the labor administrative bureau). Therefore, the Company recognizes the difference between the amount of its actual contributions and the statutory contribution requirements under the guidance promulgated by the central government as a liability for employee welfare benefits. The unpaid balance of accrued liability accrued for the welfare benefits were RMB355,766,607 and RMB484,821,689 as of December 31, 2016 and December 31, 2017, respectively.

On October 28, 2010, the Standing Committee of the National People's Congress issued and adopted the Social Insurance Law (the "Social Insurance Law"), which became effective on July 1, 2011. The Social Security Law imposes certain fines for the aggregated amount of any outstanding contributions if such contributions are not made within a prescribed time period. In light of this requirement, the Company had accrued a penalty on the basis of a daily rate of 0.05% of the outstanding contributions as provided under the Social Insurance Law prior to 2014. The unpaid balance of penalty accrued for employee welfare benefits were RMB12,063,712 and RMB25,807,949 as of December 31, 2012 and 2013, respectively.

On September 26, 2013, the Ministry of Human Resources and Social Security of the People's Republic of China announced "Regulations on the Declaration and Payment of Social Welfare" ("New Social Security Regulation"), which took effect on November 1, 2013. The New Social Security Regulation clarifies that the local social security authority should issue a notification to the employers who fail to make appropriate contribution of social security and a late-payment penalty charge will only be imposed to employers who fail to pay the outstanding contribution within five days upon the receipt of the notification. However, there were different interpretations of the New Social Security Regulation as to applicability of the penalty charge by different local authorities in different cities and provinces in late 2013, therefore, the Company performed investigation and legal assessment as well as communicating with relevant local authorities. Legal assessment was completed in late 2014. In the opinion of the management, the probability that the Company would be required to pay late-payment penalty in connection with the unpaid contribution is remote, given that the Company has received certificates from local social security authorities which confirmed that the Company was in compliance with the local social insurance regulations as of December 31, 2014 and that local social security authorities have not issued any notification for payment of outstanding contribution to the Company. Accordingly, the Company did not accrue for late-payment penalty since then.

27. CONVERTIBLE SENIOR NOTES AND CAPPED CALL OPTIONS

2016 Convertible Notes

The Company issued USD 125 million of convertible senior notes on May 17, 2011, which matures on May 15, 2016 (the “2016 Notes”). The interest rate is 4% per annum payable semi-annually, in arrears. No accrued interest is to be paid on the 2016 Notes when they are converted.

Holders have the option to convert their Notes from the earlier of (i) when the registration statement of the 2016 Notes becomes effective and (ii) the first anniversary of the date on which the 2016 Notes are first issued, through to and including the business day prior to the maturity date, into ADSs representing the ordinary shares initially at a conversion rate of 29.6307 ADSs per US\$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately US\$33.75 per ADS).

The conversion rate is subject to change on anti-dilution and upon certain fundamental changes. Fundamental changes are defined as 1) any “person” or “group” beneficially owns (directly or indirectly) 50% or more of the total voting power of all outstanding classes of Company’s shares or has the power to elect a majority of the members of the board of directors; 2) Company consolidates with, or merge with or into, another person or the Company sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets, or any person consolidates with, or merges with or into, the Company; 3) Termination of trading of Company’s ADSs; and 4) adoption of a plan relating to our liquidation or dissolution.

The holders have the option to require the Company to repurchase the 2016 Notes, in whole or in part, in the event of a fundamental change for an amount equal to the 100% of the principal amount and any accrued and unpaid interest in the event of fundamental changes. Management assessed that the likelihood of fundamental change is remote.

The holders will have the right to require the Company to repurchase for cash all or any portion of their notes on May 15, 2014 at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date. No repurchase request was received by the Company.

As a result of the depressed market conditions, the Company repurchased 2016 Notes with face value of US\$2 million or 1.6% of the Notes at approximately 41% of the face value up to December 31, 2011. There were no repurchase of 2016 Notes in the years ended December 31, 2012, 2013 and 2014. The Company repurchased 2016 Notes with face value of US\$22.5 million or 18% of the Notes at approximately 96% of the face value during the year ended

December 31, 2015. The Company repurchased the remaining 2016 Notes with face value of US\$100.5 million or 80.4% of the Notes at approximately 99% of the face value during the year ended December 31, 2016.

2019 Convertible Notes

The Company issued USD 150 million of convertible senior notes on January 22, 2014, which will mature on February 1st, 2019 (the “2019 Notes”). The interest rate is 4% per annum payable semi-annually, in arrears. No accrued interest to be paid on the 2019 Notes when they are converted.

Holders have the option to convert their Notes from the earlier of (i) when the registration statement of the 2019 Notes becomes effective and (ii) the first anniversary of the date on which the Notes are first issued, through to and including the business day prior to the maturity date into ADSs representing the ordinary shares initially at a conversion rate of 21.8221 ADSs per US\$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately US\$45.83 per ADS).

The conversion rate is subject to change on anti-dilution and upon certain fundamental changes. Fundamental changes are defined as 1) any “person” or “group” beneficially owns (directly or indirectly) 50% or more of the total voting power of all outstanding classes of Company’s shares or has the power to elect a majority of the members of the board of directors; 2) Company consolidates with, or merge with or into, another person or the Company sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets, or any person consolidates with, or merges with or into, the Company; 3) Termination of trading of Company’s ADSs; and 4) adoption of a plan relating to our liquidation or dissolution.

The holders have the option to require the Company to repurchase the 2019 Notes, in whole or in part, in the event of a fundamental change for an amount equal to the 100% of the principal amount and any accrued and unpaid interest in the event of fundamental changes. Management assessed that the likelihood of fundamental change is remote.

The holders will have the right to require the Company to repurchase for cash all or any portion of their notes on February 1, 2017 at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

While the 2019 Notes remain outstanding, the Company or its subsidiaries will not create or permit to subsist any security upon its property, assets or revenues (present or future) to secure any international investment securities or to secure any guarantee of or indemnity of any international investment securities unless the obligations under the Notes and the indenture (a) are secured equally and ratably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by holders of a majority in aggregate principal amount of the Notes then outstanding.

As a result of the depressed market conditions, the Company repurchased 2019 Notes with a face value of US\$88.9 million or 59.3% of the Notes at approximately 96% of the face value during the year ended December 31, 2016. The Company repurchased 2019 Notes with a face value of US\$61.1 million or 40.7% of the Notes at approximately 100% of the face value during the year ended December 31, 2017.

Accounting for 2016 Convertible Notes and 2019 Convertible Notes

The Company has RMB as its functional currency, and the 2016 Notes and 2019 Notes are denominated in USD. As a result, the conversion feature is dual indexed to the Company's stock as well as the RMB and USD exchange rate, and is considered an embedded derivative which needs to be bifurcated from the host instrument in accordance with ASC 815.

ASC 815-15-25 provides that if an entity has a hybrid financial instrument that would require bifurcation of embedded derivatives under ASC 815, the entity may irrevocably elect to initially and subsequently measure a hybrid financial instrument in its entirety at fair value with changes in fair value recognized in earnings. The fair value election can be made instrument by instrument and shall be supported by concurrent documentation or a preexisting documented policy for automatic election.

The Company elected to measure the 2016 Notes and 2019 Notes in their entirety at fair value with changes in fair value recognized as non-operating income or loss at each balance sheet date in accordance with ASC 815-15-25. Further, as the functional currency of the Company is RMB, the fair value of the Notes is translated into RMB at each balance sheet date with the difference being reported as exchange gain or loss. In addition, all issuance costs associated with the 2016 Notes and 2019 Notes offering has been expensed as incurred in accordance with ASC 825-10-25-3, which states that upfront costs and fees related to items for which the fair value option is elected shall be

recognized in the consolidated statements of operations and comprehensive as incurred and not deferred.

As of December 31, 2015, 2016 and 2017, the estimated fair value of the 2016 Notes amounted to approximately RMB650,916,976, nil and nil, respectively. The Company recorded foreign exchange loss of RMB44,945,341, RMB392,924 and nil for the year ended December 31, 2015, 2016 and 2017, respectively. Loss from change in fair value of convertible senior notes was RMB22,926,918, RMB5,533,892 and nil in the year ended December 31, 2015, 2016 and 2017, respectively. (Note 33).

As of December 31, 2015, 2016 and 2017, the estimated fair value of the 2019 Notes amounted to approximately RMB856,064,385, RMB423,739,708 and RMB65,342, respectively. The Company recorded foreign exchange loss of RMB51,733,120, RMB43,055,871 and RMB845,071 for the year ended December 31, 2015, 2016 and 2017, respectively. Gain from change in fair value of the 2019 notes was RMB14,526,000 in the year ended December 31, 2015. Loss from change in fair value of convertible senior notes was RMB86,482,065 and nil in the year ended December 31, 2016 and 2017. (Note 33).

Capped Call Options

Concurrent with the Company's issuance of the 2016 Notes on May 17, 2011, the Company entered into a capped call option transactions with an affiliate of the initial purchaser of the 2016 Notes. The capped call transaction was designed to reduce the potential dilution that would otherwise occur as a result of new ordinary share issuances upon conversion of the 2016 Notes and effectively increase the conversion price of the 2016 Notes for the Company to \$48.21 per ADS from the actual conversion price to the 2016 Notes holders of \$33.75 per ADS. The total premium paid by the Company for the capped call transactions was US\$18 million. The purchaser of the 2016 Notes have the right to require the Company to repurchase for cash all or any portion of their notes on May 15, 2014 at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

The Company's functional currency is different from the denomination of the capped call. Therefore, in accordance with ASC 815, Derivatives and Hedging, the Company accounted for the capped call transactions as freestanding derivative assets in the consolidated balance sheets. The derivative assets are measured and recorded at fair value at initial recognition and is subsequently marked to market each reporting period utilizing the binomial model.

The fair value of capped call options was RMB17,490,323 as of December 31, 2015. In the second quarter of 2016, the capped call options were expired upon the Company's repurchase of all the 2016 Notes. We recorded loss of RMB6,170,282, RMB18,226,535 and nil for the years ended December 31, 2015, 2016 and 2017 in change in fair value of capped call options.

F-45

28.REPURCHASE OF ORDINARY SHARES

On May 6, 2011, the Board of Directors approved a share repurchase program to repurchase up to US\$30 million of outstanding ADS of the Company from time to time over the next 12 months, depending on market conditions, share price and other factors, as well as subject to the memorandum and articles of association of the Company, the relevant rules under United States securities laws and regulations and the relevant stock exchange rules. The share repurchases may be made on the open market, in block trades or otherwise and is expected to include derivative transactions. The program may be suspended or discontinued at any time.

For the year ended December 31, 2012, 173,570 outstanding ADSs (694,280 shares) were repurchased with a total consideration of RMB5,521,130, which is shown as treasury stock. As of December 31, 2016 and 2017, total of 430,800 ADSs (1,723,200 shares) were repurchased but have not been retired with a total consideration of RMB13,875,553 which is shown as treasury stock.

29.ISSUANCE OF ORDINARY SHARES

The Company's authorized share capital is US\$10,000 comprising 500,000,000 ordinary shares with a par value of US\$0.00002 each. On January 22, 2014, the Company closed a follow-on public offering of 15,000,000 ordinary shares (3,750,000 ADSs) and received aggregated net proceeds of approximately \$126.3million, after deducting discounts and commissions but before offering expenses.

As of December 31, 2016 and 2017 the Company's issued and outstanding shares were 126,733,266 and 132,146,074, respectively.

30.SHARE BASED COMPENSATION

a)JinkoSolar Holding

The Company adopted a long-term incentive plan (the "2009 Plan") in July 2009 which was subsequently amended and restated. The 2009 plan provided for the issuance of options of 9,325,122 ordinary shares. The options have a contractual life of 7 years except for certain options granted to an employee in August 2009 that can be exercised until October 1, 2013. The share options will vest in 5 successive equal annual installments on the last day of each year from the grant date, provided that the personnel's service with the Company has not terminated prior to each such vesting date. For 953,200 options granted to one employee in August 2009, the share options vested in a series of 36 months, on the last day of each month, commencing from October 1, 2008.

The Company adopted a new long-term incentive plan (the "2014 Plan") in August 2014. The 2014 Plan provides for the issuance of options of 12,796,745 ordinary shares. The options have a contractual life of 10 year. The share options will vest in 5 successive equal annual installments on the last day of each year from the grant date, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

On October 10, 2014, under the 2014 Plan, the Company granted to certain officers options to purchase 9,940,000 ordinary shares of the Company at an exercise price of US\$5.93 per share. The share options will vest in 5 successive equal annual installments on the last day of each year from October 10, 2014, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

On August 13, 2013, the Company extended the expiration date of the stock options granted to an officer from October 1, 2013 to October 1, 2014. As a result of this modification, the Company recorded additional stock-based compensation expense of RMB 1,608,968 for the year ended December 31, 2013.

On August 18, 2014, the Company extended the expiration date of 873,200 stock options granted to an officer from October 1, 2014 to October 1, 2015. As a result of this modification, the Company recorded additional stock-based compensation expense of RMB35,513 for the year ended December 31, 2014.

On March 1, 2015, under the 2009 and 2014 Plan, the Company granted to certain officers options to purchase 320,000 ordinary shares of the Company at an exercise price of US\$5.93 per share. The share options will vest in 5 successive equal annual installments on the last day of each year from March 1, 2015, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

On April 13, 2015, under the 2014 Plan, the Company granted to certain officers options to purchase 160,000 ordinary shares of the Company at an exercise price of US\$5.93 per share. The share options will vest in 5 successive equal annual installments on the last day of each year from April 13, 2015, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

On August 20, 2015, the Company extended the expiration date of 1,352,840 stock options granted to an officer from October 1, 2015 to October 1, 2016. As a result of this modification, the Company recorded additional stock-based compensation expense of RMB180,553 for the year ended December 31, 2015.

On August 25, 2016, the Company extended the expiration date of 600,000 stock options granted to an officer from October 1, 2016 to September 30, 2017. On September 23, 2016, the Company extended the expiration date of 1,352,840 stock options granted to an officer from October 1, 2016 to October 31, 2017. As a result of this modification, the Company recorded additional share-based compensation expense of RMB1,410,137 for the year ended December 31, 2016.

On November 15, 2016, the Compensation Committee of the Company changed the exercise price of the total 9,472,000 outstanding options under the 2014 Plan from US\$5.9275 per share to US\$3.2875 per share, and recognized additional share-based compensation expense of RMB 19,545,720 associated with the price modification for the year ended December 31, 2016.

On November 16, 2016, under the 2014 Plan, the Company granted to certain officers to purchase 1,760,000 ordinary shares of the Company at an exercise price of US\$3.2875 per share.

A summary of activities under the Company's share-based compensation plan is as follows:

	Number of option outstanding	Weighted-average exercise price (US\$/share)	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (RMB)
Balance as of January 1, 2017	14,656,086	3.11		
Granted	-	-		
Exercise	(5,412,808)	2.87		
Forfeited	(152,742)	3.33		
Balance as of December 31, 2017	9,090,536	3.25	6.56	163,923,839
Vested and expected to vest as of December 31, 2017	7,174,515	3.24	6.33	129,937,456
Vested and exercisable as of December 31, 2017	4,287,278	3.20	5.85	78,876,718

The aggregate intrinsic value is calculated as the difference between the market price of ordinary shares, US\$6.01 (RMB39.12) per share as of December 31, 2017 and the exercise prices of the options.

Total intrinsic value of options exercised during the year ended December 31, 2015, 2016 and 2017 were RMB152,515,116, RMB81,059,329 and RMB110,973,732 respectively. The weighted average grant date fair value of options granted during the years ended December 31, 2016 and 2017 was RMB17.48 and nil per share, respectively.

A summary of non-vested shares activity under the share-based compensation plan is as follows:

	Number of option outstanding	Weighted-average fair value on grant date (RMB/Share)
Non-vested at January 1, 2017	7,388,000	28.75
Granted	-	-
Vested	(2,436,000)	28.78
Forfeited	(148,742)	31.65
Non-vested at December 31, 2017	4,803,258	28.64
Expected to vest as of December 31, 2017	2,887,237	29.57

The total fair value of shares vested for the years ended December 31, 2015, 2016 and 2017 were RMB67,627,740, RMB67,773,486 and RMB70,106,939, respectively.

The share-based compensation expense of continuing operations for the year ended December 31, 2015, 2016 and 2017 was recorded in the respective items:

	As of December 31,		
	2015	2016	2017
	RMB	RMB	RMB
Costs of revenues	118,301	333,338	2,219,311
Selling expenses	23,625,827	15,980,509	12,722,162
General and administrative expenses	81,024,667	67,152,462	46,017,821
Research and development expenses	7,945,590	6,101,390	3,908,608
Total	112,714,385	89,567,699	64,867,902

As of December 31, 2017, the company had 9,090,536 options outstanding. Total share-based compensation cost, determined based on the fair value of the options on the grant dates as well as on the repricing date, if any, applying an estimated forfeiture rate of 10%, amounted to approximately RMB379,183,173 of which the amounts of RMB112,714,385, RMB89,567,699 and RMB64,867,902 was recognized for the year ended December 31, 2015, 2016 and 2017, respectively.

As of December 31, 2017, the Company had unrecognized share-based compensation expense RMB42,811,699 related to non-vested share options. That deferred cost is expected to be recognized over a weighted-average period of 2.3 years. For the year ended December 31, 2017, total cash received from the exercise of share options was RMB 69,929,453.

The fair value of options grant and modification during the year ended December 31, 2015 and 2016 is estimated on the date of grant using Black-Scholes model with the following assumptions:

	2015	2016
Expected volatility	83.49% - 91.68 %	77.72% - 79.56 %
Expected dividend yield	0 %	0 %
Expected terms	6.5	5.3 - 6.5
Risk-free interest rate	1.50% - 1.74 %	1.74% - 1.94 %
Fair value per option at grant date (RMB)	25.62 – 35.31	16.94 - 17.93

The risk-free interest rate is based on the China government bond yield denominated in US\$ for a term consistent with the expected life of the awards in effect at the time of grant.

The expected term is based on the contractual term of the option and expected employee exercise and post-vesting employment termination behavior. Currently, it is based on the simplified approach.

The Company has no history or expectation of paying dividends on its ordinary shares.

The Company chooses to use the historical volatility for a period equal to the expected term preceding the grant date.

b)JinkoSolar Power

In October 2014, JinkoSolar Power adopted its 2014 Equity Incentive Plan (the “JinkoSolar Power 2014 Plan”), which permits the grant of stock options, restricted shares and restricted share units of JinkoSolar Power to its employees, directors and consultants of the JinkoSolar Power. Under the plan, a total of 12,766 ordinary shares (12,766,000 shares post the thousand-for-one share split by JinkoSolar Power in April 2015) of JinkoSolar Power were initially reserved for issuance.

On May 4, 2015, JinkoSolar Power granted 8,680,880 share options to its directors, officers and employees, under JinkoSolar Power 2014 Plan to purchase ordinary shares of JinkoSolar Power. The exercise price of the share option is US\$3.9166 per share and the term is 10 years from the date of grant. Subject to the individuals’ continued employment with JinkoSolar Power, and only upon the completion of an IPO of JinkoSolar Power, the option shall vest and become exercisable with respect to the vesting schedule as following.

- 7,021,300 share options granted to directors and employees will vest and exercisable in 5 successive equal annual installments on the last day of each year from grant date.

- 1,659,580 share options granted to an officer will vest by 40% on the grant date, and 30% on each of the second and third anniversaries of the grant date. In addition, if the officer’s employment with JinkoSolar Power is terminated as a result of certain defined events or situations, any then unvested share options for this officer will immediately become fully vested.

The share options have a contractual term of 10 years from the date of grant. The share options shall not become exercisable until JinkoSolar Power’s IPO has occurred prior to the expiry of the contractual option term. The exercise of these options will create non-controlling interest at the parent level. Given the exercise restriction, the recognition of share-based compensation expense is delayed.

The grant date fair value of each option is calculated using a binomial option pricing model by the Company. The fair value of each option grant was estimated on the date of grant with the following assumptions:

	2015	
Expected volatility	53.56	%
Expected dividend yield	0	%
Option term	10 years	
Risk-free interest rate	2.36	%
Expected forfeiture rate (post-vesting)	0% or 10	%
Fair value per option at grant date (USD)	1.88-2.01	

F-48

The Company's disposition of the downstream solar projects business triggered immediate vesting of the share options pursuant to the terms of the share option agreements. The Company fully recognized share based compensation expense amounted to RMB113,701,932 in the discontinued operations in the year ended December 31, 2016. At the same time, the JinkoSolar Power signed the agreements with its relevant employees to cancel and terminate the Share Options granted irrevocably and unconditionally with no consideration.

31. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Related party balances

Outstanding amounts due from/to related parties as of December 31, 2016 and 2017 were as follows:

	2016 December 31 RMB	2017 December 31 RMB
Accounts receivable from related parties:		
Accounts receivable from Gansu Heihe Hydropower Industrial Investment LLC. ("Gansu Heihe", in which the Group owns 9% equity interests)	44,616	-
Accounts receivable from Jiangxi Jinko Engineering for sales of solar modules and others	1,414,039,443	1,049,200,951
Accounts receivable from Sweihan PV Power Company P.S.J.C ("Sweihan PV", which develops and operates solar power projects in Dubai)	-	1,063,841,109
Advances to related parties		
Advances to subsidiaries of ReneSola	661,788	-
Notes receivables from related parties:		
Notes receivables from Jiangxi Jinko Engineering for sales of solar modules	610,200,000	-
Other receivables from related parties:		
Advances of travel and other business expenses to executive directors who are also shareholders	68,106	8,000
Other receivables from Jiangxi Jinko Engineering for receivable related to disposal of subsidiaries	-	28,634
Other receivables due from Sweihan Solar Holding Company	-	653,420
Other receivables from Jiangxi Jinko Engineering for miscellaneous transactions	16,704,113	6,712,861
Prepayments to Jiangxi Jinko Engineering for outsourcing services	-	10,333,131
Other receivables from Jiangxi Jinko Engineering for provision of guarantee	62,352,655	28,856,153
Other assets from related parties:		
Other assets from Jiangxi Jinko Engineering for provision of guarantee	173,375,586	146,025,979

Accounts payable due to a related party:		
Accounts payable due to subsidiaries of ReneSola	-	800,027
Accounts payable due to Jiangsu Jinko-Tiansheng Co., Ltd. ("Jinko-Tiansheng", in which the Group owns 30% equity interests)	-	4,528,869
Advances from related parties:		
Advances from Jiangxi Jinko Engineering for sales of solar modules	60,541,490	37,344,500
Advances from subsidiaries of ReneSola	-	55,444
Other payables due to a related party:		
Other payables to Desun for leasing of land and buildings	7,528,551	8,628,855
Other payables due to Jiangxi Jinko Engineering for payments on behalf of the Company	68,505,022	3,704,629

(1) Mr Xianshou Li, chairman and chief executive officer of Renesola is the brother of Mr Xiande Li, chairman of the board of directors of the Company.

(2) Advances of travel and other business expenses to executive directors who are also shareholders represent the amounts the Company advanced to them for expected expenses, charges and incidentals relating to their business development activities.

(3) Balances due to related parties are interest-free, not collateralized, and have no definitive repayment terms.

(b) Related party transactions

In connection with the Company's disposal of JinkoSolar Power downstream business in 2016, the Group entered into a master service agreement with Jiangxi Jinko Engineering under which the Group agreed to provide a guarantee for Jiangxi Jinko Engineering's financing obligations under its separate loan agreements. In the event that Jiangxi Jinko Engineering fails to perform its obligations under the loan agreements or otherwise defaults thereunder, the Company will become liable for Jiangxi Jinko Engineering's obligations under the loan agreements, which amounted to RMB5.84 billion (US\$897.9 million) as of December 31, 2017. The Company will charge Jiangxi Jinko Engineering service fees for the debt payment guarantee service according the master service agreement.

In addition, according to the side agreement signed among the Company, Jiangxi Jinko Engineering and investors of Jiangxi Jinko Engineering (the original redeemable preferred shareholders of JinkoSolar Power), the investors of Jiangxi Jinko Engineering will have the right to require Jiangxi Jinko Engineering to redeem the common shares of Jiangxi Jinko Engineering held by them, and, as a result of a guarantee issued by the Company, in the event that Jiangxi Jinko Engineering fails to perform its redemption obligations, the Company will become liable for Jiangxi Jinko Engineering's obligations under the redemption, which amounted to US\$297.3 million as of December 31, 2016. The Company will also charge Jiangxi Jinko Engineering service fees for the redemption guarantee service according to the master service agreement. On June 22, 2017, Jiangxi Jinko Engineering and all its investors amended its Articles of Association in which terms and clauses related to the Common Share Redemption Guarantee were removed. Hence, management reversed unamortized redemption guarantee liabilities amounted to RMB22,119,127 as well as the corresponding receivables amounted to RMB 20,409,535. Difference between the guarantee liabilities and the corresponding assets amounted to RMB1,709,592 was recognized as other income in the year ended December 31, 2017.

Pursuant to the master service agreement, guarantee service fee would be settled semi-annually, and the management of the Company believes the guarantee fee charges are at market rates.

The guarantee receivables will be eliminated upon the receipt of guarantee fees from Jiangxi Jinko Engineering. The Company has received RMB52,586,819 guarantee fees from Jiangxi Jinko Engineering in 2017.

As of December 31, 2016 and December 31, 2017, the Company recorded the guarantee fee income receivable amounted to RMB235,728,241 and RMB227,468,951 and a guarantee liability amounted to RMB226,086,556 and RMB148,187,615. The guarantee liability will be amortized over the expected guarantee period in the subsequent reporting periods. Other income from Jiangxi Jinko Engineering for the guarantee fee amortized for the period from November to December, 2016 and during the year ended December 31, 2017 amounted to RMB9,641,685 and RMB64,225,858, respectively.

After the disposition date of downstream solar project business through December 31, 2016 and for the year ended December 31, 2017, sales of solar module products to subsidiaries of Jiangxi Jinko Engineering amounted to RMB35,181,217 and RMB453,251,266, respectively.

After the establishment of SSHC through December 31, 2017, sales of solar module products to Sweihan PV amounted to RMB1,219,803,260.

For the year ended December 31, 2016 and 2017, revenues from sales of products to subsidiaries of Gansu Heihe amounted to RMB102,998,133 and nil.

After the disposition date of downstream solar project business through December 31, 2016 and for the year ended December 31, 2017, rental services provided to subsidiaries of Jiangxi Jinko Engineering amounted to RMB345,600 and RMB2,142,018, respectively.

Jinko-Tiansheng is an OEM service provider who provided PV module processing and assembling services to the Group. Since the establishment date of the Jinko-Tiansheng through December 31, 2017, Jinko-Tiansheng charged the Group processing fee amounted to RMB 8,375,075. Price of the processing services was decided based on market price.

For the years ended December 31, 2015, 2016 and 2017, revenues from sales of products to subsidiaries of ReneSola amounted to nil, nil, and RMB6,474,041, respectively.

For the years ended December 31, 2015, 2016 and 2017, raw materials purchased from subsidiaries of ReneSola amounted to RMB62,640, nil and RMB2,866,904, respectively.

In the fourth quarter of 2017, JinkoSolar International Development Limited disposed Lotapera and four Mexico power plants(Note 1) with the consideration of RMB28,634 (USD4,383). Considerations associated with the transaction have not been collected as of December 31, 2017.

In November 2017, the Company entered into an agreement with Jiangxi Jinko Engineering, which entrusted Jiangxi Jinko Engineering to exercise certain shareholders' rights (other than right of profit distribution, right of residual property distribution and right of disposition) in five operating entities of overseas power stations wholly-owned by the Company, enabling Jiangxi Jinko Engineering to monitor the construction and daily operations of these power stations. The Company retains ownership of these power stations and there exists no call or other rights of Jiangxi Jinko Engineering. The Company agrees to pay service fees calculated based on the actual costs incurred by Jiangxi Jinko Engineering during the power stations' construction period and a fixed amount fee during the operation period. The Company paid RMB13,068,400 (US\$2.0 million) in advance and recorded service expenses incurred in the year of 2017 amounted to RMB2,735,269 as cost of project assets.

On January 1, 2008, Desun and Jiangxi Jinko entered into an operating lease agreement pursuant to which Desun leased its buildings and land use rights to Jiangxi Jinko for a ten-year period from January 1, 2008 to December 31, 2017. Desun charged Jiangxi Jinko RMB 1,100,304 in rent for the years ended December 31, 2015, 2016 and 2017 respectively.

F-50

As of December 31, 2017, the Company has entered into a RMB90,000,000 loan agreement with a domestic bank which was collateralized on Desun's building and land use right amounted to RMB24,580,658 and the Group's certain building and equipment.

32. CERTAIN RISKS AND CONCENTRATION

a) Concentrations of credit risk

Financial instruments that potentially subject the Group to significant concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, restricted short-term investments, accounts receivable, prepayments and other current assets. As of December 31, 2016 and 2017, substantially all of the Group's cash and cash equivalents, restricted cash and restricted short-term investments were held by major financial institutions located in the PRC.

The Group is also exposed to the credit and financial risks of its suppliers to which the Group made advances. The Group's financial condition and results of operations may be materially affected if the suppliers fail to meet their obligations of supplying silicon materials according to the contractually agreed schedules.

b) Foreign currency risk

The Group has contracts for the sales of products, purchases of materials and equipment which are denominated in foreign currencies, including US Dollars, and Euros. For the year ended December 31, 2017, 62.3% of the Group's revenues are dominated in foreign currencies, including US Dollars, Euros, Yen, Australian Dollars, Canadian Dollars, South African Rand and Pounds. Renminbi, the functional currency of the Group, is not freely convertible into foreign currencies.

c) Major customers

The Group performs ongoing credit evaluations of its customers' financial condition whenever deemed necessary and generally does not require collateral. The Group maintains an allowance for doubtful accounts based upon the expected collectability of all accounts receivable, which takes into consideration an analysis of historical bad debts, specific customer creditworthiness and current economic trends.

There is no accounts receivable represented by customers with balances over 10% of accounts receivables as of December 31, 2016 and 2017, respectively. Also, there exists no individual customer to whom sales comprised over 10% of the Group's total revenue during the year ended December 31, 2016 and 2017, respectively.

d) Interest rate,

The Group's main interest rate exposure relates to long-term borrowings. The Group does not hedge against interest rate. Any increase in interest rates would increase the Group's finance expenses relating to our variable rate indebtedness and increase the costs of issuing new debt or refinancing its existing indebtedness.

33.COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

From January 1, 2008, Jiangxi Jinko leased buildings and land use rights from Desun, under a non-cancelable operating lease expiring in January 2018. In addition, the Group also leased office buildings for its offices under non-cancelable operating lease from third parties.

The Group is opening its first U.S. factory in Jacksonville, Florida, of which the annual production of solar modules is expected to be 400 MW. The Group leased buildings and lands for the factory under a non-cancelable operating lease from a third party. Total amount of the related operating lease commitments will be up to RMB104.6 million in the future.

Future minimum obligations for operating leases are as follows:

Year ending December 31,	RMB
2018	50,755,609
2019	34,354,435
2020	29,999,378
2021	29,596,057
2022	25,574,400
Thereafter	82,177,148
Total	252,457,027

Rental expense under all operating leases were RMB14,375,422, RMB20,574,072 and RMB19,313,730 for the years ended December 31, 2015, 2016 and 2017, respectively.

F-51

(b) Capital commitments

The Group entered into several purchase agreements and supplementary agreements with certain suppliers to acquire machineries to be used in the manufacturing of its products. The Group's total future payments under these purchase agreements amounted to RMB3,309,348,608 as of December 31, 2017.

Year ending December 31, RMB	
2018	1,592,950,011
2019	1,579,598,597
Thereafter	136,800,000
Total	3,309,348,608

(c) Contingencies

In July 2008, Jiangxi Jinko entered into a long-term supply agreement with Wuxi Zhongcai, a producer of polysilicon materials. Jiangxi Jinko provided a prepayment of RMB95.6 million pursuant to such contract. Wuxi Zhongcai subsequently halted production as a result of the adverse changes in the polysilicon market. In February 2013, Jiangxi Jinko sued Wuxi Zhongcai in Shangrao City Intermediate People's Court for the refund of the outstanding balance of our prepayment of RMB93.2 million after deducting delivery made to Jiangxi Jinko by an affiliate of Wuxi Zhongcai. In February 2013, Wuxi Zhongcai sued Jiangxi Jinko in Shanghai Pudong New Area People's Court for approximately RMB2.7 million for breaching the contract by failing to make allegedly required payments and reject the refund of the prepayment of RMB 95.6 million to Jiangxi Jinko. In December, 2015, Jiangxi Jinko made an alternation of the claim under which Jiangxi Jinko requested the refund of the prepayment of RMB93.2 million, the interests accrued from such prepayment, and the liquidated damages in the amount of RMB93.2 million. In January, 2016, Wuxi Zhongcai also changed the plea, in which Wuxi Zhongcai claimed for the liquidated damages amounting to approximately RMB102 million, the losses suffered from the termination of the agreement in the amount of RMB 150 million and rejected the refund of the prepayment of RMB 95.6 million to Jiangxi Jinko. The above two lawsuits are pending before the Shanghai High People's court as of the date of this annual report. The Company is unable to reliably estimate the probability of prevailing in the case and the scope of any liabilities.

In the fourth quarter of 2017, the Company decided to fulfill the demand for its solar products in South Africa through other overseas manufacturing facilities, and closed its manufacturing facility in South Africa. In December 2017, the South African Revenue Services ("SARS"), issued a letter of demand in terms of the Customs and Excise Act (the "Act"). The demand is for the amount of approximately ZAR573.1 million (US\$42.4 million) against JinkoSolar (Pty) Ltd, our subsidiary. SARS alleges that JinkoSolar (Pty) Ltd's importation of certain components for the manufacturer of solar panels and the rebate of customs duty did not comply with the Act. The Company is of the view that SARS' decision to persist with the letter of demand for the amounts in question is without any legal basis and intend on vigorously defending all claims against JinkoSolar (Pty) Ltd. JinkoSolar (Pty) Ltd has submitted an application to SARS for the suspension of payment for the amount demanded, pending the finalization of the dispute. JinkoSolar (Pty) Ltd intends to lodge an internal appeal in terms of section 77A – 77F of the Act against the decision of SARS to

claim the amounts demanded and the basis thereof. The Company assessed the potential impact of the dispute and concluded that the potential exposure JinkoSolar (Pty) Ltd. would be subject to is less than RMB70,000, which is immaterial to its consolidated financial statements.

(d) Guarantees

Upon the disposition of Jiangxi Jinko Engineering, the Company provided the loan guarantee and redemption guarantee to Jiangxi Jinko Engineering (note 3 & note 31).

The Company provided a debt payment guarantee in connection with a loan facility granted to Sweihan PV Power Company P.J.S.C (“Sweihan”), equity investee of the Company for developing overseas solar power project, in a maximum aggregate principal amount not exceeding US\$42.9 million. At the same time, pursuant to the shareholders agreement, the Company together with another shareholder of Sweihan, shall enable Sweihan to repay the loan facility in full. Therefore, the Company believes the probability of Sweihan’s default of repayment is remote, and no liability of the guarantee is recognized as of December 31, 2017.

34. FAIR VALUE MEASUREMENTS

A hierarchy is established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability, developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. As such, fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity-specific measure. The hierarchy is broken down into three levels based on the reliability of inputs as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs other than the quoted price in active markets that are observable either directly or indirectly, or quoted prices in less active markets; and (Level 3) unobservable inputs with respect to which there is little or no market data, which require the Company to develop its own assumptions. Fair value of cash equivalents, restricted cash and restricted short-term investment are categorized as level 1 under the fair value hierarchy, as they based on quoted prices in active markets. Short-term borrowings and long-term borrowing are categorized as level 2 under the fair value hierarchy, as they based on quoted prices in less active markets.

Fair value change in forward contracts and call spread

The Company has entered into foreign exchange forward contracts with local banks to reduce the exposure of significant changes in exchange rates between Renminbi and foreign currencies. Authoritative guidance requires companies to recognize all of the derivative financial instruments as either assets or liabilities at fair value in the consolidated balance sheets based upon quoted market prices for comparable instruments. The Company's forward

contracts have not met the criteria for hedge accounting within authoritative guidance. Therefore, the foreign currency forward contracts have been recorded at fair value, with the gain or loss on these transactions recorded in the consolidated statements of operations within "Change in fair value of forward contracts" in the period in which they occur. The Company does not use derivative financial instruments for trading or speculative purposes. The Company held foreign exchange forward contracts with a total notional value of USD10 million as of December 31, 2017. These foreign exchange forward contracts mature within 12 months. The Company used a discounted cash-flow methodology to measure fair value, which requires inputs such as interest yield curves and foreign exchange rates. The significant inputs used in the aforementioned model can be corroborated with market observable data and therefore the fair value measurements are classified as level 2. Typically, any losses or gains on the forward exchange contracts are offset by re-measurement losses or gains on the underlying balances denominated in non-functional currencies. The Company's foreign currency exchange contract is an over-the-counter instrument.

F-52

The Group classified the cash flows related to realized gain or loss on settlement of foreign exchange forward contracts as operating activities, which are based on the nature of the cash flows the derivative is economically hedging.

The Company purchased foreign exchange call spread combined option contracts with a total notional value of US\$70 million during the year ended December 31, 2015. These foreign exchange call spread mature within 12 months. The Company adopted the Black-Scholes Option Pricing (“B-S”) Model to value the Currency Option Contracts. The B-S Model is widely used and accepted as a common valuation practice in valuing such currency option. The significant inputs used in the aforementioned model are unobservable inputs which there are little or no market data and therefore the fair value measurements are classified as level 3. The Company's foreign currency call spread is an over-the-counter instrument.

The call spread option is asset derivatives which need to be fair valued on day one and marked to market subsequently at each reporting period end. The fair value gain or loss arising from the re-measurement is recognized in the consolidated statements of operations and comprehensive income. The fair value change was a loss of RMB 370,437 for the year ended December 31, 2015.

The call spread option matured in the fourth quarter of 2016 and the Company recognised the gain of RMB4.9 million.

Convertible Senior Notes and Capped Call Options

The Company has adopted valuation models to assess the fair value for capped call options and the Notes, as the capped call options are not publicly traded and the trading of the Notes is considered inactive. Management is responsible for determining these fair values and assessing a number of factors. Both capped call options and the Notes are valued using the Binominal Tree option pricing model. The valuation involves complex and subjective judgments as well as the Company's best estimates on the valuation date. Inputs related to the Binomial models for convertible debt fair value are: spot price, conversion price, time to maturity, expected dividend yield, expected share volatility, risk free interest rate, yield-to-maturity and put option exercisable period, of which spot price and expected share volatility are most significant to valuation determination of convertible debt.

Available-for-sale investment

On a recurring basis, the Company measures available-for-sale investment at fair value. Since the available-for-sale investment does not have quoted price in active markets, the Company has adopted Binomial Tree option pricing model to assess their fair value. Management is responsible for determining the fair value and assessing a number of factors. The valuation involves complex and subjective judgements as well as the Company's best estimates on the valuation date.

Inputs related to the Binomial Tree option pricing model for the valuation of the fair value of available-for-sale investment are: spot price, conversion price, time to maturity, expected dividend yield, expected share volatility, risk free interest rate, and yield-to-maturity, of which spot price is most significant to valuation determination. The following methods were adopted for each input:

- a. Spot price: quoted closing price of listed shares of Kinexia SpA(KNX IM) as of each re-measurement date;
- b. Conversion price: according to the indenture of the subject available-for-sale investment;
- c. Time to maturity: time period from the respective re-measurement date to maturity date. Maturity date was referred from the indenture of the subject available-for-sale investment;
- d. Expected dividend yield: based on indicative dividend yield of the underlying company (i.e. KNX.IM) as of each re-measurement date;
- e. Expected share volatility: based on the implied volatility of the listed shares of Kinexia (i.e. KNX.IM) with a time period equal to the time to maturity as of each re-measurement date;
- f. Risk free interest rate: based on the yield of Italy Treasury Bonds with a maturity equal to the time to maturity as of each re-measurement date; and
- g. Yield-to-maturity: based on the average yield-to-maturity of comparable corporate bullet bonds with similar remaining maturity period and credit risk as of each re-measurement date; and

Warrants

The Company adopted Binominal Tree option pricing model to assess the warrants' fair value. Management is responsible for determining the fair value and assessing a number of factors. The valuation involves complex and subjective judgments as well as the Company's best estimates on the valuation date. Key inputs related to the Binomial Tree option pricing model for the valuation of the fair value of warrants are: probabilities assigned among IPO and non-IPO scenarios, time to maturity, volatility, dividend yield, as well as risk-free rate, of which probabilities assigned among IPO and non-IPO scenarios, volatility, and risk-free rate are most significant to valuation determination of the warrants.

Rate Cap Derivative

The Company's exposure to the risk of changes in market interest rates primarily relates to its bank borrowings. To finance its overseas power station business operation and expansion, the Company's operating subsidiaries located in Mexico will obtain long-term bank borrowings from local bank, which carries variable interest rates. With an aim to reduce its interest rate exposure, the Company entered into one long-term interest rate cap contract in 2016 to fix the interest rate as a fixed rate payer. The rate cap is a derivative which needs to be fair valued at each reporting period end. The fair value gain or loss arising from the remeasurement is recognized in the consolidated statements of operations and comprehensive income. As of December 31, 2017, the fair value of the rate cap was RMB26,486,388, which was recorded as a derivative liability. The fair value change was a loss of RMB10,364,075 and RMB16,122,313 for the year ended December 31, 2016 and 2017, respectively.

Recurring change in fair value

As of December 31, 2015, 2016 and 2017, information about the hierarchy of the fair value measurements for the Company's assets and liabilities that are measured at fair value on a recurring basis subsequent to their initial recognition is as follows:

Description	Fair Value Measurements at Reporting Date Using			
	Balance as of December 31, 2015	Quote prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)

Assets:

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Call spread option	7,277,406	-	-	7,277,406
Foreign exchange forward contracts	7,038,537	-	7,038,537	-
Capped call options	17,490,323	-	-	17,490,323

Liabilities:

Foreign exchange forward contracts	4,295,737	-	4,295,737	-
Convertible senior notes	1,506,981,361	-	-	1,506,981,361
Warrant liability	68,377,608	-	-	68,377,608

Fair Value Measurements at Reporting Date Using

Description	Balance as of December 31, 2016	Quote prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Guarantee receivables	235,728,241	-	-	235,728,241
Foreign exchange forward contracts	640,876	-	640,876	-
Liabilities:				
Convertible senior notes	423,739,708	-	-	423,739,708
Guarantee liabilities	226,086,556	-	-	226,086,556
Rate cap derivative	10,364,075	-	-	10,364,075

Fair Value Measurements at Reporting Date Using

Description	Balance as of December 31, 2017	Quote prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Guarantee receivables	174,882,132	-	-	174,882,132
Liabilities:				
Foreign exchange forward contracts	4,520,619	-	4,520,619	-
Convertible senior notes	65,342	-	-	65,342
Guarantee liabilities	148,187,615	-	-	148,187,615
Rate cap derivative	26,486,388	-	-	26,486,388

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3 valuation)

A summary of changes in Level 3 fair value of convertible senior notes for the year ended December 31, 2015, 2016 and 2017 were as follows:

	For the year ended December 31,		
	2015	2016	2017
	RMB	RMB	RMB
Balance at January 1,	1,540,398,645	1,506,981,361	423,739,708
Issuance of convertible senior notes	-	-	-
Foreign exchange (gain)/loss	96,678,461	43,448,795	(845,071)
Change in fair value of convertible senior notes	8,400,918	92,015,957	-
Repurchase of convertible senior notes	(138,496,663)	(1,218,706,405)	(422,829,295)
Balance at December 31,	1,506,981,361	423,739,708	65,342

A summary of changes in Level 3 fair value of capped call options for the year ended December 31, 2015, 2016 and 2017 were as follows:

	For the year ended December 31,		
	2015	2016	2017
	RMB	RMB	RMB
Balance at January 1,	21,098,263	17,490,323	-
Foreign exchange (gain)/loss	2,562,342	736,212	-
Change in fair value of capped call options	(6,170,282)	(18,226,535)	-
Balance at December 31,	17,490,323	-	-

The capped call options were expired upon the full repurchase of 2016 Notes in 2016 (note 27).

A summary of changes in Level 3 fair value of available-for-sale investment for the year ended December 31, 2015, 2016 and 2017 were as follows:

	For the year ended December 31,		
	2015	2016	2017
	RMB	RMB	RMB

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Balance at January 1,	20,875,725	-	-
Receipt of available-for-sale investment	-	-	-
Foreign exchange gain/(loss)	-	-	-
Change in fair value of available-for-sale investment	-	-	-
Transfer to receivable (Note 2 (h))	(20,875,725)	-	-
Balance at December 31,	-	-	-

A summary of changes in Level 3 fair value of call spread options for the year ended December 31, 2015, 2016 and 2017 were as follows:

	For the year ended December 31,		
	2015	2016	2017
	RMB	RMB	RMB
Balance at January 1,	-	7,277,406	-
Purchase of call spread option	7,647,843	4,761,603	-
Change in fair value of call spread	(370,437)	-	-
Exercise of call spread options	-	(12,039,009)	-
Balance at December 31,	7,277,406	-	-

F-55

A summary of changes in Level 3 fair value of warrant liability for the year ended December 31, 2015, 2016 and 2017 were as follows:

	For the year ended December 31,		
	2015	2016	2017
	RMB	RMB	RMB
Balance at January 1,	-	68,377,608	-
Issuance of warrant liability	62,331,211	-	-
Exchange loss on warrant liability	3,950,373	2,256,314	-
Change in fair value of warrant liability	2,096,024	(34,937,341)	-
Repurchase of warrant liability	-	(35,696,581)	-
Balance at December 31,	68,377,608	-	-

A summary of changes in Level 3 fair value of rap cap derivative for the year ended December 31, 2015, 2016 and 2017 were as follows:

	For the year ended December 31,		
	2015	2016	2017
	RMB	RMB	RMB
Balance at January 1,	-	-	10,364,075
Change in fair value of rate cap derivative	-	10,364,075	16,122,313
Balance at December 31,	-	10,364,075	26,486,388

Change in fair value of derivatives

The Change in fair value of derivatives recognized in earnings was as follows:

For the year ended	Type of derivatives		Call spread options	Rate cap derivative	Capped call options	Warrant liability	Total
	contracts	Foreign exchange forward					
December 31, (In RMB)	Realized	Unrealized					
2015	71,000,875	(14,068,932)	(370,437)	-	(6,170,282)	(2,096,024)	48,295,200
2016	(53,202,660)	640,876	-	(10,364,075)	(18,226,535)	34,937,341	(46,215,053)
2017	(3,690,785)	(4,520,619)	-	(16,122,313)	-	-	(24,333,717)

Non-recurring change in fair value

As of December 31, 2015

Description	Fair Value Measurements at Reporting Date Using				Total (losses)
	Balance as of December 31, 2015	Quote Prices in active market for identical assets (Level 1)	Significant other observable input (Level 2)	Significant unobservable input (Level 3)	
	RMB	RMB	RMB	RMB	
Property, plant and equipment, net	3,766,435,564	-	-	3,766,435,564	-

F-56

As of December 31, 2016

Description	Fair Value Measurements at Reporting Date Using				
	Balance as of	Quote Prices	Significant	Significant	Total
	December 31, 2016	in active market for identical assets (Level 1)	other observable input (Level 2)	unobservable input (Level 3)	
	RMB	RMB	RMB	RMB	(losses)
Property, plant and equipment, net	4,738,681,353	-	-	4,738,681,353	125,524,021

As of December 31, 2017

Description	Fair Value Measurements at Reporting Date Using				
	Balance as of	Quote Prices	Significant	Significant	Total
	December 31, 2016	in active market for identical assets (Level 1)	other observable input (Level 2)	unobservable input (Level 3)	
	RMB	RMB	RMB	RMB	(losses)
Property, plant and equipment, net	6,680,187,156	-	-	6,680,187,156	-

In accordance with the provisions of the Impairment or Disposal of Long-Lived Assets Subsections of ASC 360-10, long-lived assets held and used with a carrying amount of nil, RMB125,524,021 and nil as of December 31, 2015, 2016 and 2017 were written down to their fair value of zero, resulting in an impairment charge of nil, RMB125,524,021 and nil for the year ended December 31, 2015, 2016 and 2017, respectively, which was calculated based on Level 3 Inputs and included in earnings for the respective years.

35.RESTRICTED NET ASSETS

Relevant PRC laws and regulations permit payments of dividends by the Company's PRC subsidiaries only out of their retained earnings, if any, as determined in accordance with PRC GAAP. In addition, the statutory general reserve fund requires annual appropriations of 10% of net after-tax income to be set aside prior to payment of any dividends by the Company's PRC subsidiaries that are registered as wholly owned foreign investment enterprises or domestic enterprises. As a result of these and other restrictions under PRC laws and regulations, the PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company either in the form of dividends, loans

or advances. Even though the Company does not currently require any such dividends, loans or advances from the Company's PRC subsidiaries for working capital or other funding purposes, it may in the future require additional cash resources from the PRC subsidiaries due to changes in business conditions, to fund future acquisitions and development, or merely declare dividends or make distributions to the Company's shareholders.

In July 2014, Jiangxi Jinko Engineering entered into agreements with certain investors for the issuance of redeemable convertible preferred shares to such investors. Pursuant to the investment agreements, Jiangxi Jinko Engineering shall use all of the proceeds from the issuance of redeemable convertible preferred shares for the sole purpose of funding Jiangxi Jinko Engineering and its subsidiaries' construction, commissioning and operations of new solar power projects in the PRC and no proceeds shall be used for any existing projects prior to the preferred share issuance. The redeemable convertible preferred shares were repurchased in conjunction with the disposal of downstream solar project business in the fourth quarter of 2016 (note 8).

Restricted net assets were RMB4,969,729,706 representing 74% of the Company's total consolidated net assets as of December 31, 2017.

36.SUBSEQUENT EVENTS

In February 2018, the Company closed the follow-on offering of 4,140,000 ADSs, each representing four ordinary shares of the Company, par value US\$0.00002 per share, at US\$18.15 per ADS. The net proceeds of the follow-on offering to the Company, after deducting underwriting commissions and fees and estimated offering expenses, was approximately US\$71.1 million.

In March 2018, the Company entered into a major sales agreement with NextEra Energy, Inc. to supply them with up to 2,750 megawatts of high-efficiency solar modules over approximately four years.

37.ADDITIONAL INFORMATION – CONDENSED FINANCIAL STATEMENTS OF THE PARENT COMPANY

The separate condensed financial statements of the Company as presented below have been prepared in accordance with Securities and Exchange Commission Regulation S-X Rule 5-04 and Rule 12-04 and present the Company's investments in its subsidiaries under the equity method of accounting. Such investment is presented on separate condensed balance sheets of the Company as "Investments in subsidiaries " and the Company's shares of the profit or loss of subsidiaries are presented as "Share of (loss) / income from subsidiaries" in the statements of operations.

As disclosed in Note 31b, the Company provided guarantee for the redemption of the common shares of Jiangxi Jinko Engineering held by its investors during the period from October 2016 to June 2017.

F-57

Except for the guarantees as disclosed in Note 31b, the Company did not have any other significant contingency, commitment, or off balance sheet long term obligation as of December 31, 2015, 2016 and 2017.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed and omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Company.

Condensed statements of operations:

	For the year ended December 31			
	2015	2016	2017	USD
	RMB	RMB	RMB	(Note 2 (an))
Net revenue	-	-	-	-
Cost of revenues	-	-	-	-
Gross profit	-	-	-	-
Total operating expenses	(11,992,992)	(9,937,095)	(3,139,147)	(482,478)
Other income, net	-	3,214,433	8,825,212	1,356,410
Income/(loss) from operations	(11,992,992)	(6,722,662)	5,686,065	873,932
Share of income from subsidiaries and affiliates	692,117,271	1,949,659,745	124,171,093	19,084,748
Interest (expenses)/income, net	26,434,242	4,089,083	(1,563,985)	(240,380)
Exchange gain/(loss)	(8,235,787)	(10,073,699)	13,412,516	2,061,465
Change in fair value of convertible senior notes and capped call option	(14,571,200)	(110,242,492)	-	-
Income before income taxes	683,751,534	1,826,709,975	141,705,689	21,779,765
Income tax expenses	-	-	-	-
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders	683,751,534	1,826,709,975	141,705,689	21,779,765

Condensed balance sheets:

	December 31, 2016	December 31, 2017	
	RMB	RMB	USD (Note 2 (an))
ASSETS			
Current assets:			
Cash and cash equivalent	4,815,606	15,706,763	2,414,085
Due from subsidiaries	863,880,453	534,172,422	82,100,798
Due from related parties	10,102,244	9,625,813	1,479,460
Other current assets	12,231,081	40,037,711	6,153,684
Total current assets	909,440,051	599,542,709	92,148,027
Investments in subsidiaries	6,403,914,947	6,452,545,486	991,738,083
Due from related parties - non current	18,410,667	476,963	73,308
Total assets	7,313,354,998	7,052,565,158	1,083,959,418
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Due to subsidiaries	389,900,932	358,580,283	55,112,781
Due to related parties	10,102,244	298,352	45,856
Other current liabilities	13,706,994	3,920,963	602,641
Convertible senior notes-current	423,739,708	-	-
Total current liabilities	837,449,878	362,799,598	55,761,278
Due to related parties – non-current	15,196,234	426,963	65,623
Convertible senior notes	-	65,342	10,043
Total liabilities	852,646,112	363,291,903	55,836,944
Shareholders' equity:			
Ordinary shares (US\$0.00002 par value, 500,000,000 shares authorized, 128,456,466 and 133,869,274 shares issued as of December 31, 2016 and December 31, 2017, respectively, 126,733,266 and 132,146,074 shares outstanding as of December 31, 2016 and December 31, 2017, respectively.)	17,881	18,604	2,859
Additional paid-in capital	3,145,262,253	3,313,608,385	509,292,284
Accumulated other comprehensive income	104,784,173	23,295,998	3,580,529
Treasury stock, at cost; 1,723,200 ordinary shares as of December 31, 2016 and December 31, 2017	(13,875,553)	(13,875,553)	(2,132,633)
Retained earnings	3,224,520,132	3,366,225,821	517,379,435
Total shareholders' equity	6,460,708,886	6,689,273,255	1,028,122,474
Total liabilities and shareholders' equity	7,313,354,998	7,052,565,158	1,083,959,418

The balance due from subsidiaries represented the expenses paid on behalf by the Company for its subsidiaries.

Other current assets represented options receivables.

The balance due to subsidiaries represented the professional service fees paid by Jiangxi Jinko.

Other current liabilities represented accrual for unpaid professional service fees.

F-59

Condensed statements of cash flows:

	For the year ended December 31,			
	2015	2016	2017	USD
	RMB	RMB	RMB	(Note 2 (an))
Cash flows from operating activities:				
Net income	683,751,534	1,826,709,975	141,705,689	21,779,766
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Change in fair value of convertible senior notes	8,400,918	92,015,957	-	-
Change in fair value of capped call option	6,170,282	18,226,535	-	-
Share of income from subsidiaries	(692,117,271)	(1,949,659,745)	(124,171,093)	(19,084,748)
Guarantee income	-	(3,214,433)	(8,825,212)	(1,356,410)
Exchange (gain)/loss	8,235,787	10,073,699	(13,412,516)	(2,061,466)
Changes in operating assets and liabilities:				
Decrease in due from subsidiaries	104,043,486	837,979,030	410,590,040	63,106,535
(increase)/Decrease in other current assets	(1,080,514)	(4,394,605)	5,742,872	882,663
increase/(Decrease) in due to subsidiaries	21,721,556	327,267,488	(37,268,274)	(5,728,029)
increase/(Decrease) in other current liabilities	316,410	(10,835,057)	(10,018,710)	(1,539,848)
Net cash provided by operating activities	139,442,188	1,144,168,844	364,342,796	55,998,463
Cash flows from investing activities:				
Investments in subsidiaries	(5,620,197)	-	-	-
Net cash used in investing activities	(5,620,197)	-	-	-
Cash flows from financing activities:				
Proceeds from exercise of share options	7,613,965	21,730,663	69,929,453	10,747,960
Repurchase of convertible senior notes	(113,025,510)	(1,218,706,405)	(422,829,295)	(64,987,673)
Net cash used in financing activities	(105,411,545)	(1,196,975,742)	(352,899,842)	(54,239,713)
				-
Effect of foreign exchange rate changes on cash and cash equivalents	2,227,375	1,937,422	(551,797)	(84,810)
Net increase/(decrease) in cash and cash equivalents	30,637,821	(50,869,476)	10,891,157	1,673,940
Cash and cash equivalents, beginning of year	25,047,261	55,685,082	4,815,606	740,145
Cash and cash equivalents, end of year	55,685,082	4,815,606	15,706,763	2,414,085
Supplemental disclosure of non-cash investing and financing cash flow information				
Proceeds from exercise of share options received in subsequent period	10,210,003	6,135,783	39,685,283	6,184,495

F-60