

JinkoSolar Holding Co., Ltd.
Form 20-F/A
May 10, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F/A

(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, 2010.

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

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)

Longgen Zhang, Chief Financial Officer

1 Jingke Road

Shangrao Economic Development Zone

Jiangxi Province, 334100

People's Republic of China

Tel: (86-793) 846-9699

Fax: (86-793) 846-1152

E-mail: longgen.zhang@jinkosolar.com

(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 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. **95,078,242 shares, par value US\$0.00002 per share, as of December 31, 2010.**

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

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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

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

U.S. GAAP

International Financial Reporting Standards as issued by the
International Accounting Standards Board

Other

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

Explanatory Note

This annual report on Form 20-F/A (Form 20-F/A) is being filed by JinkoSolar Holding Co., Ltd. (the Registrant) as an amendment to the Registrant's annual report on Form 20-F for the fiscal year ended December 31, 2010 (Form 20-F) solely for the purpose of amending our Form 20-F to reflect the correction of certain data and disclosure on pages 1, 32, 58, 62, 63, 75 and 85 of the original filing of the Form 20-F filed on April 25, 2011. This Form 20-F/A is filed in its entirety.

This Form 20-F/A makes no changes to the consolidated financial statements of the Registrant. Other than what is stated above, this Form 20-F/A does not amend, update or restate the information in any other item of the Form 20-F as originally filed on April 25, 2011 or reflect any events that have occurred after the original filing of the Form 20-F on April 25, 2011.

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INTRODUCTION

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, its current and former subsidiaries for the relevant periods, and, in the context of describing our financial results prior to September 2008, also includes the following variable interest entities, or VIEs, which were consolidated for the following relevant periods: (i) Shangrao Yangfan Electronic Materials Co., Ltd., or Yangfan, from June 6, 2006 to September 1, 2008; (ii) Shangrao Tiansheng Semiconductor Materials Co., Ltd., or Tiansheng, from June 6, 2006 to September 30, 2008; (iii) Shanghai Alvagen International Trading Co., Ltd., or Alvagen, from April 29, 2007 to September 1, 2008; and (iv) Shangrao Hexing Enterprise Co., Ltd., or Hexing, from September 3, 2007 to September 30, 2008;

ADRs refers to the American depositary receipts evidencing our American depositary shares;

ADSs refers to our American depositary shares;

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;

Euro or refers to the legal currency of the European Union;

selling shareholders refers to certain shareholders selling 1,500,000 ADSs representing 6,000,000 ordinary shares of us on the NYSE in the follow-on offering completed on November 10, 2010; We did not receive any of the proceeds from the sale of ADSs by the selling shareholders;

HK\$ or Hong Kong dollar refers to the legal currency of Hong Kong;

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 Desun's financial results were consolidated into our financial statements from June 6, 2006 to July 28, 2008;

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

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;

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June 6, 2006 refers to the inception of our business;

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

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;

outstanding ordinary shares and shares issued and outstanding refer to our outstanding ordinary shares as of the date of this annual report, excluding the 1,657,048 ordinary shares issued to the depository and reserved for future grants under our long term incentive plan adopted on July 10, 2009, as amended;

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

RMB or Renminbi refers to the legal currency of China;

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;

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UL refers to the certificate issued by UL DQS Inc. to certify that our quality management system complies with the ISO9001:2000 standard;

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

watt or W refers to the measurement of total electrical power, where kilowatt or kW means one thousand watts, megawatts or M means one million watts and gigawatt or GW means one billion watts;

Wp refers to watt-peak, a measurement of power output, most often used in relation to photovoltaic solar energy devices;

Xinwei refers to Shangrao Xinwei Industry Co., Ltd., our PRC subsidiary from July 16, 2007 to December 28, 2007; 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 the years ended December 31, 2008, 2009 and 2010.

This annual report contains translations of certain Renminbi amounts into U.S. dollars at the rate of RMB6.6000 to \$1.00, the noon buying rate in effect on December 30, 2010 in the City of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that the Renminbi or dollar amounts referred to in this annual report on Form 20-F could have been or could be converted into dollars or Renminbi, as the case may be, at any particular rate or at all. See Item 3. Key Information D. Risk Factors Risk Related to Our Business Fluctuations in exchange rates could adversely affect our results of operations. On April 15, 2011, the noon buying rate was RMB6.5317 to US\$1.00.

Consistent with industry practice, we measure our silicon wafer, solar cell and solar module production capacity and production output in MW, representing 1,000,000 watts of power-generating capacity. We believe MW is a more appropriate unit to measure our silicon wafer, solar cell and solar module production capacity and production output compared to number of silicon wafers, solar cells and solar modules, as our silicon wafers, solar cells and solar modules are or will be of different sizes. Furthermore, we manufacture both monocrystalline wafers and multicrystalline wafers, which have different conversion efficiencies. In addition, since the conversion efficiencies of our products have been continuously improving, we believe it is appropriate to assume different conversion efficiency rates of our products for different periods for the purpose of this annual report.

For the period between the completion of our initial public offering to the date of this annual report, we assume an average conversion efficiency rate of 18.0% for solar cells using our monocrystalline wafers. This conversion efficiency is based on the mono-reference cells calibrated by the Fraunhofer Institute for Solar Energy Systems (FhG-ISE) in Freiburg, Germany. Based on this conversion efficiency, we assume that each 125 millimeter, or mm, by 125 mm monocrystalline wafer we produce can generate approximately 2.79 W of power, and that each 156 mm by 156 mm monocrystalline wafer we produce can generate approximately 4.30 W of power. We also assume an average conversion efficiency rate of 16.8% for solar cells using our multicrystalline wafers. This conversion efficiency is estimated based on the multi-reference cells calibrated by FhG-ISE. Based on this conversion efficiency, we assume that each 156 mm by 156 mm multi-crystalline wafer that we produce can generate approximately 4.08 W of power.

For the period between our inception and the completion of our initial public offering, we assumed an average conversion efficiency rate of 16.5% for solar cells using our monocrystalline wafers. This conversion efficiency was estimated based on the data provided by our top three customers for monocrystalline wafers based on our 2008 revenues for monocrystalline wafer sales, which was highly dependent on the solar cell and solar module production processes of these customers. Based on this conversion efficiency, we assumed that each 125 millimeter, or mm, by 125 mm monocrystalline wafer we produced generated approximately 2.45 W of power, and that each 156 mm by 156 mm monocrystalline wafer we produced generated approximately 4.02 W of power. We also assumed an average conversion efficiency rate of 15.0% for solar cells

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using our multicrystalline wafers. This conversion efficiency was estimated based on the data provided by our top three customers for multicrystalline wafers based on our 2008 revenues for multicrystalline wafer sales and was highly dependent on the solar cell and module production processes of these customers. Based on this conversion efficiency, we assumed that each 156 mm by 156 mm multicrystalline wafer we produced generated approximately 3.65 W of power.

We completed our initial public offering of 5,835,000 ADSs representing 23,340,000 ordinary shares on May 19, 2010. Our ADSs are listed on NYSE 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.

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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 selected consolidated statements of operations data for the years ended December 31, 2008, 2009 and 2010 and the selected consolidated balance sheet data as of December 31, 2009 and 2010 are derived from our audited consolidated financial statements included elsewhere in this annual report. The selected consolidated statements of operations data for the years ended December 31, 2006 and 2007 and the consolidated balance sheet data as of December 31, 2006, 2007 and 2008 are derived from our audited consolidated financial statements, which are not included in this annual report. The selected consolidated condensed 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 period. We have determined that we were no longer the primary beneficiary of Yangfan and Alvagen as of September 1, 2008 and Tiansheng and Hexing were no longer VIEs as of September 30, 2008. As a result, we were no longer required to consolidate their financial results with ours as of September 1, 2008 and September 30, 2008, respectively.

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	For the Period from June 6, 2006 to December 31,		For the Year Ended December 31,				2010 (US\$)
	2006 (RMB)	2007 (RMB)	2008 (RMB)	2009 (RMB)	2010 (RMB)		
(in thousands, except share and per share data)							
Consolidated Statements of Operations Data:							
Revenues	116,234.2	709,152.9	2,183,614.1	1,567,859.6	4,654,854.7	705,281.0	
Cost of revenues	(115,770.9)	(621,024.0)	(1,872,088.7)	(1,337,647.5)	(3,297,468.9)	(499,616.5)	
Gross profit	463.3	88,128.9	311,525.5	230,212.1	1,357,385.8	205,664.5	
Total operating expenses	(1,872.5)	(12,540.3)	(40,271.7)	(107,739.4)	(367,463.5)	(55,676.3)	
(Loss)/Income from operations	(1,409.2)	75,588.6	271,253.8	122,472.6	989,922.3	149,988.2	
Interest income/(expenses), net	7.0	(321.9)	(6,323.9)	(29,936.8)	(64,268.4)	(9,737.6)	
Subsidy income		546.8	637.3	8,569.1	15,696.6	2,378.3	
Investment (loss)/gain			(10,165.5)	82.1	60.1	9.1	
Exchange loss	(1.1)	(68.0)	(4,979.8)	(2,181.5)	(10,143.4)	(1,536.9)	
Other income/(expense), net	33.4	300.0	(490.1)	(1,338.6)	(1,357.9)	(205.7)	
Change in fair value of forward contracts					98,039.3	14,854.5	
Change in fair value of embedded derivatives			(29,812.7)	(13,599.3)	55.0	8.3	
(Loss)/Income before income taxes	(1,369.9)	76,045.5	220,119.1	84,067.6	1,028,003.6	155,758.1	
Income tax (expense)/benefit			(822.3)	1,342.0	(146,130.4)	(22,141.0)	
Net (loss)/income	(1,369.9)	76,045.5	219,296.8	85,409.6	881,873.2	133,617.2	
Less: Net income attributable to the non-controlling interests			(576.8)				
Net (loss)/income attributable to JinkoSolar Holding Co., Ltd.	(1,369.9)	76,045.5	218,720.0	85,409.6	881,873.2	133,617.2	
Net (loss)/income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per share							
Basic	(0.11)	2.19	3.52	(0.73)	11.16	1.69	
Diluted	(0.11)	2.19	3.52	(0.73)	10.92	1.65	
Net (loss)/income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per ADS ⁽¹⁾							
Basic	(0.44)	8.77	14.10	(2.93)	44.64	6.76	
Diluted	(0.44)	8.77	14.10	(2.93)	43.69	6.62	
Weighted average ordinary shares outstanding							
Basic	12,500,000	34,691,800	50,429,700	50,731,450	74,896,543	74,896,543	
Diluted	12,500,000	34,691,800	50,429,700	50,731,450	80,748,080	80,748,080	

(1) Each ADS represents four ordinary shares.

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	2006 (RMB)	2007 (RMB)	As of December 31,		2010 (RMB)	2010 (US\$)
			2008 (RMB)	2009 (RMB)		
(in thousands)						
Consolidated Balance Sheet Data:						
Cash and cash equivalent	8,508.0	27,242.2	27,323.6	152,479.6	521,204.8	78,970.4
Restricted cash			9,622.0	72,827.2	416,789.7	63,150.0
Account receivable – a related party			69,062.1	100.4	100.4	15.2
Accounts receivable – third parties		228.4	8,039.5	236,796.6	576,796.4	87,393.4
Advances to suppliers	39,776.5	151,455.7	110,638.3	93,324.1	339,738.1	51,475.5
Inventories	11,376.3	172,134.9	272,030.5	245,192.4	819,514.5	124,168.9
Total current assets	66,174.1	398,470.1	528,980.4	970,650.4	3,194,474.1	484,011.2
Property, plant and equipment, net	9,778.1	57,479.4	352,929.5	741,481.4	1,938,978.2	293,784.6
Land use rights, net	1,810.9	6,962.0	165,509.6	228,377.5	261,858.6	39,675.5
Advances to suppliers to be utilized beyond one year			187,270.6	230,899.5	234,577.1	35,542.0
Total assets	77,763.1	559,279.8	1,278,020.4	2,242,649.3	5,880,345.8	890,961.5
Accounts payable	844.9	8,721.3	23,985.3	99,932.8	355,011.7	53,789.6
Notes payable				81,643.2	571,522.2	86,594.3
Advance from a related party	49,810.6	92,433.3				
Advance from third party customers		162,001.8	184,749.0	36,777.8	164,956.9	24,993.5
Derivative liabilities			30,017.4	54.9		
Short-term borrowings from third parties	1,000.0	22,990.0	150,000.0	576,084.0	1,171,776.3	177,541.9
Total current liabilities	66,115.5	310,922.2	481,330.6	946,782.3	2,941,912.9	445,744.4
Long-term borrowings				348,750.0	269,250.0	40,795.5
Total liabilities	66,115.5	372,585.9	485,043.7	1,299,811.8	3,215,143.9	487,143.0
Series A redeemable convertible preferred shares			157,224.9	189,057.9		
Series B redeemable convertible preferred shares			245,402.2	287,703.8		
Total JinkoSolar Holding Co., Ltd. shareholders' equity	5,707.6	175,753.9	390,349.6	466,075.8	2,665,201.9	403,818.5
Non-controlling interests	5,940.1	10,940.1				
Total liabilities and shareholders' equity	77,763.1	559,279.8	1,278,020.4	2,242,649.3	5,880,345.8	890,961.5

Exchange Rate Information

We publish our financial statements in Renminbi. The conversion of Renminbi into U.S. dollars in this annual report is solely for the convenience of readers. For all dates and periods through December 31, 2008, exchange rates of Renminbi into U.S. dollars are based on the noon buying rate in the City of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York. For January 1, 2009 and all later dates and periods, 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 RMB6.6000 to US\$1.00, the noon buying rate in effect as of December 30, 2010. 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.

The Renminbi is not freely convertible into foreign currency. Since January 1, 1994, the People's Bank of China, or the PBOC has set and published daily a base exchange rate with reference primarily to the supply and demand of Renminbi against the U.S. dollar in the market during the prior day. On July 21, 2005, the PBOC announced a reform of its exchange rate system allowing the Renminbi to fluctuate within a narrow and managed band against a basket of foreign currencies.

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⁾ (RMB per US\$1.00)	Low	High
2006	7.8041	7.9579	8.0702	7.8041
2007	7.2946	7.5806	7.8127	7.2946
2008	6.8225	6.9192	7.2946	6.7800

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2009	6.8259	6.8307	6.8470	6.8176
2010	6.6000	6.7603	6.8330	6.6000
October	6.6707	6.6678	6.6912	6.6397
November	6.6670	6.6538	6.6892	6.6330
December	6.6000	6.6497	6.6745	6.6000
2011				
January	6.6017	6.5964	6.6364	6.5809
February	6.5713	6.5761	6.5965	6.5520
March	6.5483	6.5645	6.5483	6.5743
April (through April 15, 2011)	6.5317	6.5382	6.5310	6.5477

- (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.

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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

We may be adversely affected by volatile market and industry trends, in particular, the demand for our solar power products may decline, which may reduce our revenues and earnings.

We are affected by solar power market and industry trends. In the fourth quarter of 2008 and the first half of 2009, the global solar power industry experienced a significant decline in demand due to decreases in expenditures on solar power systems and the availability of financing for buyers of solar power products as a result of the global economic crisis. Meanwhile, worldwide manufacturing capacity of solar power products increased during the same period. As a result, the prices of solar power products declined significantly. According to Solarbuzz LLC, or Solarbuzz, an independent international solar energy consulting company, the spot prices of polysilicon rose to above \$450/kg and then crashed to below \$55/kg in 2008 and 2009. The prices of solar power products further declined for the remainder of 2009 primarily due to decreased prices of silicon materials and increased manufacturing capacity. While prices of solar power products have stabilized since 2010, if demand for solar power products declines again and the supply of solar power products continues to grow, the average selling price of our products will be materially and adversely affected.

The demand for solar power products is also influenced by macroeconomic factors such as the supply and prices of other energy sources, such as oil, coal and natural gas, as well as government regulations and policies concerning the electric utility industry. A decrease in oil prices, for example, may reduce demand for investment in alternative energy. If such negative market and industry trends recur in the future, demand for and the prices of our solar power products could decrease and our business and results of operations may be materially and adversely affected.

A significant reduction in or discontinuation of government subsidies and economic incentives for installation of solar energy systems may have a material adverse effect on our results of operations.

Demand for our products substantially depends on government incentives aimed to promote greater use of solar power, such as feed-in-tariffs, rebates, net metering, tax credits and other incentives to distributors, system integrators and manufacturers of solar power products. Countries that provide significant incentives for solar power include Germany, Spain, Japan, the United States, Italy, the Czech Republic, Belgium and China, among others. In many countries that constitute major markets, solar power systems, particularly those for on-grid applications, would not be commercially viable without government incentives because the cost of generating electricity from solar power currently exceeds the cost of generating electricity from conventional or non-renewable energy sources.

Several countries in our major markets have reduced subsidies for solar power installation. In February 2011, Germany, from which we generated 24.9% of our revenues for the year ended 2010, announced a reduction of subsidies for solar power by as much as 15% beginning in July 2011 to prevent overinvestment in solar power. In 2010, Italy, from which we generated 24.3% of our revenues for the year ended 2010, also announced annual reductions to feed-in tariffs beginning in 2011 in an effort to impede overheating of its solar market. In Spain, since 2009, continued reductions in the feed-in tariff as a result of its government's spending cut backs have resulted in a weakened solar market. As we generated 0.2%, 7.5% and 57.5% of our revenues from sales to customers in Germany, Italy, Belgium and Spain, for the years ended December 31, 2008, 2009 and 2010, respectively, any significant reduction in the scope, or discontinuation of, government incentive programs, especially those provided in our target markets or markets 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 the ADSs.

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Our failure to successfully execute our business expansion plans could have a material adverse effect on the growth of our sales and earnings.

Our future success depends, to a large extent, on our ability to increase our vertical integration and expand our production capacity. As of December 31, 2010, we had annual silicon wafer, solar cell and solar module production capacity of approximately 600 MW each, and we expect to continue to expand our fully vertically-integrated solar module production capacity to reach 1.5 GW by the end of 2011. If we are unable to do so, or if we fail to achieve satisfactory manufacturing yields at higher production volumes, we will not be able to achieve our goal of becoming a leading vertically-integrated solar power product supplier, attain the desired level of economies of scale in our operations or cut our marginal production cost to the level necessary to effectively maintain our pricing and other competitive advantages. Our expansion has required and will continue to require substantial capital expenditures, significant engineering efforts, timely delivery of manufacturing equipment and dedicated management attention, and is subject to significant risks and uncertainties, including:

in order to finance our production capacity expansion, we may need to continue to significantly increase capital contributions to our operating subsidiaries through bank borrowings or issuances of equity or debt securities, which may not be available on reasonable terms or at all, and which could be dilutive to our existing shareholders. Such capital contributions would also require PRC regulatory approvals in order for the proceeds from such issuances to be remitted to our PRC operating subsidiaries, which approvals may not be granted in a timely manner or at all;

we will be required to obtain government approvals, permits or documents of similar nature with respect to any acquisitions or new expansion projects, and we cannot assure you that such approvals, permits or documents will be obtained in a timely manner or at all;

we may experience cost overruns, construction delays, equipment problems, including delays in manufacturing equipment deliveries or deliveries of equipment that do not meet our specifications, and other operating difficulties;

we are using new equipment and technology for our solar cell and solar module production to lower our unit capital and operating costs, but we cannot assure you that such new equipment and technology will perform as we anticipate;

we are using silicon ink and processing technology licensed from a third-party to boost the performance of our solar cells and to lower our unit capital and operating cost, but we cannot assure you that such product and technology will improve the conversion efficiencies of our solar cells as we anticipate;

we must attract, retain and motivate sufficient numbers of qualified personnel; and

we may not have sufficient management resources to properly oversee our capacity expansion as currently planned.

Any of these or similar difficulties could significantly delay or otherwise constrain our ability to undertake our capacity expansion as currently planned, which in turn would limit our ability to increase sales, reduce marginal manufacturing costs or otherwise improve our prospects and profitability.

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.

We procure silicon raw materials through a combination of spot market purchases and long-term supply contracts. Currently, we source virgin polysilicon primarily through spot market purchases from various suppliers. We also have one long-term virgin polysilicon supply contract with each of Wuxi Zhongcai Technological Co., Ltd., or Zhongcai Technological, Hoku Materials, Inc., together with its parent company, Hoku Corporation (formerly known as Hoku Scientific, Inc.), or Hoku, Luoyang Zhonggui Hi-Tech Limited Company, No.1 Branch, or Luoyang Zhonggui and a reputable German polysilicon supplier, under which we have agreed to procure an aggregate of 6,672 metric tons of virgin

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polysilicon from 2009 to 2020. For the years ended December 31, 2008, 2009 and 2010, our five largest suppliers (which for the year 2008 included the VIEs) supplied in the aggregate approximately 81.2%, 54.1% and 47.4%, respectively, of our total silicon purchases by value. Although newly available virgin polysilicon manufacturing capacity has resulted in increased supply of polysilicon, 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;

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as we only began our business operations in June 2006, we generally do not have a long history with our virgin polysilicon suppliers and there can be no assurance that they will be able to meet our production needs consistently or on a timely basis;

compared to us, many 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. See Hoku may not be able to complete its plant construction in a timely manner or may cease to continue as a going concern, which may have a material adverse effect on our results of operations and financial condition.

Our failure to obtain the required amounts of silicon raw materials in a timely manner and on commercially reasonable terms would increase our manufacturing costs and/or substantially limit our ability to meet our contractual obligations to deliver products 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.

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 annual prices under our long-term supply contract with Hoku for the first five years are fixed, while the prices for the final four years are subject to renegotiation if spot market prices vary outside of a defined band. If the price of virgin polysilicon continues to decrease in the following five years, or if the degree of spot market price fluctuation for the subsequent four years is insufficient to give rise to renegotiation but spot market prices nevertheless continue to decrease within the benchmark, this price arrangement may cause our cost of silicon raw materials to be greater than that of our competitors who source their supply of silicon raw materials based on floating-price arrangements or spot market purchases. Due to the volatility in the prices of virgin polysilicon, we cannot assure you that the prices under our long-term supply contract with Hoku will be below the spot market price. To the extent we may not be able to fully pass increased costs and expenses on to our customers, our profit margins, results of operations and financial condition may be materially and adversely affected.

In addition, 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 opportunities to secure long-term supplies of virgin polysilicon at favorable prices if the 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 price declines. In each case, our business, financial condition and results of operations may be materially and adversely affected.

Notwithstanding our continuing efforts to further diversify our customer base, we derive, and expect to continue to derive, a significant portion of our revenues from a limited number of customers. As a result, the loss of, or a significant reduction in orders from, any of these customers would significantly reduce our revenues and harm our results of operations.

We expect that our results of operations will, for the foreseeable future, continue to depend on the sale of our products to a relatively small number of customers. For the years ended December 31, 2007 and 2008, sales to customers that individually exceeded 10% of our revenues accounted for approximately 53.8% and 47.1%, respectively, of our revenues, while for the years ended December 31, 2009 and 2010, no customer generated sales that individually exceeded 10% of our revenues. Our relationships with our key customers have been developed over a short period of time and are generally in their early stages. Our key customers include customers for solar modules as well as buyers of silicon wafers and solar cells. We plan to use an increasing proportion of our silicon wafers and solar cells for our own solar module production as we expand production capacity. As a result, our silicon wafers and solar cells available for sale to key customers may decrease over time or we may eventually cease selling silicon wafers and solar cells to such customers. We cannot assure you that these customers will continue to generate significant revenues for us or that we will be able to maintain these customer relationships. Likewise, we cannot assure you that we will be able to establish and maintain long-term relationships with customers for our solar modules. In addition, the markets for products that many of our major customers sell are characterized by intense competition, and any decline in the businesses of our customers could reduce their purchases of our products. The loss of sales to our major customers could have a material adverse effect on our business, prospects and results of operations.

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In addition, although as of the date of this annual report, we have major sales contracts with 12 customers for the sale of more than 500 MW of solar modules in 2011, we may allow our customers flexibility in relation to the volume, timing and pricing of their orders under these contracts on a case-by-case basis. Therefore, the volumes of solar modules actually purchased by customers under these contracts in any given period and the timing and amount of revenues we recognize in such period may not correspond to the terms of these contracts. As a result, the revenues we recognize from sales under these contracts from period to period may vary, and such variance could have a material adverse effect on our results of operations.

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We have grown our business through acquisition and may continue to undertake acquisitions, investments, joint ventures or other strategic alliances, and such undertakings may be unsuccessful.

As part of our strategy, our growth is also driven by acquisition. For example, we expanded our product lines into solar cells through our acquisition of Zhejiang Jinko in June 2009, and we may in the future 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. 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. In particular, our acquisitions may expose us to various 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 customer 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 from any acquisition will actually materialize. If we are not successful in the integration of a target's operations, we may not be able to generate sufficient revenue from its operations to recover costs and expenses of the acquisition.

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

If we are unable to remedy the material weaknesses and the significant deficiency in our internal control over financial reporting, we may be unable to timely and accurately record, process and report financial data or comply with disclosure and other reporting obligations.

We are a public company in the United States and subject to reporting obligations under the U.S. securities laws. Section 404 of the Sarbanes-Oxley Act of 2002, or SOX 404, requires that we include a management report that assesses the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the fiscal year ending December 31, 2011. Our reporting obligations as a public company will place a significant strain on our management, operational and financial resources and systems for the foreseeable future. Prior to the completion of our initial public offering on May 19, 2010, we were a private company with a short operating history and limited accounting personnel and other resources with which to address our internal control over financial reporting. In the course of the preparation and external audit of our consolidated financial statements for the years ended December 31, 2008, 2009, and the external review of the financial information for the six months ended June 30, 2010, we and our independent registered public accounting firm identified a number of control deficiencies in our internal control over financial reporting, including two material weaknesses and a significant deficiency, as defined in the standards established by the U.S. Public Company Accounting Oversight Board. See Item 15. Controls and Procedures Internal Control over Financial Reporting.

Material weaknesses and significant deficiency in our internal control over financial reporting could result in a material misstatement of our financial statements that will not be prevented or detected. Following the identification of these material weaknesses and significant deficiency, we have begun taking and/or plan to take actions and measures to significantly improve our internal control over financial reporting in order to obtain reasonable assurance regarding the reliability of our financial statements. However, the implementation of these actions and measures may not be sufficient to address the material weaknesses and significant deficiency in our internal control over financial reporting to provide reasonable assurance that our internal control over financial reporting is effective, and as of December 31, 2010, these material weaknesses and significant deficiency were not fully remediated. In addition, we cannot assure you if or when we will be able to remedy these material weaknesses and significant deficiency or that our independent registered public accounting firm will agree with our assessment. Our failure to remedy these material weaknesses and significant deficiency, identify and address any other material weaknesses or significant deficiencies, and

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implement new or improved controls successfully in a timely manner could result in inaccuracies in our financial statements and could impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our ADSs, may be materially and adversely affected.

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We plan to continue to address and remedy these material weaknesses and significant deficiency in time to meet the deadline for compliance with the requirements of SOX 404. Effective internal control over financial reporting is necessary for us to produce reliable financial reports and are important to help prevent fraud. Our failure to timely achieve and maintain the adequacy of our internal control could result in a loss of investor confidence in the reliability of our reporting processes, which could negatively impact the market price of our ADSs. Moreover, we anticipate that we will incur considerable costs and devote significant management time and other resources to comply with SOX 404 and other requirements of the Sarbanes-Oxley Act of 2002.

We manufacture our products in two 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.

Our manufacturing facilities for the production of silicon ingots, wafers and solar modules are, and will continue to be, located in Shangrao, Jiangxi Province while our manufacturing facilities for the production of solar cells are located in Haining, Zhejiang Province. As a result, we transport a substantial volume of our silicon wafers from Shangrao to Haining to be processed into solar cells. Our principal manufacturing base for our solar modules is located in Shangrao, and as a result, we need to transport a substantial volume of our solar cells from Haining to Shangrao to be processed into solar modules. The geographical separation of our manufacturing facilities necessitates constant long-distance transportation of substantial volumes of our silicon wafers and solar cells between Shangrao and Haining. The distance between Shangrao and Haining is approximately 410 kilometers and the two cities are connected by roads and railway. The constant long-distance transportation of a large volume of our silicon wafers and solar cells may expose us to various risks, including (i) increase in transportation costs, (ii) loss of our silicon wafers and/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 between Haining and Shangrao; 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 suppliers for the procurement of silicon raw materials and solar cells 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 and solar cells. As of December 31, 2010, we had approximately RMB339.7 million (US\$51.5 million) of advances to suppliers, including RMB234.6 million (US\$35.5 million) of advances to suppliers to be utilized beyond one year, which consist primarily of prepayments under our long-term virgin polysilicon supply contracts. We may not receive collateral to secure such payments for some of these contracts. 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. See Hoku may not be able to complete its plant construction in a timely manner or may cease to continue as a going concern, which may have a material adverse effect on our results of operations and financial condition. In addition, if the market price of silicon raw materials declines, we may not be able to adjust any historical payment insofar as it relates to a future delivery at a fixed price. To the extent that we are unable to pass these increased costs and expenses to our customers, our business, financial condition and results of operations may be materially and adversely affected.

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Hoku may not be able to complete its plant construction in a timely manner or may cease to continue as a going concern, which may have a material adverse effect on our results of operations and financial condition.

We have entered into a long-term supply contract with Hoku, a virgin polysilicon supplier, pursuant to which we have made total prepayments of US\$20.0 million as of December 31, 2010. On December 18, 2010, we have entered into a supplementary agreement with Hoku, pursuant to which Hoku will start its monthly delivery of virgin polysilicon to us from July 2011 to June 2020. Hoku is currently in the process of constructing the facility that will produce the virgin polysilicon to be provided to us under this supply contract. While our prepayment is secured by a lien on Hoku's assets according to the terms of our supply contract with Hoku, such lien is deeply subordinated and shared with all other customers and other senior lenders of Hoku. On December 22, 2009, Hoku issued shares and warrants representing a majority of its shares to Tianwei New Energy Holdings Co., Ltd., or Tianwei, a PRC company engaged in the manufacturing of silicon wafers, solar cells and modules. In addition, pursuant to the arrangement between Hoku and Tianwei, Tianwei has the right to appoint a majority of the directors of Hoku Scientific, thus giving Tianwei control of Hoku. In exchange, Tianwei cancelled US\$50 million of indebtedness that Hoku would be obligated to repay to Tianwei under certain polysilicon supply agreements and Tianwei agreed to arrange additional loan financing for Hoku. According to Hoku's Form 10-Q for the third quarter ended December 31, 2010 filed on February 14, 2011, Hoku revised its estimate of the costs for the planned 4,000 metric ton plant from its original estimate of US\$410 million to approximately US\$700 million. Hoku expects to incur approximately US\$600 million of costs before it can commence operation of the first 2,500 metric tons of production capacity in the second half of 2011 and it expects to raise funds through subsequent debt and/or equity offerings and prepayments from new customer contracts. If Hoku does not receive financing as anticipated, it may need to curtail the construction of its plant. In addition, if Hoku is unable to obtain the required financing, it could raise substantial doubt about Hoku's ability to continue as a going concern. The inability to continue as a going concern could result in an orderly wind-down of Hoku or other potential restructuring of Hoku. Tianwei has committed to use its reasonable best efforts to assist Hoku, in return of fair compensation for its financial service, in obtaining additional financing that may be required by Hoku to construct and operate its manufacturing facility. We cannot be certain that Hoku will reach an agreement with Tianwei regarding the amount or method of compensation, which could affect Tianwei's willingness to continue to assist Hoku in obtaining necessary additional financing. If Hoku is not successful in obtaining financing required to complete construction of the manufacturing facility or Hoku loses the assistance of Tianwei in obtaining necessary additional financing, causing Hoku to fail to fulfill its contractual delivery obligations to us, or if Hoku ceases to continue as a going concern, we may have difficulty recovering all or any of the deposits we have paid to Hoku. In any such case, we may be obliged to record provisions for impairment loss for all or part of our prepayments to Hoku, which could have a material adverse effect on our financial condition. As of December 31, 2010, we did not record any provisions in relation to the prepayment to Hoku as the potential impairment loss was not probable or estimable. Moreover, because Tianwei is our competitor, Hoku could decide to discontinue supplying, or reduce its supply of, virgin polysilicon to us after the termination of the current contract. If Hoku fails to fulfill its contractual delivery obligations to us on time or at all, we may not be able to procure replacement virgin polysilicon from other suppliers on a timely basis and on commercially reasonable terms and our production may be interrupted, which could have a material adverse effect on our results of operations and financial condition.

Decreases in the price of silicon raw materials and products 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 price of silicon materials and products since the second half of 2008, we recorded inventory provisions of RMB5.2 million, RMB11.4 million and RMB29.6 million (US\$4.5 million) for the years ended December 31, 2008, 2009 and 2010, respectively. If the prices of silicon materials and products decrease again, 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.

Increases in electricity costs or a shortage or disruption of electricity supply may adversely affect our business.

We consume a significant amount of electricity in our operations. Electricity prices in China have increased in the past few years and are expected to continue to increase in the future. Our average per kilowatt-hour, or kWh, electricity price increased from RMB0.525 in 2007 to RMB0.678 (US\$0.103) in 2010. As a result, our electricity costs may become substantially higher than our competitors, which could diminish our competitive advantage and adversely affect our business, financial condition and results of operations. Moreover, 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. To prevent further disruption in our power supply, the Shangrao Economic Development Zone Management Committee and Shangrao County Power Supply Co., Ltd. have completed the construction of the first stage of an electric power transformation and distribution substation at our manufacturing site. The electric power transformation and distribution substation currently has an annual capacity of 438 million kWh. We plan to construct our own electric power transformation and distribution substation with an annual capacity of approximately 7 million kWh and a gross floor area of approximately 6,667 square meters which we expect to complete by the end of 2011. However, we cannot assure you that there will not be further disruptions or shortages in our electricity supply or that there will be sufficient electricity available to us to meet our

future requirements. Increases in electricity costs, shortages or disruptions in electricity supply may significantly disrupt our normal operations, cause us to incur additional costs and adversely affect our profitability.

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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 and adversely affected.

The markets for solar products are intensely competitive. As we build up our production capacity and increase our output, we compete with manufacturers of solar products such as Sharp Corporation, Suntech Power Holdings Co., Ltd., or Suntech, Trina Solar Ltd., or Trina, and Yingli Green Energy Holding Co., Ltd., or Yingli Green Energy, in a continuously evolving market. Recently, some downstream manufacturers have also built out or expanded their silicon wafer or solar cell production operations. Some of these competitors are also our customers and suppliers.

Many 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, many 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 and/or downstream customers.

Moreover, due to the growth in demand for solar products, we expect an increase in the number of competitors entering this market over the next few years. The key barriers to entry into our industry at present consist of availability of financing, availability of experienced technicians and executives who are familiar with the industry and the implementation of market access standards. If these barriers disappear or become more easily surmountable, new competitors may successfully enter into our industry, resulting in loss of our market share and increased price competition, which could adversely affect our operating and net margins.

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 enabling them to produce silicon wafers, solar cells and solar modules that yield 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 in turn reduce our market share and materially adversely 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 solar power and make it less desirable, thereby decreasing the demand for our products, 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.

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We may be subject to significant vacant land fees or even forfeit our land use rights with respect to two pieces of land zoned for residential use.

In January and June 2008, Jiangxi Jinko obtained the land use rights for two parcels of land zoned for residential use in the Shangrao Economic Development Zone with site areas of approximately 102,507 square meters and 133,334 square meters, respectively. Jiangxi Jinko paid an aggregate amount of RMB157.7 million in relation to such land use rights, including land use right fees of RMB151.5 million and relevant taxes and fees of RMB6.2 million. Under the agreement between the local land and resource bureau and Jiangxi Jinko, Jiangxi Jinko was only permitted to develop residential buildings on these two parcels of land and was required to commence its construction and development work no later than August 31, 2008 and December 31, 2008, respectively. While we intend to construct employee dormitories on these two parcels in connection with our capacity expansion plans for our silicon wafer and solar module production, we have not started construction on these parcels of land yet and do not have any concrete plan for construction.

Under the relevant PRC laws and regulations, unless the delay of the construction is caused by force majeure, government actions or any necessary pre-construction work, if Jiangxi Jinko fails to commence construction and development work on these two parcels of land within one year after the respective deadlines, it may be subject to a fine of 20% of the land use right fees, which is up to approximately RMB30.3 million. We may also be subject to liquidated damages for failure to commence construction promptly. If Jiangxi Jinko does not commence construction and development work within two years after the respective deadlines, it may forfeit its land use rights without compensation. Jiangxi Jinko obtained a confirmation letter dated August 16, 2009 issued by the local land and resource bureau, or the local land bureau, in which the local land bureau confirmed that the two parcels of land had not been delivered to Jiangxi Jinko because the pre-construction work had not been finished by the local land bureau, and therefore, Jiangxi Jinko would not be subject to any vacant land fees or liquidated damages due to its failure to commence construction before the above-mentioned deadlines. The letter further confirmed that Jiangxi Jinko's land use rights for the two parcels of land would not be affected. Recently, the State Council of China and other relevant government departments commenced a new round of nation-wide investigation on idle land and will penalize those who are responsible for leaving land idle. We cannot assure you that such action taken by the government will not have material adverse effect on our right to and use of the above two parcels of land.

Our dependence on a limited number of third-party suppliers for key manufacturing equipment could prevent us from the timely fulfillment of customer orders and successful execution of our expansion plan.

We rely on a limited number of equipment suppliers for all our principal manufacturing equipment and spare parts, including our ingot furnaces, squaring machines, wire saws, diffusion furnaces, firing furnaces and screen print machine. For the year ended December 31, 2010, our top three equipment suppliers include Miyamoto Trading Limited, or Miyamoto, GT Solar Incorporated, or GT Solar, and Applied Materials Baccini S.P.A. (currently Applied Materials Italia S.R.L.), or Applied Materials. These suppliers have supplied most of our current principal equipment and spare parts, and we will also rely on them to provide a substantial portion of the principal manufacturing equipment and spare parts contemplated in our expansion plan. We have entered into contracts with these and other equipment manufacturers to purchase additional equipment from them for our planned expansion of annual solar cell and solar module production capacity.

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, the implementation of our expansion plan may be interrupted and our production could be adversely affected.

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

We require a significant amount of cash to fund our operations, including payments to suppliers for our polysilicon feedstock. We will also need to raise funds for the expansion of our production capacity and other investing activities, as well as our research and development activities in order to remain competitive. We believe that our current cash will be sufficient to meet our anticipated cash needs for the next 12 months, including for working capital and capital expenditures. However, future acquisitions, expansions, market changes or other developments may cause us to require additional funds. Our ability to obtain external financing is subject to a number of uncertainties, including:

our future financial condition, results of operations and cash flows;

the state of global credit markets;

general market conditions for financing activities by companies in our industry; and

economic, political and other conditions in China and elsewhere.

If we are unable to obtain funding in a timely manner or on commercially acceptable terms, or at all, our growth prospects and future profitability may be materially and adversely affected.

We do not expect to require customers to make advance payments to us in the future and have begun selling our products on credit terms, which may increase our working capital requirements and expose us to the credit risk of our customers.

Historically, we required customers, including our long-term customers, to make prepayments equivalent to a certain percentage of the contract price before product delivery. However, as the market becomes increasingly competitive, we do not expect to enter into further sales contracts that will require our customers to make prepayments. Commencing in the fourth quarter of 2008, we also began selling our products to some customers on credit terms and allowed them to delay payments of the full purchase price for a certain period of time after delivery of our products. Eliminating advance payment arrangements and starting credit sales to our customers have increased, and may continue to increase our working capital requirements, which may negatively impact our short-term liquidity. Although we have been able to maintain adequate working capital primarily through cash generated from our operating activities, we may not be able to continue to do so in the future and may need to secure additional financing for our working capital requirements. If we fail to secure additional financing on a timely basis or on terms acceptable to us, our financial conditions, results of operations and liquidity may be adversely affected. 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 payments to us on time.

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We face risks associated with the marketing, distribution and sale of our products internationally, and if we are unable to effectively manage these risks, they could impair our ability to expand our business abroad.

We commenced export sales in May 2008, when we exported a small portion of our products to Hong Kong. Since then we have increased our sales in export markets. For the year ended December 31, 2010, we generated 65.6% of our revenues from export sales, and 77% of our revenues for the year are denominated in foreign currencies, including U.S. dollars and Euros. We plan to continue to increase sales outside of China and expand our customer base overseas. However, the marketing, distribution and sale of our products in export markets may expose us to a number of risks, including:

fluctuations in currency exchange rates;

increased costs associated with maintaining the ability to understand the local markets and follow their trends, as well as develop and maintain effective marketing and distributing presence in various countries;

providing customer services and support in these markets;

failure to develop appropriate risk management and internal control structures tailored to overseas operations;

difficulty and cost relating to compliance with the different commercial, environmental and legal requirements of the export markets in which we offer or plan to offer our products and services;

failure to obtain or maintain certifications for our products or services in these markets;

inability to obtain, maintain or enforce intellectual property rights;

unanticipated changes in prevailing economic conditions and regulatory requirements;

increased transportation and freight costs;

difficulty in employing and retaining sales personnel who are knowledgeable about, and can function effectively in, export markets; and

trade barriers such as 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.

Our exports to foreign markets, such as Europe and North America, have increased significantly during the last two years, increasing the risk that any unfavorable trade policies in foreign markets could affect the sale of our products. As our manufacturing bases and some of our downstream customers are located in China, we and our customers may be affected by any claims of unfair trade practices that are brought against the PRC government through the imposition of tariffs, non-tariff barriers to trade or other trade remedies. On September 9, 2010, the United Steel Workers filed a petition with the United States Trade Representative, or USTR, alleging the PRC government has engaged in unfair trade policies and practices with respect to certain domestic industries, including the solar power industry. Subsequently, USTR initiated an investigation under Section 301 of the 1974 Trade Act, which is ongoing as of the date of this annual report. On December 22, 2010, acting on a petition by the USTR, the United States government filed a complaint (the "Complaint") with the World Trade Organization about subsidies

offered by the PRC government to its wind-energy manufacturers, which has not been resolved as of this annual report. On January 7, 2011, U.S. President Barack Obama signed into law the Military Authorization Law, which contains a "Buy American" provision that prohibits the United States Defense Department from purchasing Chinese-made solar panels. We currently sell a small portion of our solar modules directly to U.S. customers. According to Solarbuzz, the U.S. accounted for only 5.3% of the global installed PV generating capacity in 2010. Therefore, we believe sales to the U.S. market account for only a limited portion of our customers' global sales as well. Accordingly we do not expect the Complaint or the Military Authorization Law to have a material adverse effect on our business. However, there can be no assurance that any government or international trade body will not institute adverse trade policies or remedies against exports from China in the future. Any significant changes in international trade policies, practices or trade remedies, especially those instituted in our target markets or markets where our major customers are located, could increase the price of our products compared to our competitors or decrease our customers' demand for our products, which may adversely affect our business prospects 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 operation.

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

As of December 31, 2010, Jiangxi Jinko had short-term bank borrowings of RMB228.0 million (US\$34.5 million) with Bank of China, Shangrao Branch, or Shangrao Bank of China and Agricultural Bank of China, Shangrao Branch. These borrowings were secured by certain of our inventory. The net book value of the inventory at the time of the pledge contracts amounted to approximately RMB344.4 million (US\$52.2 million). Although the net book value of the inventory as of December 31, 2010 exceeded the amount of the pledge required, we can not 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 by us of the outstanding bank loans, otherwise, the pledgees may auction or sell the inventory and negotiate with us to apply the proceeds from the auction or sale to the repayment of the underlying loan. 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 and adversely affected.

We may be exposed to the credit and performance risks of a third party, which may materially and adversely affect our financial condition.

On June 13, 2009, we entered into a loan agreement, or the Heji Loan Agreement, with Jiangxi Heji Investment Co., Ltd., or Heji Investment, for loans with an aggregate principal amount of up to RMB100 million. We borrowed RMB50.0 million from Heji Investment under the Heji Loan Agreement. In September and October 2009, we and Heji Investment re-arranged our borrowings under the Heji Loan Agreement into entrusted loans with an aggregate principal amount of RMB50.0 million pursuant to the entrusted loan agreements with Agricultural Bank of China, or the Entrusted Loan Agreements. In connection with the Heji Loan Agreement, we entered into a guarantee agreement, or the Guarantee Agreement, with Jiangxi International Trust Co., Ltd., or JITCL, on May 31, 2009 to guarantee Heji Investment's repayment obligations to JITCL under a loan agreement, or the JITCL Loan Agreement, pursuant to which JITCL extended a loan to Heji Investment in the principal amount of RMB50 million for a term of three years. None of the Heji Loan Agreement, the Entrusted Loan Agreements, the Guarantee Agreement and the JITCL Loan Agreement requires Heji Investment to apply the proceeds it will receive from our repayment of the entrusted loans to perform its repayment obligations under the JITCL Loan Agreement. If Heji Investment fails to perform its obligations under the JITCL Loan Agreement for any reason or otherwise defaults thereunder, we will become liable for Heji Investment's obligations under the JITCL Loan Agreement. We cannot assure you that Heji Investment will apply the proceeds of our loan repayment under the Entrusted Loan Agreements to perform its obligations under the JITCL Loan Agreement or otherwise make full repayment thereunder upon maturity. We may not be released from our obligations under the Guarantee Agreement even if we repay in full the entrusted loans. In addition, we may not be released from our repayment obligations under the Entrusted Loan Agreements even if we are asked to fulfill our obligations as guarantor under the Guarantee Agreement. If any of the above occurs, we may be required to perform obligations under both the Entrusted Loan Agreements and the Guarantee Agreement, which would have a materially adverse effect on our financial condition.

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, 2010, we had approximately RMB1,171.8 million (US\$177.5 million) in outstanding short-term borrowings (including the current portion of long-term bank borrowings) and RMB269.3 million (US\$40.8 million) in outstanding long-term bank borrowings (excluding the current portion and deferred financing cost). On March 31, 2011, we obtained two syndicated loans from a group of PRC banks, with an aggregate principal amount of RMB600 million (US\$91.0 million), of which RMB200 million (US\$30.3 million) will be used as working capital and another RMB400 million (US\$60.6 million) will be used to fund our construction projects.

In the first quarter of 2011, we issued two tranches of RMB-denominated unsecured one-year short-term bonds with an aggregate principal amount of RMB600 million with the PRC National Association of Financial Market Institutional Investors, or NAFMI. The first tranche was issued on January 13, 2011 with a principal amount of RMB300 million (US\$45.5 million), bearing interest at the fixed rate of 5.28% per annum, and will mature on January 14, 2012. For the first tranche, approximately 83% of the proceeds will be used as working capital and the remaining 17% will be utilized for the prepayment of bank loans of higher interest rates. The second tranche was issued on March 22, 2011 with a principal amount of RMB300 million (US\$45.5 million), bearing interest at the fixed rate of 5.60% per annum, and will mature on March 23, 2012. For the second tranche, all the proceeds will be used as working capital. This level of debt could have significant consequences on our operations, including:

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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.

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Our ability to meet our payment obligations under our outstanding debt depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We believe that available credit under existing bank credit facilities, cash on hand and expected operating cash flow, will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditure for the next 12 months. However, we cannot assure you that our business will generate adequate cash flow from operations to support our operations and service our debt obligations, or that future borrowings will be available to us under our existing or any future credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations under our outstanding debt while continuing to fund our other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment and other obligations under our outstanding debt, which may have a material adverse effect on our operations and financial condition.

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, silicon ingots 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. This would result in higher marginal production costs and lower than expected output, which could have a material adverse effect on our results of operations.

Our operating results may fluctuate from period to period in the future.

Our results may be affected by factors such as changes in costs of raw materials, delays in equipment delivery, suppliers' failure to perform their delivery obligations and interruptions in electricity supply and other key production inputs. Our results may also be affected by the general economic conditions and the state of the credit markets both in China and elsewhere in the world, which may affect the demand for our products and the availability of financing. The rapid expansion of virgin polysilicon manufacturing capacity and the falling demand for solar power products including our products resulting from the global economic crisis caused the prices of solar power products including our products to decline in the fourth quarter of 2008 and in 2009. As a consequence, our profit margins were adversely affected in the fourth quarter of 2008 and in 2009. In addition, because 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. Further, in order to become a fully-integrated maker of solar power products, we have rapidly expanded our manufacturing capacities of silicon wafers, solar cells and solar modules over the past few years, and the respective manufacturing capacities of our products in the value chain were not matched until the end of 2010. To fully capture the demand for various types of solar power products, at different times during 2009 and 2010, we sold silicon wafers and solar cells as end-products to certain customers, and also purchased silicon wafers and solar cells as inputs for the manufacturing of solar cells and solar modules, respectively, and sold these solar cells and solar modules as end-products. As a result, compared to a fully-integrated maker of solar power products of comparable size with equal manufacturing capacities for silicon wafers, solar cells and solar modules, our sales and our total revenues were larger and our gross profit margin was lower as we were not able to capture the profit in the entire value chain. In future periods, although we have become a fully vertically-integrated solar product provider, our sales revenues and gross profit margin may continue to vary as we continue to adjust the production and sales of silicon wafers, solar cells and solar modules to capture the market opportunities for different products. In addition, from time to time we may apply for and receive government incentives in the form of subsidy income, and the amount of such subsidy varies from period to period, which may cause our net income and net margin to vary from period to period. We received government subsidies totaling RMB0.6 million, RMB8.6 million and RMB15.7 million (US\$2.4 million) for the years ended December 31, 2008, 2009 and 2010, respectively, which included subsidies for our expansion of production scale, technology upgrades and development of export markets. We cannot assure you that we will continue to receive a similar amount or any amount of government subsidy in future periods. 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.

Table of Contents***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 seven 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 seven 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 five-year warranty for all defects and a 12-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. 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. 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 adversely affected.

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

Historically, most of our revenue was denominated in Renminbi. Since 2009, however, as we expanded our product line down stream and commenced manufacturing solar modules, export sales have represented an increasingly significant proportion of our total sales. Our export sales represented 42.8% and 65.6%, respectively, of our total sales for the years ended December 31, 2009 and 2010. As we continue to expand our solar module production capacity, increase our sales of solar modules and expand our business in the U.S. and European markets, we expect export sales will continue to constitute a significant portion of our total sales. For the year ended December 31, 2010, 77% of our revenues were denominated in foreign currencies, including U.S. dollars and Euros. In addition, a portion of our costs and capital expenditures, including purchase of raw materials and equipment from foreign vendors, are denominated in U.S. dollars and Japanese Yen. Furthermore, we have outstanding debt obligations, and may continue to incur debts from time to time, denominated and repayable in foreign currencies. 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 addition, we make advance payments in U.S. dollars to overseas silicon raw material suppliers, and from time to time, we may incur foreign exchange losses if we request our suppliers to return such advance payments due to changes in our business plans. We incurred foreign exchange losses of approximately RMB5.0 million, RMB2.2 million and RMB10.1 million (US\$1.5 million), respectively, for the years ended December 31, 2008, 2009 and 2010. Fluctuations in exchange rates, particularly among the U.S. dollar, Renminbi, Euro and Japanese Yen, may affect our gross and net profit margins and could result in foreign exchange and operating losses.

Our financial statements are expressed in Renminbi and the functional currency of our principal operating subsidiaries, Jiangxi Jinko and Zhejiang Jinko, is also Renminbi. The value of your investment in our ADSs will be affected by the foreign exchange rate between U.S. dollars and Renminbi. In addition, to the extent we hold assets denominated in U.S. dollars, any appreciation of 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, if we decide to convert our Renminbi amounts into U.S. dollars for the purpose of making payments for dividends on our ordinary shares and ADSs or for other business purposes, including foreign debt service, a decline in the value of Renminbi against the U.S. dollar would reduce the 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.

Renminbi is not a freely convertible currency. The PRC government may take actions that could cause future exchange rates to vary significantly from current or historical exchange rates. The conversion of Renminbi into foreign currencies, including U.S. dollars, has been based on rates set by the PBOC. On July 21, 2005, in a reversal of a long-standing policy, the PRC government announced that the Renminbi would be permitted to fluctuate within a narrow and managed band against a basket of specified foreign currencies. Since this announcement, the value of the Renminbi has been fluctuating. This change in policy caused the Renminbi to appreciate approximately 21.5% against the U.S. dollar over the following three years. Since reaching a high against the U.S. dollar in July 2008, this appreciation halted and the Renminbi traded within a narrow band against the U.S. dollar until June 2010, remaining within 1% of its July 2008 high but never exceeding it. In June 2010, the PBOC announced that the PRC government would reform the Renminbi exchange rate regime and increase the flexibility of the exchange rate. While international reactions to the Renminbi revaluation have generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible foreign currency policy, which could result in further and more significant appreciation of the

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Renminbi against the U.S. dollar. There can be no assurance that any future movements in the exchange rate of the Renminbi against the U.S. dollar or other foreign currencies will not adversely affect our results of operations and financial condition (including our ability to pay dividends). Conversely, significant depreciation in the Renminbi against major foreign currencies may have a material adverse impact on our results of operations, financial condition and share price because our ADSs are expected to be quoted in U.S. dollars, whereas most of our revenues, costs and expenses are denominated in Renminbi.

In addition, as we increase our sales to international customers, we expect the portion of our sales denominated in foreign currencies, particularly, U.S. dollars and Euros to our total revenue will increase. We also expect to incur increased foreign currency denominated capital expenditures in connection with our capacity expansion plans. In addition, we make advance payments in U.S. dollars to overseas silicon raw material suppliers, and from time to time, we may incur foreign exchange losses if we request our suppliers to return such advance payments due to changes in our business plans. These could expose us to significant risks resulting from fluctuations in currency exchange rates, particularly, among Renminbi, the U.S. dollars, Japanese Yen and Euros.

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Very 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 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 limited operating history makes it difficult to evaluate our results of operations and prospects.

We have only been in existence since June 2006 and have limited operating history in the manufacturing and sales of our silicon wafer, solar cell and solar module products. We commenced processing recoverable silicon materials in June 2006, and manufacturing silicon ingots and wafers in 2007 and 2008, respectively. 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.

Although our revenues grew in the periods prior to and after the global economic crisis, we cannot assure you that our revenues will increase at previous rates or at all, or that we will be able to operate profitably in future periods. Our limited operating history makes the prediction of future results of operations difficult, and therefore, 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 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, and we also use, store and generate volatile and otherwise dangerous chemicals and wastes 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 could 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.

We experienced a production disruption due to power blackouts at our facilities in the Shangrao City resulting from severe winter weather conditions in early 2008. In May 2008, Sichuan Province in southwest China experienced a severe earthquake. Although the Sichuan Province earthquake did not materially affect our production capacity and operations, other occurrences of natural disasters, as well as accidents and incidents of adverse weather in or around Shangrao and Haining 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 revenues anticipated to be derived from the relevant facilities.

As our founders collectively hold a controlling interest in us, they 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 own approximately 23.2%, 13.9% and 9.3%, respectively, of our outstanding ordinary shares. An aggregate of approximately 46.4% of our outstanding ordinary shares are currently held by our founders. If the founders act collectively, they will have substantial control 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 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.

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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 and 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.

We adopted a share incentive plan on July 10, 2009 which was subsequently amended and restated, or the 2009 Long Term Incentive Plan. As of the date of this annual report, we reserved 7,325,122 ordinary shares under the 2009 Long Term Incentive Plan, and share options with respect to 4,836,480 ordinary shares have been granted to our directors, officers and employees pursuant to such plan. As of the date of this annual report, there are 3,975,656 ordinary shares issuable upon the exercise of outstanding options granted under our long-term incentive plan. U.S. GAAP requires us to recognize share-based compensation as compensation expense in the 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 arising out of these 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 eight patents and 17 pending patent applications in China. 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 and/or our intellectual property and proprietary rights 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.

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We may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to us, could cause us to pay significant damage awards.

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 ingots, silicon wafers, solar cells and solar modules 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 and adversely affected if we lose their services.

Our success depends on the continued services of our executive officers and key personnel, in particular Mr. Xiande Li, Mr. Kangping Chen and Mr. Xianhua Li, who are our founders. 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 replace them readily, 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 and adversely affected.

Compliance with environmental, 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 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. We are required to comply with all PRC national and local environmental protection regulations. Under such regulations, we are prohibited from commencing commercial operations of our manufacturing facilities until we have obtained the relevant approvals from PRC environmental protection authorities. 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. Although we have entered into several emissions trading contracts to purchase credits to increase our annual discharge limit, we have not registered these credits as required under a recent regulation that became effective on October 9, 2010. As a result, we may have exceeded the relevant annual discharge limit permitted under our existing pollution permits. We cannot assure you that we will not be subject to penalties for exceeding our discharge limit, including fines imposed by the local environmental authority of up to RMB50,000. We are also required to conduct a safety evaluation on our manufacturing and storage instruments in relation to our use of dangerous chemicals every two years, as well as a safety evaluation on our manufacturing and storage instruments in relation to our use of hyper-toxic chemicals every year, and to file the results of these evaluations with the local hazardous chemicals safety supervision and administration authorities. We have not filed the results of evaluation on certain of our storage instruments and we cannot assure you that we will be able to file the results of these evaluations on time. Failing to make such filing on time may subject us to a fine of up to RMB50,000.

Moreover, we are required to obtain construction permits before commencing of building production facilities. We commenced construction of a portion of our solar cell and 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 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. As of the date of this annual report, we are still in the process of obtaining the requisite environmental approval for the portion of our solar cell and module production capacity and construction permits for a portion of our solar cell and module production facilities, but we cannot assure you that we will be able to obtain such approval in a timely manner or at all. Failure to obtain such approval and permits may subject us to fines or disrupt our operations and construction, which may materially and adversely affect our business, results of operations and financial condition.

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In addition, the PRC government may issue more stringent environmental protection, safe production and construction regulations in the future and the costs of compliance with new regulations could be substantial. If we fail to comply with the future environmental, 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.

Future failure to make full contribution to the registered capital of our principal operating subsidiary of Jiangxi Jinko in China may subject us to fines, which may materially and adversely affect our reputation, financial condition and results of operations.

On December 13, 2010, Jiangxi Jinko, one of our principal subsidiaries in China, obtained the approval of the Foreign Trade and Economic Cooperation Department of Jiangxi Province, or Jiangxi MOFCOM, for the increase in its registered capital to US\$250.0 million, approximately US\$184.9 million of which has been contributed as of the date of this annual report. Under the relevant PRC laws and regulations, Paker Technology Limited, or Paker, our wholly-owned subsidiary and Jiangxi Jinko's sole shareholder, is required to contribute the remaining US\$65.1 million by December 13, 2012. According to the relevant PRC laws and regulations, failure by a shareholder of a company to make full contribution to the company's registered capital before the required deadline may subject the shareholder to a fine in the amount of 5% to 15% of the contribution that such shareholder has committed but has failed to make before the deadline. There is no assurance that we will have sufficient funds to make the full contributions to Jiangxi Jinko's registered capital before such deadlines. If for any reason we fail to raise sufficient funds or otherwise fail to make the full contributions to Jiangxi Jinko's registered capital before their respective deadlines, we may be subject to such fines, which may materially and adversely affect our reputation, financial condition and results of operations.

Risks Related to Doing Business in China

The approval of the PRC Ministry of Commerce, or 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 MOFCOM and the China Securities Regulatory Commission, or 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 Paker obtained the approval of Jiangxi MOFCOM, for the acquisition and the share pledge, or the 2007 acquisition and pledge. However, because our founders are PRC natural persons and they controlled both Paker 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 Paker transferred all of its equity interest in Jiangxi Desun to Long Faith Creation Limited, or 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 Paker'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 Paker 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.

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Meanwhile, given the uncertainty with respect to what constitutes a merger with or acquisition of PRC domestic enterprise and what constitutes circumvention of its approval requirements under the Circular 10, we can not assure you that the 2008 Restructuring Transactions are in all respects compliance with Circular 10. If MOFCOM subsequently determines that its approval of the 2008 Restructuring Transactions were 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 our company, 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 China, which could reduce the demand for our products and materially and adversely affect our competitive position.

Our business is based in China and a significant portion of our sales are made in China. Accordingly, our business, financial condition, results of operations and prospects are affected significantly by economic, political and legal developments in China. 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 and 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 and 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 conditions 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.

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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.

The State Administration of Foreign Exchange, or SAFE, issued a public notice in October 2005, or the SAFE notice, requiring PRC residents, including both legal persons and natural persons, to register with the competent local SAFE branch before establishing or controlling any company outside China, referred to as an offshore special purpose company, for the purpose of acquiring any assets of or equity interest in PRC companies and raising funds from overseas. In addition, any PRC resident that is the shareholder of an offshore special purpose company is required to amend its SAFE registration with the local SAFE branch with respect to that offshore special purpose company in connection with any increase or decrease of capital, transfer of shares, merger, division, equity investment or creation of any security interest over any asset located in China. If any PRC shareholder of an offshore special purpose company fails to make the required SAFE registration and amendment, the PRC subsidiaries of that offshore special purpose company may be prohibited from distributing their profits and the proceeds from any reduction in capital, share transfer or liquidation to the offshore special purpose company. Moreover, failure to comply with the SAFE registration and amendment requirements described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions. Our current beneficial owners who are PRC residents have registered with the local SAFE branch as required under the SAFE notice. However, they have not yet completed the procedure for amending their registration with regard to the change in our shareholding structure, our corporate structure or our offshore trust arrangement. The failure of these beneficial owners to amend their SAFE registrations in a timely manner pursuant to the SAFE notice or the failure of future beneficial owners of our company who are PRC residents to comply with the registration procedures set forth in the SAFE notice may subject such beneficial owners and our PRC subsidiaries to fines and legal sanctions and may also result in restrictions on our PRC subsidiaries' ability to distribute profits to us or otherwise materially and adversely affect our business.

Our China-sourced income is subject to PRC withholding tax under the new Enterprise Income Tax Law of the PRC, and we may be subject to PRC enterprise income tax at the rate of 25% when more detailed rules or precedents are promulgated.

We are a Cayman Islands holding company with substantially all of our operations conducted through our operating subsidiaries in China. Under the new Enterprise Income Tax Law, or the EIT Law, of the PRC and its implementation regulations, both of which became effective on January 1, 2008, China-sourced income of foreign 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 resident enterprise which directly owns at least 25% of the PRC company distributing the dividends. As Paker is a Hong Kong company and owns 100% of the equity interest in Jiangxi Jinko and 25% of the equity interest in Zhejiang Jinko directly, any dividends paid by Jiangxi Jinko and Zhejiang Jinko to Paker will be entitled to a withholding tax at the reduced rate of 5% after obtaining approval from competent PRC tax authority, provided that Paker is deemed as the beneficial owner of such dividends and that neither our company nor Paker is 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 Beneficial Owner under Tax Treaties, effective on October 27, 2009, an applicant for bi-lateral treaty benefits, including the 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 as a beneficial owner of the PRC subsidiary and therefore, may not enjoy such treaty benefits. If Paker is determined to be ineligible for such treaty benefits, any dividends paid by Jiangxi Jinko and Zhejiang Jinko to Paker will be subject to standard PRC withholding tax rates at 10%.

The EIT Law, however, also provides that enterprises established outside China whose de facto management bodies are located in China are considered tax resident enterprises and will generally be subject to the uniform 25% enterprise income tax rate as to their global income. Under the implementation regulations, 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 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 residents such as our company and Paker. Therefore, although a substantial majority of the members of our management team as well as the management team of Paker are located in China, it remains unclear whether the PRC tax authorities would require or permit our company or Paker to be recognized as PRC tax resident enterprises. If our company and Paker are considered PRC tax resident enterprises for PRC enterprise income tax purposes, any dividends distributed from Jiangxi Jinko and Zhejiang Jinko to Paker and ultimately to our company, could be exempt from the PRC withholding tax; however, our company and Paker will be subject to the uniform 25% enterprise income tax rate as to our global income.

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

The implementation regulations of the EIT 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. The EIT Law and the implementation regulations have only recently taken effect. Currently, there are no detailed rules or precedents governing the procedures and specific criteria for determining domicile, which are applicable to our company or Paker. As such, it is not clear how domicile will be interpreted under the EIT 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 Paker 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 enterprise income tax at 10% or a lower treaty rate.

If the dividends we pay to our overseas shareholders or ADS holders or gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs are subject to PRC enterprise income tax, we would be required to withhold taxes on such dividends, and our overseas shareholders or ADS holders would be required to declare taxes on such gains to PRC tax authorities. In such case, the value of your investment in our shares or ADSs may be materially and adversely affected. Moreover, any overseas shareholders or ADS holders who fail to declare such taxes to PRC tax authorities may be ordered to make tax declaration within a specified time limit and be subject to fines or penalties.

We rely principally on dividends and other distributions on equity paid by our principal operating subsidiaries, Jiangxi Jinko and Zhejiang Jinko, 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, Jiangxi Jinko and Zhejiang Jinko, for cash requirements. On March 31, 2011, Zhejiang Jinko obtained two syndicated loans with an aggregate principal amount of RMB600 million (US\$91.0 million) from a group of PRC banks, of which RMB200 million (US\$30.3 million) will be used as working capital and another RMB400 million (US\$60.6 million) will be used to fund our construction projects. Under the loan agreements, Zhejiang Jinko is prohibited from paying dividends until full repayment of the syndicated loans with a final maturity date of December 15, 2013. Although such debt was incurred by Zhejiang Jinko, we can not assure you that Jiangxi Jinko will not also enter into instruments that may restrict dividends or other distribution to us on our equity interests in the future. Furthermore, 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. 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.

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, which became effective on September 8, 2006 and were amended in June 2009, 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 the Circular 10 to complete these transactions could be more time-consuming and costly, and could result in a more extensive evaluation 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 statutory social welfare payments 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 for our employees, including medical care, injury insurance, unemployment insurance, maternity insurance and pension benefits. 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 and adversely affect our business, financial condition and results of operations.

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Based on the prevailing local practice in Jiangxi Province resulting from the discrepancy between national laws and their implementation by local governments, Jiangxi Jinko did not pay statutory social security benefits, including medical care, injury insurance, unemployment insurance, maternity insurance and pension benefits, for all of its employees. For similar reasons, Zhejiang Jinko did not pay statutory social security benefits in Zhejiang Province for all of its employees. We estimate the aggregate amount of unpaid social security benefits to be RMB17.9 million and RMB49.5 million (US\$7.5 million), respectively, as of December 31, 2009 and 2010. We may be required by the labor administrative bureaus to pay these statutory social security benefits within a designated time period. In addition, an employee is entitled to compensation if such employee terminates its labor contract due to failure by the employer to make due payment of social security benefits. We have made provisions for such unpaid social security benefits of our former and current PRC subsidiaries. However, we cannot assure you that we will not be subject to late charges and penalties for such delinquency. Late charges, penalties or legal or administrative proceedings to which we may be subject could materially and adversely affect our reputation, financial condition and results of operations.

All employee participants in the 2009 Long Term Incentive Plan who are PRC citizens 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 March 28, 2007, SAFE issued the Operating Procedures on Administration of Foreign Exchange regarding PRC Individuals Participating in Employee Stock Ownership Plan and Stock Option Plan of Overseas Listed Companies, or the Stock Option Rule. For any plans which are so covered and are adopted by an overseas listed company, the Stock Option Rule requires the employee participants who are PRC citizens to register with SAFE or its local branch within ten days of the beginning of each quarter. In addition, the Stock Option Rule also requires the employee participants who are PRC citizens to follow a series of requirements on making necessary applications for foreign exchange purchase quota, opening special bank account and filings with SAFE or its local branch before they exercise their stock option.

Failure to comply with such provisions may subject us and the participants of the 2009 Long Term Incentive Plan who are PRC citizens to fines and legal sanctions and prevent us from further granting options under the 2009 Long Term Incentive Plan to our employees, 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 senior management members who live inside the PRC.

Substantially all of our existing Directors and senior management members reside in the PRC and substantially all of our assets and the assets of such person 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, as 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, the United Kingdom and Japan. 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 also 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 5.9%, -0.7% and 3.3% in 2008, 2009 and 2010, 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. Recently released data indicated that China's inflation rates will continue to rise in 2011. 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 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 influenza A, or H1N1, avian flu, severe acute respiratory syndrome, or 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. 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.

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Risks Related to Our ADSs

The market price for our ADSs has been volatile.

The market price for our ADSs has been and may continue to be highly volatile and subject to wide fluctuations. Since our ADSs became listed on the New York Stock Exchange on May 14, 2010, the closing prices of our ADSs have ranged from US\$8.23 to US\$41.75 per ADS for the year ended December 31, 2010. 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; and

sales or perceived sales of additional ordinary shares or ADSs.

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.

We may not be able to pay any dividends on our ordinary shares and ADSs.

Under Cayman Islands law, we may only pay dividends out of our profits or our share premium account subject to our ability to service 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. See **Risks Related to Doing Business in China** We rely principally on dividends and other distributions on equity paid by our principal operating subsidiaries, Jiangxi Jinko and Zhejiang Jinko, 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.

Future sales or issuances, or perceived future sales or issuances, of substantial amounts of our ordinary shares or ADSs could adversely affect the price of our ADSs. If our existing shareholders sell, or are perceived as intending to sell, substantial amounts of our ordinary shares or ADSs, including those issued upon the exercise of our outstanding share options, the market price of our ADSs could fall. Such sales, or perceived potential sales, by our existing shareholders might make it more difficult for us to issue new equity or equity-related securities in the future at a time and place we deem appropriate. All ADSs sold in our initial public offering and follow-on offering are freely transferrable without restriction or additional registration under the Securities Act of 1933, as amended, or the Securities Act. The remaining ordinary shares outstanding held by our shareholders may also be sold in the public market in the future subject to the restrictions contained in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. If any shareholder or shareholders sell a substantial amount of ordinary shares after the expiration of the lock-up period, the prevailing market price for our ADSs could be adversely affected. In addition, we may issue additional ADSs or ordinary shares for future acquisitions or other purposes. If we issue additional ADSs or ordinary shares, your ownership interests in our company would be diluted and this in turn could have a material adverse effect on the price of our ADSs.

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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 your ordinary shares 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 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, Companies Law 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 responsibilities 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 responsibilities 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 substantially all of our assets are located outside of the United States and substantially all 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. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States although the courts of the Cayman Islands would recognize as a valid judgment, a final and conclusive judgment in personam obtained in a federal or state court of the United States under which a sum of money is payable, other than a sum payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty and would give a judgment based thereon; provided that (i) such court had proper jurisdiction over the parties subject to such judgment; (ii) such court did not contravene the rules of natural justice of the Cayman Islands; (iii) such judgment was not obtained by fraud; (iv) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; (v) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (vi) there is due compliance with the correct procedures under the laws of the Cayman Islands.

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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 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 and 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 shares 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 may not 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 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 classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ADSs or shares.

We are not a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for our current taxable year ended December 31, 2011. However, we must make a separate determination each taxable year as to whether we are a PFIC (after the close of each taxable year). Accordingly, we cannot assure you that we will not be a PFIC for our next taxable year ending December 31, 2011 or any future taxable year. A non-U.S. corporation will be considered a PFIC for any taxable year if either (1) at least 75% of its gross income is passive income or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during the taxable year) is attributable to assets that produce or are held for the production of passive income. The value of our assets for purposes of the PFIC asset test will generally be determined based on the market price of our ADSs and shares, which may fluctuate from time to time. If we are treated as 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 an ADS or a share, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. See Item 10. Additional Information E. Taxation U.S. Federal Income Taxation Passive Foreign Investment Company.

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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., or Jiangxi Desun. On November 10, 2006, Paker was established in Hong Kong. On December 13, 2006, Paker established Jiangxi Jinko as our wholly-owned operating subsidiary in China. Jiangxi Desun ceased its solar power business in June 2008. In July 2008, we completed a domestic restructuring, or the 2008 Restructuring, pursuant to which Paker disposed of its interest in Jiangxi Desun.

On May 30, 2008, Paker issued an aggregate of 107,503 series A redeemable convertible preferred shares to Flagship Desun Shares Co., Limited, or Flagship, and Everbest International Capital Limited, or Everbest, and 14,629 ordinary shares to Wealth Plan Investments Limited, or Wealth Plan, in consideration for its consultancy services related to the issuance of series A redeemable convertible preferred shares.

On September 18, 2008, Paker issued an aggregate of 148,829 series B redeemable convertible preferred shares to SCGC Capital Holding Company Limited, or SCGC, CIVC Investment Ltd., or CIVC, Pitango Venture Capital Fund V, L.P. and Pitango Venture Capital Principals Fund V, L.P., or Pitango, TDR Investment Holdings Corporation, or TDR, and New Goldensea (Hong Kong) Group Company Limited, or New Goldensea.

On December 16, 2008, we undertook a share exchange pursuant to which all the then existing shareholders of Paker exchanged their respective shares in Paker for our newly issued shares of the same class and Paker became our wholly-owned subsidiary. Consequently, shareholders of Paker immediately before the share exchange became our shareholders, holding the same number of shares and of the same classes in us (without giving effect to the share split on September 15, 2009 discussed below) as in Paker immediately before the share exchange. JinkoSolar was registered as the sole shareholder of Paker on February 9, 2009. Subsequently, our founders and substantial shareholders, Xiande Li, Kangping Chen and Xianhua Li, transferred their shares in us to Brilliant Win Holdings Limited, or Brilliant, Yale Pride Limited, or Yale Pride, and Peaky Investments Limited, or Peaky, on December 16, 2008. Brilliant was owned by Xiande Li, Yale Pride was owned by Kangping Chen and Peaky was owned by Xianhua Li.

On June 26, 2009, Paker acquired 25%, and on June 30, 2009, Jiangxi Jinko acquired 75%, respectively, of the equity interest in Zhejiang Sun Valley Energy Application Technology Co., Ltd., or Sun Valley, a solar cell supplier which was also one of our largest silicon wafer customers by revenue before the acquisition. As a result, Sun Valley became our wholly-owned subsidiary. Subsequently, we changed the name of Sun Valley to Zhejiang Jinko Solar Co., Ltd., or Zhejiang Jinko, on August 10, 2009.

On September 15, 2009, we effected a share split with the result of each share becoming 50 shares of the same class, or the 2009 Share Split, pursuant to which each of the ordinary shares, series A redeemable convertible preferred shares and series B redeemable convertible preferred shares was subdivided into 50 shares of the relevant class.

On September 15, 2009, our founders and substantial shareholders, Xiande Li, Kangping Chen and Xianhua Li, through Brilliant, Yale Pride and Peaky, respectively, ratably transferred an aggregate of 3,812,900 ordinary shares to the holders of series B redeemable convertible preferred shares and an aggregate of 701,550 ordinary shares to Flagship.

On November 25, 2009, Paker established JinkoSolar International Limited, a trading company incorporated in Hong Kong, to facilitate settlement of payments and our overseas sales and marketing efforts.

On December 24, 2009, Jiangxi Jinko and Xiande Li established Jinko Import and Export, which subsequently became Jiangxi Jinko's wholly-owned subsidiary before Xiande Li made any capital contribution to Jinko Import and Export. In addition to conducting sales, Jinko Import and Export coordinates our sales activities with production at our operating subsidiaries and primarily facilitates our import and export activities of Jiangxi Jinko in the PRC.

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On April 1, 2010, Paker established JinkoSolar GmbH, a limited liability company incorporated in Germany, to establish a presence in Europe, expand our sales and marketing network and increase our brand recognition in strategic markets within the region.

On May 14, 2010, each of Brilliant, Yale Pride and Peaky became wholly owned by HSBC International Trustee Limited in its capacity as trustee, with each of Brilliant, Yale Pride and Peaky being held under a separate irrevocable trust constituted under the laws of the Cayman Islands.

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. In addition, all of our series A and series B redeemable convertible preferred shares were converted into ordinary shares upon the completion of our initial public offering.

On June 13, 2010, Zhejiang Jinko established Zhejiang Jinko Trading to primarily facilitate our import and export activities of Zhejiang Jinko in the PRC.

On August 19, 2010, Paker established JinkoSolar (U.S.) Inc., a limited liability company incorporated in the United States to establish a presence in North America, expand our sales and marketing network and increase our brand recognition in strategic markets within the region.

On November 10, 2010, we and our selling shareholders completed our follow-on offering of 3,500,000 ADSs, in which 2,000,000 ADSs representing 8,000,000 ordinary shares were offered and sold by us, raising US\$68.6 million in proceeds before expenses to us, and 1,500,000 ADSs representing 6,000,000 ordinary shares were offered and sold by the selling shareholders, raising US\$51.4 million in proceeds before expenses. We did not receive any of the proceeds from the sale of ADSs by the selling shareholders.

On December 10, 2010, Jiangxi Jinko established Jiangxi Materials as a wholly owned subsidiary. Jiangxi Materials mainly produces accessory materials for solar power products such as solar aluminum frame, solar junction box, aluminum materials windows and other metal component parts.

In the first quarter of 2011, we issued two tranches of RMB-denominated unsecured one-year short-term bonds with an aggregate principal amount of RMB600 million with the PRC National Association of Financial Market Institutional Investors, or NAFMI. The first tranche was issued on January 13, 2011 with a principal amount of RMB300 million (US\$45.5 million), bearing interest at the fixed rate of 5.28% per annum, and will mature on January 14, 2012. For the first tranche, approximately 83% of the proceeds will be used as working capital and the remaining 17% will be utilized for the prepayment of bank loans of higher interest rates. The second tranche was issued on March 22, 2011 with a principal amount of RMB300 million (US\$45.5 million), bearing interest at the fixed rate of 5.60% per annum, and will mature on March 23, 2012. For the second tranche, all the proceeds will be used as working capital.

B. Business Overview

We are a fast-growing, vertically-integrated solar power product manufacturer with low-cost operations based in Jiangxi Province and Zhejiang Province in China. We have built a vertically-integrated solar power product value chain from recovered silicon materials to solar modules. Our principal products are solar modules, silicon wafers and solar cells. We have been successful in making sales of solar modules our largest revenue contributor. As we continue to increase the degree of vertical integration of our operations and expand our module production, we expect that our sales of solar modules will further increase and our sales of wafers and cells will correspondingly decline as we use a greater proportion of these products for our in-house module production.

Our solar module production is supported by our solar cell and silicon wafer operations. As of December 31, 2010, we had annual silicon wafer, solar cell and solar module production capacity of approximately 600 MW each and achieved fully vertically-integrated solar module production. We expect to continue to expand our fully vertically-integrated solar module production capacity to reach 1.5 GW by the end of 2011.

We sell our modules under our own brand JinkoSolar as well as on an OEM basis. All of our modules sold in Europe are CE certified and TÜV certified, and all of our modules sold in the United States are UL certified. We have also received CQC certification for our monocrystalline solar modules. Our customers for solar modules include distributors, project developers and system integrators. We believe that our product quality is demonstrated by the fact that JinkoSolar modules have also been selected for utility-scale project-financed installations.

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We sell our products in major export markets and in China. We have established subsidiaries in Germany and the United States and a sales office in Italy to conduct sales, marketing and brand development for our products in the European and North American markets, and we intend to establish similar subsidiaries and offices in other major markets to expand our customer base and market penetration. As of December 31, 2010, we had an aggregate of approximately 400 customers for our solar modules, solar cells and silicon wafers from China and major export markets, including Germany, Italy, Belgium, India and Spain as well as other countries and regions.

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We capitalize on our vertically-integrated platform and low-cost manufacturing capability in China to produce quality products at competitive costs. In addition, the choice of Shangrao and Haining, China as our manufacturing bases provides us with convenient and timely access to key resources and conditions as well as to our customer base to support our rapid growth and low-cost manufacturing operations. We also believe that our ability to source large volumes of recoverable silicon materials, treat such materials with our proprietary process technologies and use them in our production process according to formulas developed in-house provides us with a cost advantage over our competitors who rely primarily on more expensive virgin polysilicon for their production.

We have achieved sustained and profitable growth since our inception in June 2006, although during the year ended December 31, 2009, our sales and net income were materially and adversely affected by the global economic crisis and credit market contraction. Our revenues were RMB2,183.6 million for the year ended December 31, 2008, RMB1,567.9 million for the year ended December 31, 2009 and RMB4,654.9 million (US\$705.3 million) for the year ended December 31, 2010, respectively. We had net income of RMB219.3 million, RMB85.4 million and RMB881.9 million (US\$133.6 million), respectively, for the years ended December 31, 2008, 2009 and 2010.

Our Competitive Strengths

We believe that the following strengths enable us to compete successfully in the solar power industry:

We have developed a vertically integrated manufacturing platform.

We have developed an integrated production process covering the manufacturing of silicon ingots, silicon wafers, solar cells and solar modules. We believe that our vertically-integrated manufacturing platform provides a more efficient production process, shorter product development and production cycles, better control over quality and lower costs compared to less vertically-integrated solar power companies, which allows us to benefit from increased margins. As of December 31, 2010, we had annual silicon wafer, solar cell and solar module production capacity of approximately 600 MW each and achieved fully vertically-integrated solar module production. We expect to continue to expand our fully vertically-integrated solar module production capacity to reach 1.5 GW by the end of 2011. We believe that as our degree of vertical integration increases, we will be better able to capture profit at each stage of the solar power industry value chain and withstand, or capitalize on, the fluctuating profit margins of products at different stages of the solar power industry value chain. While the profit margins of products in the solar power industry value chain may vary and change, we believe we are well positioned to maintain or improve our overall profit margin relative to many of our competitors that produce only a limited range of solar power products.

We have been able to build an increasingly diversified, high-quality customer base.

As of December 31, 2010, we had approximately 400 silicon wafer, solar cell and solar module customers in China, Italy, Germany, Belgium, Spain, the United States, France and other countries or regions. As of the date of this annual report, we have major sales contracts with 12 customers for the sale of more than 500 MW of solar modules in 2011. Our module customers include leading players in the solar power industry such as Up Solar Co., Ltd., or Up Solar, IBC Solar AG, or IBC, Enel SI S.r.l., or Enel, BULL Holding AG, or BULL, SAINT-GOBAIN Building Distribution GmbH, or SAINT-GOBAIN - Tozzi Sud SpA, or Tozzi Sud, Tecno Spot srl, or Tecno, PAYOM SOLAR AG, Germany, or Payom, Solairedirect SA, or Solairedirect and Tenello Energie srl, or Tenello. To achieve faster expansion of our sales channels and broad market penetration, we continue to sell our solar modules through our overseas subsidiaries and sales agent, to distributors as well as directly to project developers and system integrators. We have built an expanding customer base for our solar modules with our growing presence in Europe, Asia and North America since we began producing solar modules in August 2009. We believe the quality of our products and after-sales services has helped us retain existing customers and develop new customer relationships.

Our ability to provide high-quality products enables us to increase our sales and enhance our brand recognition.

We have made significant efforts to continuously improve the quality of our products. We have developed expertise in the manufacturing of solar power products. Leveraging this expertise, we have continued to improve our production equipment, develop proprietary know-how and technology for our production process and implement strict quality control procedures in our production process. We operate in accordance with ISO 9001 quality management standards and have received CE and TÜV certifications for all of our modules sold in Europe and UL certifications for all modules sold in the United States. We have also received CQC certification for our monocrystalline solar modules. Our experience and capability in producing high quality silicon ingots and silicon wafers enable us to provide high quality solar cells and solar modules and further broaden our customer base. Our solar modules were selected by TRE Tozzi Renewable Energy, or TRE Tozzi, a large Italian industrial group, for its 35 MW on-grid solar power generating plant in Ravenna, Italy, after completing a comprehensive technical audit on our facilities, product quality and product performance in connection with the long-term project financing. This utility-scale solar power project is financed by an approximately 80 million loan facility from a syndicate of three leading Italian banks. We believe that the selection of our products for this project is a demonstration of our product quality and financial strength to support our warranties. The high quality of our

products has helped us enhance our brand name recognition among our customers and in the industry.

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We have been able to rapidly grow our production capacity in a cost-efficient manner.

Notwithstanding our limited access to capital during the global economic crisis, we have been able to rapidly grow our production capacity of silicon wafers from 185 MW as of December 31, 2008 to 600 MW as of December 31, 2010; in addition, we have been able to rapidly grow our production capacity of solar cells from 150 MW as of December 31, 2009 to 600 MW as of December 31, 2010; and of solar modules from 150 MW as of December 31, 2009 to 600 MW as of December 31, 2010. Further, we continue to focus on reducing our production costs by improving solar cell conversion efficiency and enhancing manufacturing yields. Our choice of Shangrao and Haining, China for our manufacturing bases provides us with convenient and timely access to key resources and conditions to support our rapid growth and low-cost manufacturing operations, including low-cost land, labor and utilities, which has become an increasingly important cost advantage as the proportion of silicon materials cost to our total cost of revenue decreases. As a fast-growing manufacturing company located in the Shangrao Economic Development Zone, we have received support from the local government in terms of priority supply of electric power and ready access to land in the Economic Development Zone. The close proximity of our facilities in Shangrao to the nearby provinces of Zhejiang and Jiangsu, where many of our customers and suppliers are located, provides convenient and timely access to raw materials and transportation of our products to customers. Our choice of Haining as manufacturing base for solar cells provides us with close proximity to our major customers for solar cells located in the Yangtze River Delta and easy access to research and engineering talents and skilled labor at competitive cost, which is important to our cell manufacturing operations.

Our efficient, state-of-the-art production equipment and proprietary process technologies enable us to enhance our productivity.

We procure our monocrystalline and multicrystalline ingot furnaces, wire saws and other major equipment items, including those for production of solar cells and modules, from leading PRC and international vendors, including vendors in Japan and the United States. Based on our proprietary know-how and technologies, we have made improvements to equipment purchased from these vendors, including improvements to facilitate the use of our furnace reloading technology and wafer-cutting process technology. Our furnace reloading technology enables us to increase the size of our ingots while lowering our unit production costs by increasing the production output of our furnaces and reducing unit costs of consumables, such as crucibles and argon, and utility costs. We have improved our high-precision wire squarers and squaring techniques, which allows us to reduce the sizes of ingot tops, tails and other off-cuts during the squaring process, thus increasing the sizes of ingot blocks available to be cut into wafers. In addition, we have also improved our wafer cutting wire saws and cutting techniques, which allows us to increase the number of quality conforming wafers produced from each ingot block, produce wafers with thickness of a high degree of consistency and improve the quality of wafers. Our sophisticated wire saws currently enable us to produce monocrystalline wafers with an average thickness of 180 microns and multicrystalline wafers with an average thickness of 180 microns, allowing us to reduce costs of silicon raw materials because less silicon is used to produce each MW of wafer products. In addition, we have developed proprietary process technologies and know-how that allow us to process and recover a broad range of recoverable silicon materials, including those that fall outside the customary range in relation to certain electrical characteristics, while ensuring the consistent quality of our products. We believe our advanced silicon materials recovery processes enable us to further lower our unit production costs.

We use automated production lines to produce solar cells, which enables us to achieve high efficiency and lower our cost. In addition, we have made comprehensive improvements to our solar cell production lines, production process, production management and quality control process, which has improved the conversion efficiency of our solar cells and the percentage of our solar cells that meet our quality criteria.

We use ten automated production lines in addition to our two manual production lines for the production of solar modules. Our automated solar module production lines consist of advanced equipment that we have procured from both overseas and domestic vendors, which enables us to reduce human error and labor cost, enhance efficiency and gain a competitive advantage over our competitors that do not use automated production lines.

We are led by a strong management team with demonstrated execution capabilities and ability to adapt to rapidly changing economic conditions.

We have a strong management team led by our chairman, Mr. Xiande Li, and chief executive officer, Mr. Kangping Chen, with proven complementary experience in the solar industry, corporate management and development and execution of growth strategies. Mr. Xiande Li and Mr. Xianhua Li, the founders of our company, have an aggregate of more than 15 years of experience in the solar industry. Mr. Kangping Chen has more than 16 years of experience in the management and operation of solar and other manufacturing businesses. Under their leadership, we have been able to quickly expand our business within approximately three years since our inception from processing of recoverable silicon materials in 2006, to production of monocrystalline ingots in 2007 and to production of monocrystalline wafers and multicrystalline ingots and wafers in 2008 and further to solar cells and solar modules in 2009. We have also been able to rapidly grow our production capacity in a cost efficient manner under the leadership of our management team. In addition, members of our management team have also demonstrated their ability to respond to the market changes promptly, which has enabled us to achieve sustained and profitable growth even at a time of economic uncertainty. From 2007 to 2008, our revenue grew by 207.9% while our net income increased by 188.4%. Under the leadership of our

management team, we were able to operate profitably in 2009 notwithstanding the adverse impact of the recent global economic crisis and the credit market contraction on our business. Since demand for solar power products began to recover from the third quarter of 2009, our revenue and gross margin have increased substantially. For the year ended December 31, 2010, our revenue reached RMB4,654.9 million (US\$705.3 million) and our gross margin reached 29.2%. We believe that our management team possesses the insight, vision and knowledge required to effectively execute our growth strategy in the face of challenging economic conditions.

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Our Strategies

In order to achieve our goal of becoming a leading vertically-integrated supplier of solar modules, we intend to continue to pursue the following principal strategies:

Further develop our vertically-integrated business model and expand our production capacity.

We believe that our vertically-integrated business model offers us significant advantages, particularly in areas of cost reduction and quality control, over our competitors that depend on third parties to source core product components. We plan to continue expanding our silicon wafer, solar cell and solar module manufacturing capacity to fully capitalize on the efficiencies of our vertically-integrated production process. In order to achieve this goal, we have continued to expand our production capacity of silicon wafers, solar cells and solar modules in a coordinated fashion and aim to boost our target production capacity for each step of the value chain to 1.5 GW by the end of 2011. As of December 31, 2010, our production capacity for silicon wafers, solar cells and solar modules had reached 600 MW each. Furthermore, as of December 31, 2010 we had terminated all of our long-term wafer sales contracts without penalties, which allows us to use a greater proportion of our wafer output in our own production processes and reduce our need to purchase wafers.

Continue to enhance our research and development capability with a focus on improving our manufacturing processes to reduce our average costs and improve the quality and efficiency of our products.

We believe that the continual improvement of our research and development capability is vital to maintaining our long-term competitiveness. Our research and development laboratory, which is located at our new expansion facilities in the Shangrao Economic Development Zone, focuses on enhancing the quality of our silicon wafers and solar modules, improving production efficiency and increasing the conversion efficiency of our silicon wafers and solar modules. We have entered into a one-year, automatically renewable cooperative agreement with Nanchang University in Jiangxi Province, China and established a joint photovoltaic materials research center on the campus of Nanchang University to focus on the improvement of our manufacturing processes 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. The research center has assisted us in improving the quality of our silicon wafer, including the conversion efficiency of our silicon wafers, as well as our silicon wafer production process. We incurred RMB31.6 million (US\$4.8 million) of research and development expenses for the year ended December 31, 2010, compared to RMB5.9 million for the year ended December 31, 2009, as part of our program to further lower overall production costs, increase the conversion efficiency rates of our products and improve product quality. We intend to continue to devote management and financial resources to research and development as well as to seek cooperative relationships with academic institutions to achieve these goals.

Expand our sales and marketing network and enhance our sales and marketing channels both in and outside China.

As we continue to diversify our product lines, we have successfully expanded our global marketing footprint. We have established a sales and marketing center in Shanghai, which provides us with convenient access to domestic and international sales channels due to the concentration of customers in the nearby provinces of Zhejiang and Jiangsu and Shanghai's position as an international trading hub in China. In November 2009, in order to facilitate settlement of payments and our overseas sales and marketing efforts, as well as to establish our presence in major export markets, we established JinkoSolar International Limited in Hong Kong. We began exporting our solar 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, U.S., Belgium, Spain, France, Israel and other countries and regions. For the year ended December 31, 2010, sales of solar modules constituted 69.8% of our total revenue and most of our solar module sales were made in major export markets. We believe that this has increased and will continue to increase recognition of our brand domestically and internationally. As the market becomes increasingly competitive, we plan to increase our resources devoted to the expansion of our sales and marketing network and enhancing our sales and marketing channels. We plan to increase our sales and marketing efforts in strategic markets, such as Europe, Asia and North America to enhance our brand recognition in those markets. We have established subsidiaries in Germany and the United States and a sales office in Italy to conduct sales, marketing and brand development for our products in the European and North American markets. We intend to establish similar subsidiaries and offices in the other major markets to expand our customer base and market penetration. Furthermore, we plan to continue to devote significant resources to developing solar module customers and develop 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.

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Enhance our brand name.

We have established a reputation for providing our customers with high quality solar power products at competitive prices. As we expand our production capacity and increase our operation scale, we intend to strengthen brand recognition among our customers. To achieve this, we plan to take the following initiatives:

continue to provide our customers with high quality products and services by further improving our manufacturing process, strengthening quality control and increasing the level of vertical integration;

continue to establish and increase our brand awareness among major players in the solar industry by increasing our marketing efforts and sales to such customers; and

continue to extend our distribution network globally in a flexible and practical manner and establish our presence in key markets.

Diversify and strengthen our customer relationships while securing silicon raw material supplies at competitive costs.

We believe our ability to establish and maintain long-term customer relationships for our solar cells and solar modules is critical to our continued business development. We seek to enter into long-term sales contracts with flexible price terms with new and existing customers, which we believe will enable us to strengthen our customer relationships and establish a loyal and diversified customer base over time. We also believe that secure and cost-efficient access to silicon raw material supplies is critical to our future success. As such, we intend to further diversify our recoverable silicon material sources by entering into strategic relationships with both semiconductor and solar power companies in and outside China. We will continue to seek to optimize the allocation of our virgin polysilicon supply between spot market purchases and long-term supply contracts so as to procure virgin polysilicon at competitive costs while effectively managing the risks associated with the fluctuations in the prices of virgin polysilicon.

Our Products and Services

We manufacture and sell silicon wafers, solar cells and solar modules. In accordance with our strategic plan of becoming a fully vertically-integrated solar module producer, we have been successful in making sales of solar modules our largest revenue contributor in the year ended December 31, 2010. 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 acquisition. We commenced:

processing and selling recoverable silicon materials in June 2006; and

manufacturing and selling:

monocrystalline ingots in August 2007;

monocrystalline wafers in March 2008;

multicrystalline ingots in June 2008;

multicrystalline wafers in July 2008;

solar cells in July 2009; and

solar modules in August 2009.

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Beginning in 2009, we retained a substantial majority of our output of recovered silicon materials and silicon ingots for our own production of monocrystalline and multicrystalline wafers. As a result, a substantial majority of our revenues were derived from sales of silicon wafers, solar cells and solar modules in 2009 and 2010. We terminated our four remaining long-term wafer sales contracts in the third quarter of 2010, which permitted us to increase our vertical integration by using a greater proportion of our wafer output in our own production processes and reduce our need to purchase wafers. We believe that the change in our product mix has and will continue to enable us to capture the efficiencies of our increasingly vertically-integrated production process. In addition, we have provided processing services for fees, such as silicon wafer tolling services, at the request of customers from time to time to optimize the utilization of our production capacity. The following table sets forth details of the sales of our products and services for each of the periods indicated:

	2008		For the Year Ended December 31,			
	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)
Products						
Recovered silicon materials (metric tons)	397.9	902,249.0	11.7	28,039.4		
Silicon ingots	33.1	483,544.9	0.01	98.9	2.1	10,803.0
Silicon wafers	51.4	794,860.1	180.4	1,102,232.8	157.2	909,647.4
Solar cells			27.3	225,866.3	55.1	432,863.6
Solar modules			14.4	182,015.1	265.4	3,247,825.6
Processing services		2,960.1		29,607.1		53,715.1
Total		2,183,614.1		1,567,859.6		4,654,854.7

Solar Modules

We began producing solar modules in August 2009. We produce a series of models of solar modules for which we have received TÜV, CE, UL and CQC certifications. We also produce solar modules according to specifications provided by our customers. We have quickly moved downstream in the product value chain with sales of solar modules increasing from RMB182.0 million in 2009 to RMB3,247.8 million (US\$492.1 million) in 2010 to become our largest revenue source for the year ended December 31, 2010. We expect that sales of solar modules will continue to be our largest revenue source in the future. The majority of our solar module sales are export sales.

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 cell to the energy from sunlight that reaches the 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. Most of our monocrystalline solar cells have dimensions of 125 mm x 125 mm and 156 mm x 156 mm. As of the date of this annual report, our solar cells using monocrystalline wafers had an average conversion efficiency rate of 18.0% and our solar cells using multicrystalline wafers had an average conversion efficiency rate of 16.8%.

Silicon Ingots and Wafers

We commenced production of monocrystalline ingots in August 2007 and monocrystalline wafers in March 2008 respectively. Our monocrystalline wafers have dimensions of 125 mm x 125 mm as well as 156 mm x 156 mm with an average thickness of 180 microns and conversion efficiency rate of 18.0%.

We commenced production of multicrystalline ingots in June 2008 and multicrystalline wafers in July 2008. Our multicrystalline wafers have dimensions of 156 mm x 156 mm with an average thickness of 180 microns and conversion efficiency rate of 16.8%.

Recovered Silicon Materials

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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. We currently do not sell recovered silicon materials, which are used for in-house production of solar ingots.

Table of Contents**Manufacturing**

We manufacture solar modules, solar cells, silicon wafers, silicon ingots 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 modules as of December 31, 2008, 2009 and 2010 and expected annual production capacity as of December 31, 2011:

Products	Annual Production Capacity as of December 31,			Expected Annual Production Capacity as of December 31,
	2008	2009	2010	2011
Solar modules		150 MW	600 MW	1.5 GW
Solar cells		150 MW	600 MW	1.5 GW
Silicon wafers	185 MW	300 MW	600 MW	1.5 GW

We plan to expand our fully vertically-integrated solar module production capacity to reach 1.5 GW by the end of 2011. We believe that our existing facilities, together with our facilities under construction, are adequate for our expansion plan in 2011. See Major Plans to Construct, Expand or Improve Facilities. We may not achieve our 2011 expansion plan. See Item 3. Key Information D. Risk Factors Risks Related to Our Business Our failure to successfully execute our business expansion plans could have a material adverse effect on the growth of our sales and earnings.

Property

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.

Our main manufacturing centers are located in Shangrao Economic Development Zone, Jiangxi Province where we conduct our research, development and manufacturing of solar modules and silicon wafers, as well as Haining, Zhejiang Province, where we mainly conduct our research, development and manufacturing of solar cells. As of December 31, 2010, we occupy a site area of approximately 621,988.86 square meters in Shangrao and 188,670 square meters in Haining. We also lease manufacturing facilities with a total gross floor area of approximately 15,282 square meters in Shangrao from Jiangxi Desun. There is an electric power transformation and distribution substation with an annual capacity of 438 million kWh and a gross floor area of 13,126.56 square meters at Jiangxi Jinko's manufacturing site in order to support its operations and assure it of priority supply. We plan to construct our own electric power transformation and distribution substation with an annual capacity of approximately 7 million kWh and a gross floor area of approximately 6,667 square meters which we expect to finish by the end of 2011.

As of December 31, 2010, we obtained land-use rights for approximately 810,658.86 square meters, of which 386,148.76 square meters are for industrial use in the Shangrao Economic Development Zone and 188,670.0 square meters are for industrial use in Haining for its facilities. We believe our current land-use rights are sufficient for the major capacity expansion plans in 2011.

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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	Expected Annual Manufacturing Capacities
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