

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the Month of September 2013

Commission File Number 001-34615

JinkoSolar Holding Co., Ltd.

(Translation of registrant's name into English)

**1 Jingke Road
Shangrao Economic Development Zone
Jiangxi Province, 334100
People's Republic of China**
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).

Yes No

EXHIBIT INDEX

Number	Description of Document
99.1	Recent Developments
99.2	Unaudited Interim Condensed Consolidated Financial Statements for the Six Months Ended June 30, 2012 and 2013
99.3	Revision of Cash Flow Items

Incorporation by Reference

We are incorporating this report on Form 6-K by reference into our registration statement on Form F-3, Registration No. 333-190273, as amended, originally filed with the Securities and Exchange Commission on July 31, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JinkoSolar Holding Co., Ltd.

By: /s/Kangping Chen

Name: Kangping Chen

Title: Chief Executive Officer

Date: September 16, 2013

Recent Developments

Recent Industry Developments

In recent years, the solar market in China has grown rapidly to become one of the largest solar market in the world, primarily due to increasing demand for electricity and increasing government incentives. Due, in part, to China's economic boom and urbanization, China's electricity demands have also grown sharply. In July 2011, the Chinese government announced its national feed-in-tariff policy. Certain provinces, such as Jiangsu, Liaoning and Shandong, also adopted their own feed-in-tariff policies. As a result, the solar market in Ningxia, Jiangsu and Gansu Provinces have grown particularly quickly, with Jiangsu representing almost half of new installations of recent building-mount projects.

The following represent key developments in the market in China:

- **Anti-Dumping Settlement with the European Union** — On July 27, 2013, EU and Chinese trade negotiators announced that an agreement had been reached pursuant to which Chinese manufacturers, including JinkoSolar, would limit their exports of solar panels to the EU and set prices above a minimum price, in exchange for the EU agreeing to forgo the imposition of anti-dumping duties on these solar panels from China. The offer was approved by the European Commission on August 2, 2013. The Chamber of Commerce Import and Export of Machinery and Electronic Product (CCCME) of China will be responsible for allocating the quota between companies, and JinkoSolar has been allocated a portion of the quota. According to reports, solar panels imported after the annual quota is reached would be subject to anti-dumping duties. According to reports, this agreement also could be used to resolve the parallel anti-subsidy investigation, commenced by the EU on November 8, 2012, prior to the imposition of provisional anti-subsidy measures. Definitive measures in that case are due in December 2013.
- **New Targets for Solar Power Capacity** — In response to the increased pace of market development, China's State Council, in a statement dated July 4, 2013, announced that installed capacity for solar electricity is expected to reach more than 35 GW by 2015 at a growth rate of about 10 GW a year between now and then. This was the fourth revision in less than three years for the 2015 installed capacity target, which was originally set at 5 GW in 2010, but increased to 10 GW in May 2011, 15 GW in December 2011 and 21 GW in July 2012.
- **Solar Subsidy Payments Standardized** — Although solar project development in China began to accelerate rapidly several years ago, there have been concerns about the timely payment of renewable subsidies to project developers since 2011. As a result, independent power producers experienced long accounts receivable periods. However, in March 2012, the National Development and Reform Commission, or the NDRC, the National Energy Commission and the Ministry of Finance, or the MOF, jointly issued a measure to standardize settlement of feed-in tariffs.

In addition, according to a notice issued in July 2013 by the MOF, beginning in August 2013, subsidy payments for distributed PV power generation stations (excluding distributed PV power generation projects) shall be allocated directly from the central MOF to the State Grid Corporation of China and the China Southern Power Grid Co., Ltd., rather than to the provincial financial department. As a result of such measures, the collection period for the tariffs is expected to be

shortened from up to 26 months in 2011 to three to six months in 2013, substantially improving the working capital management for solar project developers.

- **Increased Funding for Subsidy Payments** — The MOF has proposed to almost double the renewable surcharge for electricity end-users from RMB0.008 per kW to RMB0.015 per kW, effective September 25, 2013.
- **Distributed-Generation-Connected Projects Receive New Subsidies** — On August 30, 2013, the Department of Price of the NDRC released subsidy details for projects. Transmission-grid-connected projects will receive a feed-in-tariff of RMB0.90 to RMB1.00 per kWh, whereas distribution-grid-connected projects will receive a premium of RMB0.42 per kWh in addition to the desulphurized coal benchmark price. Distribution-grid-connected projects are expected to represent the majority of China's new PV installation in the next few years. Unlike the rest of the world, capital expenditures for distribution-grid-connected projects are higher than transmission-grid-connected projects, since labor costs for scaffolding and work on rooftops are low in China and rooftop space is currently free.

Recent Company Developments

Total revenues increased from RMB2,298.1 million for the six months ended June 30, 2012 to RMB2,928.3 million (US\$477.1 million) for the same period in 2013, primarily due to an increase in shipments of solar modules from 380 MW to 742 MW, partially offset by a decrease in average selling prices of solar modules. The increase in solar module shipments was primarily due to a significant increase in shipments to China and other Asia-Pacific countries, which was mainly driven by our increased sales and marketing activity in such regions, partially offset by a decrease in shipments to Europe, which was mainly driven by reduced demand as government support for solar projects in Europe decreased in response to the European debt crisis. The decrease in average selling prices of solar modules was primarily due to the continued oversupply of solar modules and decreases in prices of polysilicon, the principal raw material for PV modules.

Gross margin increased from 4.8% for the six months ended June 30, 2012 to 15.7% for the same period in 2013, primarily due to our improvements in operating efficiency and continued cost reductions for polysilicon and auxiliary materials. Total operating expenses decreased from RMB499.1 million for the six months ended June 30, 2012 to RMB319.9 million (US\$52.1 million) for the same period in 2013, primarily due to (i) a provision of RMB129.8 million in the first quarter of 2012 on inventory purchase prepayments under long-term polysilicon supply contracts as a result of adverse developments in a supplier's operations and (ii) the reversal of provision for bad debts of RMB74.5 million (US\$12.2 million) for the six months ended June 30, 2013 as a result of the subsequent cash collection of long-aged accounts receivable.

Our revenues were RMB1,238.0 million, RMB1,329.5 million, RMB1,167.2 million, RMB1,163.4 million and RMB1,764.9 million, for each quarter from the second quarter of 2012 to the second quarter of 2013, respectively, and our module shipments were 223.0 MW, 280.0 MW, 252.3 MW, 282.4 MW, and 460.0 MW for the same periods, respectively. We expect to ship 460 to 500 MW of solar modules for the third quarter of 2013 and 1.5 to 1.7 GW for the full year ending December 31, 2013.

Our Solar Projects

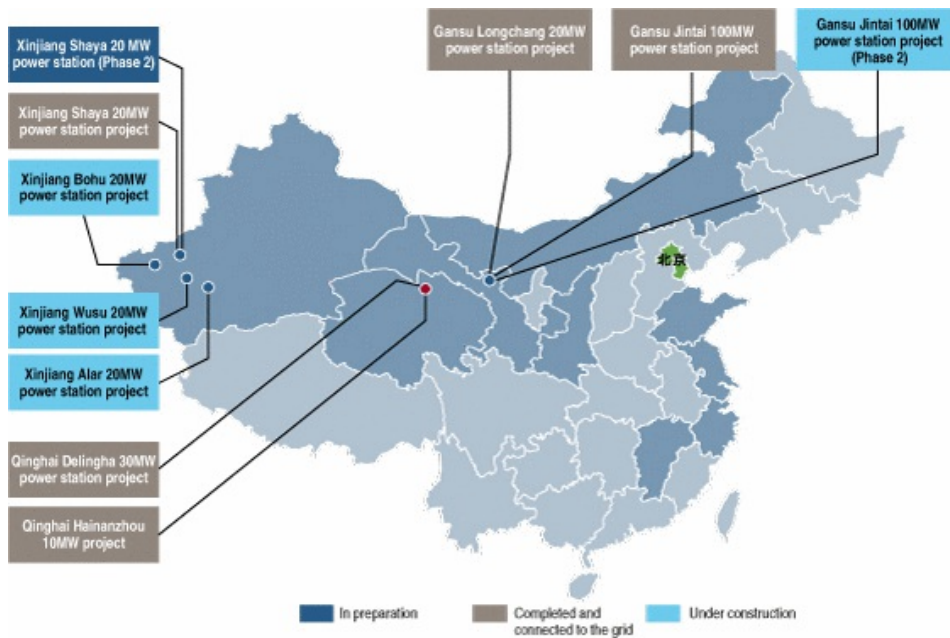
Beginning in 2011, we began to develop solar projects. As of the date of this prospectus supplement, our share of completed solar projects amounted to 105 MW, with annual power generation capacity approaching 158 million kWh. We are able to operate and maintain our solar projects at minimal costs. Unlike other power generation facilities, solar projects are less susceptible to risks associated with fuel prices.

Our solar projects generally begin with the signing of a non-binding investment agreement with the local government, which outlines the size and location of the project. While an investment agreement is not required for the construction of solar projects, we generally receive preferential treatment from the local governments as a result of signing such agreements. After signing the investment agreement, we will solicit the preliminary approval of the provincial NDRC. After receiving the preliminary approval, we will apply for the interconnection plan with the provincial grid company and prepare and submit applications to a number of local government authorities for approvals, such as environmental and land approvals. At the same time, we

will conduct an operational and financial feasibility study. After receiving the local governmental permissions, we will apply for the construction permit, the final approval by the provincial NDRC, and, upon receipt, begin construction. Construction typically requires three to four months. After construction, we apply for the Electric Power Business Certificate with State Electricity Regulatory Commission. Finally, we sign the electricity sale agreement and interconnection agreement with the provincial grid company. It generally takes approximately seven to eight months from the signing of the investment agreement to obtaining the construction permit.

We currently have fully secured permits and begun construction for another 108 MW of projects which we expect to connect to grid in 2013. We also have another 700 MW of projects currently under evaluation in our project pipeline, 200 to 300 MW of which are in various stages of permitting and expected to connect to grid in 2014, and the balance in early stages.

The following map shows the status of the projects we expect to complete in 2013 as of the date of this prospectus supplement.



The following table shows the details of the projects we expect to complete in 2013 as of the date of this prospectus supplement.

Region	Project	Capacity (MW)	Actual or Estimated Connected Date	Approximate Cost (RMB per watt)	FIT (RMB)	JinkoSolar's Ownership	Share of Capacity (MW)	Debt Financing Raised (RMB million)	Current Status
Qinghai	Delingha Ruiqida	30	Jan. 2013	12.9	1.05	88.7%	27	200	Completed
Gansu	Gansu Longchang PV	20	Feb. 2013	9.7	1	100%	20	—	Completed
Gansu	Gansu Jintai Electric I	100	July 2013	9.2	1	28%	28	—	Completed
Qinghai	Hainanzhou PV	10	Sept. 2013	9.3	1	100%	10	—	Completed
Xinjiang	Shaya Jingxin	20	Sept. 2013	9.8	1	100%	20	160	Completed
Xinjiang	Wusu Zhongjing PV	20	4 th Quarter 2013	9.1	1	100%	20	—	Under Construction
Xinjiang	Alaer JinkoSolar	20	4 th Quarter 2013	9.9	1	100%	20	—	Under Construction
Gansu	Gansu Jintai Electric II	100	4 th Quarter 2013	9.2	1	28%	28	—	Under Construction
Xinjiang	Bohu Jingjia Sunshine	20	4 th Quarter 2013	9.4	1	99.9%	20	—	Under Construction
Xinjiang	Shaya Jingxin II	20	4 th Quarter 2013	9.8	1	100%	20	—	In Preparation
Total		360					213	360	

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JINKOSOLAR HOLDING CO., LTD.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2013

Notes	For the six months ended		
	June 30, 2012	June 30, 2013	
	RMB	RMB	USD (Note 2 (z))
Revenues	2,298,072,826	2,928,288,584	477,122,004
Cost of revenues	(2,187,450,155)	(2,469,389,681)	(402,351,106)
Gross profit	110,622,671	458,898,903	74,770,898
Operating expenses:			
Selling and marketing	(168,301,398)	(211,414,549)	(34,446,924)
General and administrative	(169,206,079)	(85,344,087)	(13,905,577)
Provision for advance to suppliers	(129,843,440)	—	—
Research and development	(31,759,544)	(23,185,116)	(3,777,677)
Total operating expenses	(499,110,461)	(319,943,752)	(52,130,178)
(Loss)/Income from operations	(388,487,790)	138,955,151	22,640,720
Interest expense, net	(113,641,923)	(113,727,606)	(18,530,258)
Subsidy income	284,000	3,691,542	601,483
Exchange loss	(95,245,639)	(52,757,662)	(8,596,092)
Other (expenses)/income, net	(4,080,977)	5,984,021	975,010
Change in fair value of forward contracts	(54,170,561)	28,312,876	4,613,171
Change in fair value of convertible senior notes and capped call options	(21,688,468)	(72,225,936)	(11,768,165)
Loss before income taxes	(677,031,358)	(61,767,614)	(10,064,131)
Income tax benefit	10,290,124	202,341	32,969
Equity in losses of affiliated companies	—	(19,325,657)	(3,148,835)
Net loss	(666,741,234)	(80,890,930)	(13,179,997)
Less: Net (income)/loss attributable to the non-controlling interests	(15,110)	1,109,251	180,736
Net loss attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders	(666,756,344)	(79,781,679)	(12,999,261)
Net loss attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per share:			
Basic	(7.51)	(0.90)	(0.15)
Diluted	(7.51)	(0.90)	(0.15)
Net loss attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders per ADS:			
Basic	(30.04)	(3.60)	(0.60)
Diluted	(30.04)	(3.60)	(0.60)
Weighted average ordinary shares outstanding –			
Basic	88,759,992	88,784,426	88,784,426
Diluted	88,759,992	88,784,426	88,784,426

Each ADS represents four ordinary shares

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2013**

<u>Notes</u>	<u>For the six months ended</u>		
	<u>June 30, 2012</u>	<u>June 30, 2013</u>	
	RMB	RMB	USD
Net loss	(666,741,234)	(80,890,930)	(13,179,997)
Other comprehensive income:			(Note 2 (z))
– Foreign currency translation adjustments	473,160	6,966,090	1,135,023
Comprehensive loss	(666,268,074)	(73,924,840)	(12,044,974)
Less: comprehensive (income)/loss attributable to non-controlling interests	(15,110)	1,109,251	180,736
Comprehensive loss attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders	(666,283,184)	(72,815,589)	(11,864,238)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2012 AND JUNE 30, 2013

Notes	December 31, 2012	June 30, 2013	
	RMB	RMB	USD
			(Note 2 (z))
ASSETS			
Current assets:			
Cash and cash equivalent	279,130,015	453,254,870	73,851,284
Restricted cash	140,760,763	241,390,522	39,331,072
Short-term investments	722,461,319	1,021,495,305	166,437,792
Accounts receivable, net – related parties	105,531,368	453,962,373	73,966,561
Accounts receivable, net – third parties	1,712,685,219	1,836,099,032	299,165,613
Notes receivable	1,423,773	16,960,000	2,763,385
Advances to suppliers, net – third parties	63,552,991	99,661,078	16,238,322
Inventories	527,962,378	529,570,819	86,285,857
Forward contract receivables	12,930,159	26,301,840	4,285,502
Other receivables – related parties	5,840,380	704,022	114,710
Capped call options	—	28,101,537	4,578,736
Prepayments and other current assets	413,330,793	497,314,643	81,030,182
Total current assets	3,985,609,158	5,204,816,041	848,049,016
Non-current assets:			
Restricted cash	14,800,000	14,800,000	2,411,445
Project assets	536,391,099	770,586,996	125,555,935
Investments in affiliates	35,183,709	99,858,052	16,270,416
Property, plant and equipment, net	3,329,872,661	3,339,581,140	544,136,139
Land use rights, net	365,749,215	362,416,679	59,050,523
Intangible assets, net	6,373,598	6,508,220	1,060,420
Forward contract receivables – long-term	—	82,246	13,401
Capped call options	16,131,208	—	—
Other assets	82,209,673	100,796,550	16,423,331
Total assets	8,372,320,321	9,899,445,924	1,612,970,626
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable – a related party	30,045,245	28,611,286	4,661,793
Accounts payable – third parties	1,347,326,958	1,378,863,940	224,665,810
Notes payable	1,149,136,512	1,689,034,705	275,203,621
Accrued payroll and welfare expenses	206,425,079	217,630,168	35,459,668
Advances from third party customers	121,031,162	157,100,638	25,597,262
Income tax payables	3,275	—	—
Other payables and accruals	817,393,146	841,989,566	137,189,945
Other payables due to a related party	2,270,876	2,455,080	400,020
Forward contract payables	5,490,630	235,961	38,446
Convertible senior notes-current	—	559,057,290	91,090,248
Bonds payable and accrued interests	313,689,778	30,566,000	4,980,285
Short-term borrowings from third parties, including current portion of long-term bank borrowings	2,245,630,796	2,370,191,196	386,188,157
Total current liabilities	6,238,443,457	7,275,735,830	1,185,475,255

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2012 AND JUNE 30, 2013 – (continued)

Notes	December 31, 2012	June 30, 2013	USD (Note 2 (z))
	RMB	RMB	
Non-current liabilities:			
Long-term borrowings	167,000,000	383,000,000	62,404,275
Long-term payables	145,515	9,133,194	1,488,121
Bond payables	—	800,000,000	130,348,356
Accrued warranty costs – non-current	109,338,274	124,799,140	20,334,203
Convertible senior notes	483,581,668	—	—
Forward contract payables – long-term	—	441	72
Total liabilities	<u>6,998,508,914</u>	<u>8,592,668,605</u>	<u>1,400,050,282</u>
Commitments and contingencies			
Shareholders' equity			
Ordinary shares (US\$0.00002 par value, 500,000,000 shares authorized, 88,758,778 and 89,051,402 shares issued and outstanding as of December 31, 2012 and June 30, 2013, respectively)	13,202	13,239	2,157
Additional paid-in capital	1,524,728,796	1,531,619,511	249,555,107
Statutory reserves	179,041,258	179,041,258	29,172,167
Accumulated other comprehensive income	236,395	7,202,485	1,173,540
Treasury stock, at cost; 1,723,200 shares of ordinary shares as of December 31, 2012 and June 30, 2013	(13,875,553)	(13,875,553)	(2,260,819)
Accumulated losses	(325,021,804)	(404,803,483)	(65,956,836)
Total JinkoSolar Holding Co., Ltd. shareholders' equity	1,365,122,294	1,299,197,457	211,685,316
Non-controlling interests	8,689,113	7,579,862	1,235,028
Total Shareholders' Equity	<u>1,373,811,407</u>	<u>1,306,777,319</u>	<u>212,920,344</u>
Total liabilities and shareholders' equity	<u>8,372,320,321</u>	<u>9,899,445,924</u>	<u>1,612,970,626</u>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2013**

Note	Ordinary shares		Additional paid in capital	Statutory reserves	JinkoSolar Holding Co., shareholders' equity			Non- controlling interests	Total shareholders' equity
	Number of shares	Par value			Accumulated Other Comprehensive (loss)/income	Treasury Stock	Retained earnings		
		RMB	RMB	RMB	RMB	RMB	RMB	RMB	
Balance as of December 31, 2011	89,435,058	13,200	1,507,224,827	178,984,364	(134,611)	(8,354,423)	1,217,457,158	9,983,063	2,905,173,578
Capital contribution from non-controlling interests holder								100,000	100,000
Share-based compensation			10,216,639						10,216,639
Share repurchase	(694,280)					(5,521,130)			(5,521,130)
Foreign currency exchange translation adjustments					473,160				473,160
Net income/(loss)							(666,756,344)	15,110	(666,741,234)
Balance as of June 30, 2012	88,740,778	13,200	1,517,441,466	178,984,364	338,549	(13,875,553)	550,700,814	10,098,173	2,243,701,013
Balance as of December 31, 2012	88,758,778	13,202	1,524,728,796	179,041,258	236,395	(13,875,553)	(325,021,804)	8,689,113	1,373,811,407
Share-based compensation			4,233,211						4,233,211
Foreign currency exchange translation adjustment					6,966,090				6,966,090
Exercised of share options	292,624	37	2,657,504						2,657,541
Net loss							(79,781,679)	(1,109,251)	(80,890,930)
Balance as of June 30, 2013	89,051,402	13,239	1,531,619,511	179,041,258	7,202,485	(13,875,553)	(404,803,483)	7,579,862	1,306,777,319
Balance as of June 30, 2013 USD (Note 2(z))	89,051,402	2,157	249,555,107	29,172,167	1,173,540	(2,260,819)	(65,956,836)	1,235,028	212,920,344

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended

	June 30, 2012	June 30, 2013	
	RMB	RMB	USD
Cash flows from operating activities:			
Net loss	(666,741,234)	(80,890,930)	(13,179,997)
Change in fair value of forward contracts	93,794,848	(18,708,155)	(3,048,222)
Change in fair value of convertible senior notes	14,916,191	84,384,652	13,749,251
Change in fair value of capped call options	6,772,277	(12,158,716)	(1,981,086)
Share-based compensation charge	10,216,639	4,233,211	689,740
Depreciation of property, plant and equipment	158,696,041	160,671,713	26,179,117
Amortization of land use rights	3,199,201	2,901,481	472,754
Amortization of intangible assets	344,305	869,521	141,676
Inventories provision	164,322,362	93,889,568	15,297,939
Provision (reversal of provision) for allowance of doubtful accounts	83,042,167	(74,473,316)	(12,134,343)
Provision for advance to suppliers	129,843,440	—	—
Gains on disposal of property, plant and equipment	(390,278)	—	—
Equity in losses of affiliated companies	—	19,325,657	3,148,835
Amortization of deferred financing cost	250,000	—	—
Exchange loss/(gain)	95,245,639	52,757,662	8,596,092
Changes in operating assets and liabilities:			
Increase in accounts receivable – third parties	(370,437,888)	(89,050,890)	(14,509,546)
Increase in accounts receivable – related parties	(115,320,613)	(348,431,005)	(56,771,761)
Decrease/(Increase) in notes receivable	14,790,934	(15,536,227)	(2,531,402)
Decrease/(increase) in advances to suppliers	54,682,929	(41,617,758)	(6,781,008)
Increase in inventories	(293,205,918)	(95,498,009)	(15,560,011)
(Increase)/decrease in other receivables from related parties	(1,825,691)	5,136,358	836,895
Decrease/(Increase) in prepayments and other current assets	282,237,089	(82,402,867)	(13,426,352)
Increase in other assets	(18,673,426)	(2,972,879)	(484,387)
Increase in accounts payable	600,421,376	20,721,265	3,376,229
Increase/(Decrease) in accounts payable to a related party	68,936,282	(1,433,959)	(233,643)
(Decrease)/Increase in accrued payroll and welfare expenses	(591,816)	11,205,089	1,825,706
(Decrease)/increase in advances from third party customers	(33,787,534)	35,637,706	5,806,649
Decrease in income tax payables	(32,000,004)	(3,275)	(534)
Increase in other payables and accruals	104,234,885	31,025,614	5,055,172
Decrease in advances to suppliers to a related party	(453,784)	—	—
Net cash provided by/(use in) operating activities	352,518,419	(340,418,489)	(55,466,237)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS – (continued)

	For the six months ended		
	June 30, 2012	June 30, 2013	
	RMB	RMB	USD
Cash flows from investing activities:			
Increase in restricted cash	(67,970,007)	(48,994,108)	(7,982,877)
Purchase of property, plant and equipment	(162,781,717)	(242,238,851)	(39,469,295)
Prepayment of land use rights	(7,200)	(1,457,969)	(237,555)
Purchase of intangible assets	(2,803,253)	(1,004,143)	(163,610)
Government grants	16,053,321	31,301,500	5,100,123
Cash paid for short-term investments	(627,951,464)	(992,827,361)	(161,766,768)
Cash collected for short-term investments	494,215,034	693,793,375	113,043,532
Proceeds from disposal of property, plant and equipment	531,282	7,653,200	1,246,978
Proceeds from disposal of intangible assets	—	431,054	70,234
Cash paid for acquisition of subsidiaries	(5,584,599)	—	—
Cash paid for investments in affiliates	(7,200,000)	(84,000,000)	(13,686,577)
Cash paid for construction of project assets	(4,904,969)	(197,727,758)	(32,216,860)
Net cash used in investing activities	(368,403,572)	(835,071,061)	(136,062,675)
Cash flows from financing activities:			
Proceeds from issuance of bonds	300,000,000	800,000,000	130,348,356
Capital contributions by non-controlling interests holder	100,000	—	—
Borrowings from third parties	2,139,806,650	2,113,907,057	344,430,387
Repayment of borrowings to third parties	(1,885,056,803)	(1,769,772,608)	(288,358,687)
Decrease/(Increase) in cash restricted for notes payable	62,739,464	(51,635,651)	(8,413,278)
Increase in notes payable	33,366,530	539,898,193	87,968,552
Repayment of bonds payable	(600,000,000)	(283,123,778)	(46,130,899)
Net cash provided by financing activities	50,955,841	1,349,273,213	219,844,431
Effect of foreign exchange rate changes on cash and cash equivalents	(2,736,093)	341,192	55,592
Net increase in cash and cash equivalent	32,334,595	174,124,855	28,371,111
Cash and cash equivalents, beginning of year	433,850,961	279,130,015	45,480,173
Cash and cash equivalents, end of year	466,185,556	453,254,870	73,851,284
Supplemental disclosure of cash flow information			
Cash paid for income tax	23,818,203	22,494	3,665
Cash paid for interest expenses (net of amounts capitalized)	127,519,302	121,564,033	19,807,090
Supplemental disclosure of non-cash investing and financing cash flow information			
Purchases of property, plant and equipment included in other payables – net	278,394,383	197,546,084	32,187,259
Purchases of project assets included in other payables – net	279,641,240	221,091,288	36,023,607
Shares repurchase utilized prepayment made in prior year	5,521,130	—	—
Proceeds from exercise of share options received in subsequent year	—	2,657,541	433,008

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF OPERATIONS

JinkoSolar Holding Co., Ltd. (the “Company”) was incorporated in the Cayman Islands on August 3, 2007. On May 14, 2010, the Company became listed on the New York Stock Exchange (“NYSE”) in the United States. The Company and its subsidiaries (collectively the “Group”) are principally engaged in the design, development, production and marketing of photovoltaic products and also provide solar system integration services as well as developing commercial solar power projects.

JinkoSolar Technology Limited (“Paker”, formally known as Paker Technology Limited) was incorporated in Hong Kong as a limited liability company on November 10, 2006 by a Hong Kong citizen and a citizen of People’s Republic of China (“the PRC”), who held the investment on behalf of three PRC shareholders (the “Shareholders”) via a series of entrustment agreements. On December 16, 2008, all of the then existing shareholders of Paker exchanged their respective shares of Paker for equivalent classes of shares of the Company (the “Share Exchange”). As a result, Paker became a wholly-owned subsidiary of the Company. On December 13, 2006, Paker established Jinko Solar Co., Ltd. (“Jiangxi Jinko”) as a wholly foreign owned enterprise in Shangrao, Jiangxi province, the PRC.

In June 2009, the Company acquired 100% equity interest in Zhejiang Jinko for a total consideration of RMB100 million. The acquisition was consummated on June 30, 2009. Consequently, the Company consolidated the financial statements of Zhejiang Jinko starting from June 30, 2009. Zhejiang Jinko is a solar cell manufacturer which was also one of Jiangxi Jinko’s major solar wafer customers before the acquisition.

The following table sets forth information concerning the Company’s major subsidiaries as of June 30, 2013:

Subsidiaries	Date of Incorporation/Acquisition	Place of Incorporation	Percentage of ownership
JinkoSolar Technology Limited (“Paker”)	November 10, 2006	Hong Kong	100%
JinkoSolar International Limited (“JinkoSolar International”)	November 25, 2009	Hong Kong	100%
Jinko Solar Co., Ltd. (“Jiangxi Jinko”)	December 13, 2006	PRC	100%
Jinko Solar Import and Export Co., Ltd. (“Jinko Import and Export”)	December 24, 2009	PRC	100%
Zhejiang Jinko Solar Co., Ltd. (“Zhejiang Jinko”)	September 30, 2009	PRC	100%
Zhejiang Jinko Trading Co., Ltd. (“Zhejiang Trading”)	June 13, 2010	PRC	100%
Delingha Ruiqida Solar Power Co., Ltd. (“Delingha Solar Power”)	December 6, 2011	PRC	89%
Jiangxi Photovoltaic Materials Co., Ltd. (“Jiangxi Materials”)	December 1, 2010	PRC	100%
JinkoSolar (Switzerland) AG (“Jinko Switzerland”)	May 3, 2011	Switzerland	100%
JinkoSolar GmbH (“Jinko GmbH”)	April 1, 2010	Germany	100%
JinkoSolar (U.S.) Inc. (“Jinko US”)	August 19, 2010	USA	100%
JinkoSolar (US) Holdings Inc. (“Jinko US Holding”)	June 7, 2011	USA	100%
JinkoSolar Italy S.R.L. (“Jinko Italy”)	July 8, 2011	Italy	100%
JinkoSolar SAS (“Jinko France”)	September 12, 2011	France	100%

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF OPERATIONS – (continued)

Subsidiaries	Date of Incorporation/Acquisition	Place of Incorporation	Percentage of ownership
Jinko Solar Canada Co., Ltd (“ <i>Jinko Canada</i> ”)	November 18, 2011	Canada	100%
Jinko Solar Australia Holdings Co. Pty Ltd. (“ <i>Jinko Australia</i> ”)	December 7, 2011	Australia	100%
Gansu Longchang Solar Power Co., Ltd. (“ <i>Longchang</i> ”)	April 26, 2012	PRC	100%
Hainanzhou Zhongnan Solar Electricity Co., Ltd. (“ <i>Hainanzhou</i> ”)	July 30, 2012	PRC	90%
Shaya Jingxin Technology Co., Ltd.	December 19, 2011	PRC	100%

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of presentation and use of estimates

The accompanying unaudited condensed consolidated financial statements were prepared on a basis substantially consistent with the Company’s audited consolidated financial statements for the year ended December 31, 2012. These unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“US GAAP”) for interim financial information.

In the opinion of the Company’s management, the accompanying unaudited condensed consolidated financial statements contain all normal recurring adjustments necessary for a fair statement of the Company’s interim condensed consolidated financial statements as of and for the six months ended June 30 2012 and June 30, 2013. The year-end condensed balance sheet data as of December 31, 2012 was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements and related notes as of and for the year ended December 31, 2012.

The preparation of unaudited interim condensed consolidated financial statements in conformity with US GAAP requires the Company’s management to make estimates and assumptions that affect the amounts reported and related disclosures. Actual results could materially differ from these estimates. The Group bases its estimates on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Significant accounting estimates reflected in the Company’s unaudited interim condensed consolidated financial statements include allowance for doubtful receivables, provision for inventories and advances to suppliers, impairment of long-lived assets, the economic useful lives of property, plant and equipment and intangible assets, assumptions used to measure impairment of goodwill, property, plant and equipment, project assets and intangible assets, certain accrued liabilities including accruals for warranty costs, accounting for share-based compensation, fair value measurements, legal contingencies, and income taxes and related tax valuation allowance, and the assessment of going concern assumption as discussed below.

The Company has negative working capital at June 30, 2013. Management believes that the Company’s current cash position as of June 30, 2013, the cash expected to be generated from operations and funds available from borrowings under the bank quotas will be sufficient to meet the Company’s operation needs for at least the next twelve months from June 30, 2013. However, given that certain bank borrowings and bonds are due within the near term future (Note 15), and possible exercise of the put option of the convertible senior notes on May 15, 2014 (Note 17), sufficient funds may not be available to the Company. Accordingly,

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES – (continued)

the Company may need to reduce discretionary spending and raise additional funds through public or private equity or debt financing. Any additional equity financing may be dilutive to stockholders and debt financing, if available, may involve covenants that would restrict the Company. Additional funds may not be available on terms favourable to the Company or at all. Failure to manage discretionary spending or raise additional capital or debt financing as required may adversely impact the Company's ability to achieve its intended business objectives. The Company believes, although it is not certain, that it will be able to maintain compliance with the convertible senior notes covenants including the put option of the notes on May 15, 2014 to repurchase the notes (Note 17) and repay short term borrowings and other liabilities as those become due for at least the next twelve months from June 30, 2013, and as such, these financial statements are prepared under the going concern assumption which contemplates the realization of assets and the liquidation of liabilities in the ordinary course of business.

There have been no significant changes in our accounting policies during the six months ended June 30, 2013, as compared to the significant accounting policies described in our Annual Report on Form 20-F for the year ended December 31, 2012.

b. Consolidation

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant transactions and balances among the Company and its subsidiaries have been eliminated upon consolidation.

For the Company's majority-owned subsidiaries, non-controlling interests is recognized to reflect the portion of their equity which is not attributable, directly or indirectly, to the Group.

c. Foreign currency translation

The Group's reporting currency is the Renminbi ("RMB"), the official currency in the PRC. The Company and certain subsidiaries use RMB as their functional currency. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates quoted by the People's Bank of China (the "PBOC") prevailing at the dates of the transactions. Gains and losses resulting from foreign currency transactions are included in the consolidated statements of operations. Monetary assets and liabilities denominated in foreign currencies are translated into RMB using the applicable exchange rates quoted by the PBOC at the applicable balance sheet dates. All such exchange gains or losses are included in exchange loss in the consolidated statements of operations.

For consolidation purpose, the financial statements of the Company's subsidiaries whose functional currencies are other than the RMB are translated into RMB using exchange rates quoted by PBOC. Assets and liabilities are translated at the exchange rates at the balance sheet date, equity accounts are translated at historical exchange rates and revenues, expenses and gains and losses are translated using the average exchange rates for the year. Translation adjustments are reported as cumulative translation adjustments and are shown as a separate component of in accumulated other comprehensive income in the consolidated statement of comprehensive income/(loss).

The RMB is not a freely convertible currency. The PRC State Administration for Foreign Exchange, under the authority of the People's Bank of China, controls the conversion of RMB into foreign currencies. The value of the RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in China's foreign exchange trading system market.

d. Cash and cash equivalents

Cash and cash equivalents represent cash on hand and demand deposits placed with banks or other financial institutions, which have original maturities of three months or less.

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES – (continued)

e. Restricted cash

Restricted cash represents deposits legally held by a bank which are not available for the Group's general use. These deposits are held as collateral for issuance of letters of credit, letters of guarantee and bank acceptance notes to vendors for purchase of machinery, inventory, and forward contracts.

f. Short-term investments

Short-term investments represent the bank time deposits with original maturities longer than three months and less than one year.

g. Accounts receivable

Specific provisions are made against accounts receivable for estimated losses resulting from the inability of the Group's customers to make payments. The Group periodically assessed accounts receivable balances to determine whether an allowance for doubtful accounts should be made based upon historical bad debts, specific customer creditworthiness and current economic trends. Accounts receivable in the balance sheets are stated net of such provision, if any. Before approving sales to each customer, the Group conducts a credit assessment for each customer to evaluate the collectability of such sales. The assessment usually takes into consideration the credit worthiness of such customer and its guarantor, if any, the Group's historical payment experience with such customer, industry-wide trends with respect to credit terms, including the terms offered by competitors, and the macro-economic conditions of the region to which sales will be made. The Group will execute a sales order with a customer and arrange for shipment only if its credit assessment concludes that the collectability with such customer is reasonably assured. The Group may also from time to time require security deposits from certain customers to minimize its credit risk. After the sales are made, the Group closely monitors the credit situation of each customer on an on-going basis for any subsequent change in its financial position, business development and credit rating, and will evaluate whether any of such adverse change warrants further action to be taken by the Group, including asserting claims and/or initiating legal proceedings against the customer and/or its guarantor, as well as making provisions. It is also the Group's general practice to suspend further sales to any customer with significant overdue balances. The receivable from insurance is only recorded when insurance claim has been submitted to the insurance company and been accepted and acknowledged by the carrier and recovery is considered reasonably assured. Upon recording the recovery, the bad debt expense is reduced.

h. Short-term and long-term advances to suppliers

The Group provides short-term and long-term advances to secure its raw material needs, which are then offset against future purchases. The Group continually assesses the credit quality of its suppliers and the factors that affect the credit risk. If there is deterioration in the creditworthiness of its suppliers, the Group will seek to recover its advances to suppliers and provide for losses on advances which are akin to receivables in operating expenses because of suppliers' inability to return its advances. Recoveries of the allowance for advances to supplier are recognized when they are received. The Company classified short-term and long-term advances to suppliers based on management's best estimate of the expected purchase in the next twelve-months as of the balance sheet date and the Group's ability to make requisite purchases under existing supply contracts. The balances expected to be utilized outside of the 12 months are recorded in advances to suppliers to be utilized beyond one year. A provision of advance to suppliers of RMB129,843,440 and nil was recorded for the six months ended June 30, 2012 and 2013, respectively.

i. Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the weighted average method. Provisions are made for excess, slow moving and obsolete inventories as well as for inventories with carrying values in excess of market. Certain factors could impact the realizable value of inventory, so the

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES – (continued)

Group continually evaluates the recoverability based on assumptions about customer demand and market conditions. The evaluation may take into consideration historical usage, expected demand, anticipated sales price, new product development schedules, the effect new products might have on the sale of existing products, product obsolescence, customer concentrations, and other factors. The reserve or write-down is equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory reserves or write-downs may be required that could negatively impact the Group's gross margin and operating results. If actual market conditions are more favorable, the Group may have higher gross margin when products that have been previously reserved or written down are eventually sold. The sale of previously reserved inventory did not have a material impact on our gross margin percentage for any of the years presented.

In addition, the Group analyzes its firm purchase commitments, which currently consist primarily of the fixed price polysilicon supplier agreements, at each period end. Provision is made in the current period when the anticipated inventories cost from future execution of such supplier agreement is in excess of market. There was no loss provision recorded related to these long-term contracts for each of the six months ended June 30, 2012 and 2013.

j. Property, plant and equipment

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

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

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

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

k. Project assets

Project assets consist primarily of costs relating to construction of solar power plants at various stages of development. These costs include costs for land and costs for developing and constructing a PV solar power plant. Upon completion of development and connection of the solar power plants, income generated from connection to the grid is recognized as revenue and the project assets are amortized over the expected life of 20 years.

l. Land use rights

Land use rights represent fees paid to obtain the right to use land in the PRC. Amortization is computed using the straight-line method over the terms specified in land use right certificates of 50 years or 70 years, as applicable.

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES – (continued)

m. Intangible assets

Intangible assets include purchase software and fees paid to register trademarks and are amortized on a straight-line basis over their estimated useful lives, which are 5 and 10 years, respectively.

n. Business combination

The Group accounts for business combinations using the acquisition method of accounting. This method requires that the acquisition consideration to be allocated to the assets, including separately identifiable intangible assets, and the liabilities that the Company acquires based on their estimated fair values. The Group makes estimates and judgments in determining the fair value of the acquired assets and liabilities based on its experience with similar assets and liabilities in similar industries. If different judgments or assumptions were used, the amounts assigned to the individual acquired assets or liabilities could be materially different.

o. Investments in affiliates

The Group holds equity investments in affiliates for which it does not have a controlling financial interest, but has the ability to exercise significant influence over the operating and financial policies of the investee. These investments are accounted for under equity method of accounting wherein the Group records its proportionate share of the investees' income or loss in its consolidated financial statements.

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

p. Impairment of long-lived assets

The Group's long-lived assets include property, plant and equipment, project assets and other intangible assets with finite lives. The Group's business requires heavy investment in manufacturing equipment that is technologically advanced, but can quickly become significantly under-utilized or rendered obsolete by rapid changes in demand for solar power products produced with those equipment.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. Factors considered important that could result in an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of acquired assets and significant negative industry or economic trends. The Group may recognize impairment of long-lived assets in the event the net book value of such assets exceeds the future undiscounted cash flows attributable to these assets. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss, if any, is recognized for the difference between the fair value of the asset and its carrying value. Fair value is generally measured based on either quoted market prices, if available, or discounted cash flow analyses.

q. Leases

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

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES – (continued)

r. Revenue recognition

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

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

The Group enters into certain sales contracts with retainage terms since the second half of 2012, under which customers were allowed to withhold payment of 5% to 10% of the full contract price as retainage after a specified period which generally range from one year to two years (the “Retainage Period”). Given the limited experience the Group has with respect to the collectability of the retainage, the Group defers recognition of the retainage as revenue until the customers pay it after the Retainage Period expires. As of June 30, 2013, the total amounts of retainage that were not recognized as revenue were RMB146,881,372.

The Group provides solar power product processing services to customers and the revenue of processing services is recognized upon completion which is generally evidenced by delivery of processed products to the customers.

The Company recognizes revenue related to solar system integration projects on the percentage-of-completion method. The Company estimates its revenues by using the cost-to-cost method, whereby it derives a ratio by comparing the costs incurred to date to the total costs expected to be incurred on the project. The Company applies the ratio computed in the cost-to-cost analysis to the contract price to determine the estimated revenues earned in each period. When the Company determines that total estimated costs will exceed total revenues under a contract, it records a loss accordingly.

The Company recognized income from generated electricity as revenue upon completion of development and connection of the solar power plant to the grid.

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

In the PRC, value added tax (“VAT”) at a general rate of 17% on invoice amount is collected on behalf of tax authorities in respect of the sales of product and is not recorded as revenue. VAT collected from customers, net of VAT paid for purchases, is recorded as a liability until it is paid to the tax authorities.

s. Warranty Cost

Solar modules produced by the Group are typically sold with either a 2-year or 5-year warranty for product defects, and a 10-year and 25-year warranty against declines of more than 10% and 20%, respectively, from the initial minimum power generation capacity at the time of delivery. Therefore, the Group is exposed to potential liabilities that could arise from these warranties. The potential liability is generally in the form of product replacement or repair.

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES – (continued)

Due to limited warranty claim history, the Group estimates warranty costs based on an assessment for its competitors' history while incorporating estimates of failure rates through its quality review. Consequently, the Group accrues the equivalent of 1% of gross revenues as a warranty liability to accrue the estimated cost of its warranty obligations. Actual warranty costs incurred for warranty claims by customers are recorded in and charged against the accrued warranty liability. To the extent that actual warranty costs differ from the estimates, the Group will prospectively revise its accrual rate.

We purchase warranty insurance policy which provides coverage for the product warranty services of our solar modules worldwide. Prepayment for warranty insurance premium is initially recorded as other assets and is amortized over the insurance coverage period. Prepayment for warranty insurance premium is not recorded as reduction of estimated warranty liabilities. Once the Company receives insurance recoveries, warranty expenses will be credited. The accrual for warranty cost as of December 31, 2012 and June 30, 2013 was RMB130,517,641 and RMB 168,805,500, respectively. The warranty costs were classified as current liabilities under other payables and accruals, and non-current liabilities under accrued warranty costs — non-current, respectively, which reflect our estimate of the timing of when the warranty expenditures will likely be made. For the six months ended June 30, 2012 and 2013, warranty cost expenses were RMB20,169,409 and RMB27,732,389, respectively. The utilization of the warranty accruals for the six months ended June 30, 2012 and 2013 were RMB5,074,917 and RMB1,177,855.

t. Income taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and any tax loss and tax credit carry forwards. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates or tax laws is recognized in the consolidated statements of operations in the period the change in tax rates or tax laws is enacted. A valuation allowance is provided to reduce the amount of deferred income tax assets if it is considered more likely than not that some portion or all of the deferred income tax assets will not be realized.

The accounting for uncertain tax positions requires that the Company recognizes in the consolidated financial statements the impact of an uncertain tax position, if that position is more likely than not of being sustained upon examination, based on the technical merits of the position. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Group's policy is to recognize, if any, tax related interest as interest expenses and penalties as general and administrative expenses. The Group did not have any interest and penalties associated with uncertain tax positions in the six months ended June 30, 2012 and 2013, as there were no uncertain tax positions.

u. Fair value of financial instruments

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

When available, the Company measures the fair value of financial instruments based on quoted market prices in active markets, valuation techniques that use observable market-based inputs or unobservable inputs that are corroborated by market data. Pricing information the Company obtains from third parties is internally

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES – (continued)

validated for reasonableness prior to use in the consolidated financial statements. When observable market prices are not readily available, the Company generally estimates the fair value using valuation techniques that rely on alternate market data or inputs that are generally less readily observable from objective sources and are estimated based on pertinent information available at the time of the applicable reporting periods. In certain cases, fair values are not subject to precise quantification or verification and may fluctuate as economic and market factors vary and the Company's evaluation of those factors changes. Although the Company uses its best judgment in estimating the fair value of these financial instruments, there are inherent limitations in any estimation technique. In these cases, a minor change in an assumption could result in a significant change in its estimate of fair value, thereby increasing or decreasing the amounts of the Company's consolidated assets, liabilities, equity and net income.

The Company's financial instruments consist principally of cash and cash equivalents, restricted cash, short-term investments, accounts and notes receivable, forward contract receivable, other receivables, prepayments and other current assets, capped call options, accounts and notes payable, other payables and accruals, forward contract payables, bonds payable, short-term borrowings, long-term borrowings, guarantee liabilities and convertible senior notes.

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

v. Government grants

Government grants related to technology upgrades and enterprise development are recognized as subsidy income when received. These subsidies were non-recurring, not refundable and with no conditions, including none related to specific use or disposition of the funds, attached. Such amounts were recorded as subsidy income in the consolidated statements of operations. There are no defined rules and regulations to govern the criteria necessary for companies to enjoy such benefits and the amount of financial subsidy is determined at the discretion of the relevant government authorities.

Government grants related to assets are initially recorded as other payables and accruals which are then deducted from the carrying amount when the assets are ready for use.

w. Earnings/(Loss) per share

Basic earnings(loss) per share is computed by dividing net income(loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights. Diluted earnings(loss) per share is calculated by dividing net income(loss) attributable to ordinary shareholders, as adjusted for the change in income or loss as result from the assumed conversion of those participating securities, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary share equivalents consist of the ordinary shares issuable upon the conversion of the convertible senior notes (using the if-converted method) and ordinary shares issuable upon the exercise of outstanding share options (using the treasury stock method). Potential dilutive securities are not included in the calculation of dilutive earnings per share if the effect is anti-dilutive.

x. Share based compensation

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

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. PRINCIPAL ACCOUNTING POLICIES – (continued)

y. Other comprehensive income/(loss)

Other comprehensive income/(loss) is defined as the change in equity during a period from non-owner sources. The Company's other comprehensive income/(loss) for each period presented is comprised of foreign currency translation adjustment of the Company's foreign subsidiaries whose assets and liabilities are translated from their respective functional currencies at exchange rates in effect at the balance sheet date, and revenues and expenses are translated at average exchange rates prevailing during the applicable period.

z. Convenience translation

Translations of amounts from RMB into United States dollars ("US\$" or "USD") are solely for the convenience of readers and were calculated at the rate of RMB6.1374 to US\$1.00, the noon buying rate in effect on June 28, 2013, as set forth in the H.10 statistical release of the Federal Reserve Board. No representation is intended to imply that the RMB amounts could have been, or could be, converted, realized or settled into US\$ at that rate on June 28, 2013, or at any other rate.

aa. Investments

Investments in entities where the Group does not have a controlling financial interest, but have the ability to exercise significant influence over the operating and financial policies of the investee, are accounted for using the equity method of accounting. Under the equity method of accounting, the Group's share of the investee's results of operations is included in equity gain/(loss) for the investee in the Group's consolidated statements of operations. Unrealized gains on transactions between the Company and the equity method investees are eliminated to the extent of the Group's interest in the investees, if any; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

On December 20, 2012, JinkoSolar has signed a strategic cooperation agreement with Jinchuan Group Co., Ltd. ("Jinchuan Group"), a Chinese state-owned enterprise, to jointly invest and establish a Company ("Gansu Jintai" or "investee"), to develop 200 MW photovoltaic ("PV") solar power plant in Jinchang, Gansu Province, China. The Group held 28% equity interest in Gansu Jintai and accounts for its investment in Gansu Jintai using the equity method as the Group has the ability to exercise significant influence over the operating and financial policies of the investee. The Group's share of Gansu Jintai's results of operations is included in equity gain/(loss) in affiliated companies in the Group's consolidated statements of operations.

ab. Recent accounting pronouncements

In December 2011, the FASB issued ASU 2011-11, Balance Sheet (Topic 210), "*Disclosures about Offsetting Assets and Liabilities*" (ASU 2011-11). This newly issued accounting standard requires an entity to disclose both gross and net information about instruments and transactions eligible for offset in the statements of financial position as well as instruments and transactions executed under a master netting or similar arrangement and was issued to enable users of financial statements to understand the effects or potential effects of those arrangements on their financial position. This ASU is required to be applied retrospectively and is effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013. The adoption of this standard did not have an impact on the Group's financial statements.

In July 2012, the FASB issued ASU 2012-02, Intangibles — Goodwill and Other (Topic 350), *Testing Indefinite-Lived Intangible Assets for Impairment*. ASU 2012-02 gives companies an option to first assess qualitative factors to determine whether the existence of events and circumstances indicate it is more-likely-than-not that an indefinite-lived intangible asset is impaired. If based on its qualitative assessment, a company concludes that it is more-likely-than-not that the fair value of an indefinite-lived intangible asset is less than its carrying amount, quantitative impairment testing is required. However, if a company concludes otherwise, quantitative impairment testing is not required. ASU 2012-02 is effective for annual and interim

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2. PRINCIPAL ACCOUNTING POLICIES – (continued)

impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The adoption of this accounting standard in the first quarter of 2013 did not have an impact on the Group's financial statements.

In February 2013, the FASB issued ASU 2013-02, “*Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*”. This update does not change the current requirements for reporting net income or other comprehensive income in financial statements. However, this update requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. This update is effective prospectively for reporting periods beginning after December 15, 2012 for public entities. The adoption of this Update beginning on January 1, 2013 did not have an impact on the Group's financial statements.

3. REVENUES

The Group's revenues for the respective periods are detailed as follows:

	For the six months ended	
	June 30, 2012	June 30, 2013
	RMB	RMB
Sales of solar modules	1,873,841,276	2,737,828,405
Sales of silicon wafers	255,779,910	45,211,453
Sales of solar cells	40,301,328	77,418,604
Sales of silicon ingots	1,200,480	1,181,527
Sales of recovered silicon materials	270,406	1,426,614
Processing service fees	126,035,805	46,122,523
Solar system integration projects	—	201,056
Revenue from generated electricity	—	6,963,246
Others	643,621	11,935,156
Total	2,298,072,826	2,928,288,584

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUES – (continued)

The Group operates in a single business segment that includes the design, development, and manufacture of PV products, solar system integration projects as well as developing commercial solar power projects. The following table summarizes the Group's net revenues generated from sales of products and provision of processing services and solar system integration projects in respective geographic locations:

	For the six months ended	
	June 30, 2012	June 30, 2013
	RMB	RMB
Inside China (including Hong Kong and Taiwan)	538,298,748	1,339,089,256
Outside China		
Germany	886,804,925	444,629,786
Singapore	—	328,517,199
India	24,190,638	191,029,983
South Africa	—	157,618,556
France	24,856,196	152,887,198
Rest of the world	823,922,319	314,516,606
Total	2,298,072,826	2,928,288,584

TAXATION

The Company and its subsidiaries file separate income tax returns.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on its income or capital gains. In addition, upon any payment of dividends by the Company, no Cayman Islands withholding tax is imposed.

People's Republic of China

On March 16, 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") with effective on January 1, 2008. The CIT Law enacted a statutory income tax rate of 25%. As foreign invested enterprises, Jiangxi Jinko and Zhejiang Jinko are entitled to a two year tax exemption from CIT and a 50% CIT reduction for the succeeding three years thereafter. Jiangxi Jinko and Zhejiang Jinko are each subject to CIT rate of 12.5% starting from year 2010 to year 2012. Zhejiang Jinko was designated by relevant local authorities as a "High and New Technology Enterprise" under the EIT Law, and it is subject to a preferential tax rate of 15% for the years ended December 31, 2013 and 2014.

Additionally, under the CIT Law, 10% withholding income tax ("WHT") will be levied on foreign investors for dividend distributions from foreign invested enterprises' profit earned after January 1, 2008. For certain treaty jurisdictions such as Hong Kong which has signed double tax arrangement with the PRC, the applicable WHT rate could be reduced to 5% if foreign investors directly hold at least 25% shares of invested enterprises at any time throughout the 12-month period preceding the entitlement to the dividends and they are also qualified as beneficial owners to enjoy the treaty benefit.

Hong Kong

The Company's subsidiaries established in Hong Kong, Paker and JinkoSolar International, are subject to Hong Kong profit tax at a rate of 16.5% on its assessable profit.

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUES – (continued)

European Countries

Jinko Switzerland is incorporated in Switzerland and according to its current business model where it employs limited staff and generates income exclusively from trading activities conducted outside Switzerland, is subject to a combined federal, cantonal and communal tax rate of 8.62% in 2012.

Jinko GMBH is incorporated in Germany and is subject to Germany profit tax rate of approximately 33% on the assessable profit.

Jinko Italy is incorporated in Italy and is subject to corporate income tax at 31.4%.

United States

Both Jinko US and Jinko US Holding are incorporated in Delaware, the United States. Jinko US and Jinko US Holding do not conduct any business in Delaware, thus, they are not subject to Delaware State income tax. Jinko US conducts business in California. It is subject to a progressive federal corporate income tax from 15% to 35% and California state income tax of 8.84%, which is deductible for federal income tax purpose.

Canada

Jinko Canada is incorporated in Canada and is subject to a federal corporate income tax of 15% and provinces and territories income tax of 11%.

Australia

Jinko Australia is incorporated in Australia and is subject to corporate income tax at 30%.

The current and deferred positions of income tax benefit included in the consolidated statement of operations for the six months ended June 30, 2012 and 2013 are as follows:

	For the six months ended	
	June 30, 2012	June 30, 2013
	RMB	RMB
Current income tax benefit	10,290,124	202,341
Deferred income (expense)/benefit	—	—
Income tax benefit	<u>10,290,124</u>	<u>202,341</u>

The Company adopted ASC 740-270 approach for interim period tax computation and reporting. As of June 30, 2012 and 2013, full valuation allowances were provided against deferred tax assets because it was more likely than not that such portion of deferred tax will not be realized based on the future taxable incomes of all its subsidiaries.

In the six months ended June 30, 2012, the Company recorded an out-of-period adjustment of income tax benefit amounted to RMB12,146,071 resulting from income tax filing difference for two PRC entities, which should have been recorded in the year ended December 31, 2011. The originating amount in 2011 was not material to the 2011 consolidated financial statements, nor was the out of period adjustment recorded in the six months ended June 30, 2012 material to the condensed consolidated financial statements for the six month period then ended or the year ended December 31, 2012.

4. SHORT-TERM INVESTMENTS

Short-term investments included term deposits with original maturity of more than 3 months. The carrying value of term deposits approximated their fair value because such deposits bear market interest rates and have short period of maturity.

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SHORT-TERM INVESTMENTS – (continued)

As of December 31, 2012 and June 30, 2013, term deposits with amount of RMB 40,665,079 and RMB14,100,000 were held as collateral for issuance of bank acceptance notes to vendors for purchase of raw materials.

5. ACCOUNTS RECEIVABLE, NET — THIRD PARTIES

Accounts receivable consisted of the following:

	<u>2012</u>	<u>2013</u>
	<u>December 31</u>	<u>June 30</u>
	<u>RMB</u>	<u>RMB</u>
Accounts receivables	2,386,356,664	2,395,095,979
Allowance for doubtful accounts	(673,671,445)	(558,996,947)
Accounts receivable, net	<u>1,712,685,219</u>	<u>1,836,099,032</u>

Movement of allowance of doubtful accounts

	<u>For the six months ended</u>	
	<u>June 30, 2012</u>	<u>June 30, 2013</u>
	<u>RMB</u>	<u>RMB</u>
At beginning of year	179,746,165	673,671,445
Addition	134,193,921	68,986,180
Write-off	—	(40,201,182)
Reversal	(51,151,754)	(143,459,496)
As of June 30	<u>262,788,332</u>	<u>558,996,947</u>

The Group assesses creditworthiness of customers before granting any credit terms. This assessment is primarily based on reviewing of customer’s financial statements and historical collection records, discussion with customers’ senior management, and reviewing of information provided by third parties, such as Dun & Bradstreet and the insurance company that ultimately insures the Group against customer credit default. Reversal represents cash collection received subsequently.

6. ADVANCES TO THIRD PARTY SUPPLIERS

Advances to third party suppliers consisted of the following:

	<u>2012</u>	<u>2013</u>
	<u>December 31</u>	<u>June 30</u>
	<u>RMB</u>	<u>RMB</u>
Advances to suppliers – current	67,582,991	103,691,078
Advances to suppliers – noncurrent	223,043,440	223,043,440
Total	290,626,431	326,734,518
Provision for advances to suppliers	(227,073,440)	(227,073,440)
Advances to suppliers, net	<u>63,552,991</u>	<u>99,661,078</u>

The Group’s advance payments to suppliers for purchase contracts with term of more than one year were made to two major suppliers, Hoku Materials, Inc. (“Hoku”), a fully owned subsidiary of Hoku Corporation (formerly known as “Hoku Scientific, Inc.”) and Wuxi ZhongCai Technologies Co., Ltd., (“Wuxi Zhongcai”), respectively. The Group previously entered into long-term polysilicon supply agreements with each of Hoku and Wuxi Zhongcai. As a result of continuing significant decline in the polysilicon purchase price and the adverse developments in those suppliers’ operations during 2012, including the suspension of their productions, the Group made full provision of RMB223,043,440 for the full outstanding balances of advance payments made to those two suppliers under long-term polysilicon supply contracts during the year ended December 31, 2012. No provision for advance to suppliers was made in the six months ended June 30, 2012 and 2013.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. ADVANCES TO THIRD PARTY SUPPLIERS – (continued)

As of June 30, 2013, advances to suppliers mainly represent term of less than 1 year payments for procurement of recoverable silicon materials, virgin polysilicon and solar cells and the Group has delivery plan with the respective suppliers to receive the materials in the next twelve months.

7. INVENTORIES

Inventories consisted of the following:

	<u>2012</u>	<u>2013</u>
	<u>December 31</u>	<u>June 30</u>
	<u>RMB</u>	<u>RMB</u>
Raw materials	80,712,251	154,779,442
Work-in-progress	92,719,649	69,891,523
Finished goods	354,530,478	304,899,854
Total	<u>527,962,378</u>	<u>529,570,819</u>

Write-down of the carrying amount of inventory to its estimated market value was RMB164,322,362 and RMB93,889,568 for the six months ended June 30, 2012 and 2013, respectively, and were recorded as cost of revenues in the consolidated statements of operations.

As of June 30, 2013, Jiangxi Jinko had short-term bank borrowings of RMB90,000,000 that were collateralized by inventories totalling RMB241,000,000.

8. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets consisted of the following:

	<u>2012</u>	<u>2013</u>
	<u>December 31</u>	<u>June 30</u>
	<u>RMB</u>	<u>RMB</u>
Value-added tax deductible	209,695,401	290,906,004
Prepayment for share repurchase	25,963,848	25,523,027
Employee advances	12,069,024	20,205,298
Prepaid service fees	6,479,850	3,762,464
Prepaid rent and others	2,800,420	11,274,089
Advances recoverable from supplier	9,224,859	4,243,019
Prepaid insurance premium	8,398,332	10,373,010
Prepaid advertising fee and sponsorship	361,635	357,779
Prepayment for income tax	6,390,847	6,612,407
Employee loans	1,591,650	1,591,650
Deposits for customs duty, rental and open bidding for solar projects	46,450,079	47,533,469
Deferred charges	910,065	910,065
Receivable from insurance company	81,388,706	71,364,821
Option exercised receivables		2,657,541
Others	1,606,077	—
Total	<u>413,330,793</u>	<u>497,314,643</u>

Value-added tax deductible represented the balance that the Group can utilize to deduct its value-added tax liability within the next 12 months.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. PREPAYMENTS AND OTHER CURRENT ASSETS – (continued)

As of June 30, 2013, all of the employee advances were business related, interest-free, not collateralized and will be repaid or settled within one year from the respective balance sheet dates.

Receivable from insurance company represented the insurance compensation which the Group has claimed with the insurance company that insures the Group against customer credit default and the collection of receivable is reasonably assured.

9. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment and related accumulated depreciation are as follows:

	<u>2012</u>	<u>2013</u>
	<u>December 31</u>	<u>June 30</u>
	<u>RMB</u>	<u>RMB</u>
Buildings	507,989,849	613,070,233
Machinery and equipment	3,307,235,601	3,470,868,383
Motor vehicles	22,609,244	21,904,283
Furniture, fixture and office equipment	45,729,731	46,538,605
	<u>3,883,564,425</u>	<u>4,152,381,504</u>
Less: Accumulated depreciation	(732,881,877)	(893,553,591)
Less: Impairment	(70,260,894)	(70,260,894)
Subtotal	3,080,421,654	3,188,567,019
Construction in progress	249,451,007	151,014,121
Property, plant and equipment, net	<u>3,329,872,661</u>	<u>3,339,581,140</u>

Depreciation expense was RMB158,696,041 and RMB160,671,713 for the six months ended June 30, 2012 and 2013, respectively.

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

Impairment of RMB 70,260,894 related to the retirement of certain equipment in the wafer and cell production line that had become obsolete.

There was no impairment provision recorded in the six months ended June 30, 2012 and 2013.

As of June 30, 2013, property, plant and equipment with net book value amounting to RMB861,879,435 are pledged as collateral for the Group's short-term and long-term borrowings of RMB310,000,000 and RMB133,000,000, respectively.

10. PROJECT ASSETS

Project assets consist primarily of costs relating to construction of solar power plants at various stages of development. These costs include costs for land and costs for developing and constructing a PV solar power plant. While the project assets are not constructed for any specific customers, the Group intends to sell the project assets upon their completion. Upon completion of development and connection of the solar power plant, income generated from connection to the grid is recognized as revenue and the project assets are amortized over the expected life of 20 years.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

10. PROJECT ASSETS – (continued)

As of December 31, 2012 and June 30, 2013 the balances of project assets was RMB536,391,099 and RMB770,586,996, respectively. As of December 31, 2012 and June 30, 2013, RMB 349,485,131 and RMB494,250,952 of project assets have been completed and connected to the grid. The revenue from connection to the grid for the six months ended June 30, 2012 and 2013 is nil and RMB6,963,246, respectively.

11. LAND USE RIGHTS, NET

Land use rights represent fees paid to the government to obtain the rights to use certain lands over periods of 50 or 70 years, as applicable, in the PRC.

	<u>2012</u>	<u>2013</u>
	<u>December 31</u>	<u>June 30</u>
	<u>RMB</u>	<u>RMB</u>
Land use rights	386,909,459	386,909,060
Less: accumulated amortization	(21,160,244)	(24,492,381)
Land use rights, net	<u>365,749,215</u>	<u>362,416,679</u>

Amortization expense was RMB3,199,201 and RMB2,901,481 for the six months ended June 30, 2012 and 2013, respectively. As of June 30, 2013, estimated amortization expense in each of the next five years is RMB6,664,272.

As of June 30, 2013, land use rights with net book value amounting to RMB231,558,138 are pledged as collateral for the Group's short-term and long-term borrowings of RMB511,000,000 and RMB137,000,000, respectively.

12. OTHER ASSETS

Other assets consisted of the following:

	<u>2012</u>	<u>2013</u>
	<u>December 31</u>	<u>June 30</u>
	<u>RMB</u>	<u>RMB</u>
Prepayments for purchase of property, plant and equipment	36,411,466	50,567,494
Prepayments for land use right	—	1,457,968
Prepayment for warranty insurance premium	44,228,323	42,259,197
Prepaid service fee – non-current portion	1,114,886	310,739
Others	454,998	6,201,152
Total	<u>82,209,673</u>	<u>100,796,550</u>

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. OTHER PAYABLES AND ACCRUALS

Other payables and accruals consisted of the following:

	<u>2012</u>	<u>2013</u>
	<u>December 31</u>	<u>June 30</u>
	<u>RMB</u>	<u>RMB</u>
Payables for purchase of property, plant and equipment	253,431,693	197,546,084
Payables for project assets	184,623,149	221,091,288
Government grants related to assets	181,160,000	209,310,000
Value-added tax and other tax payable	26,545,382	8,115,250
Freight payables	28,799,192	42,866,281
Accrued utilities, rentals and interest	35,204,650	27,368,223
Contracted labor fee	19,593,436	22,631,804
Accrued warranty cost	21,179,367	44,006,360
Commission payables	2,020,242	12,947,503
Accrued professional service fees	13,844,655	10,682,316
Others	50,991,380	45,424,457
Total	<u>817,393,146</u>	<u>841,989,566</u>

The government grant related to assets was under Golden Sun Program which was sponsored by China's Ministry of Finance, Ministry of Science and Technology, the National Energy Administration of the National Development and Reform Commission, and the Ministry of Housing and Urban-Rural Development. Jiangxi Jinko and Zhejiang Jinko were granted by the government for the construction of solar power generation facilities under the project. These grants will be deducted from the carrying amount when the assets are ready for use.

14. BONDS PAYABLE AND ACCRUED INTEREST

On January 14, 2011, Jiangxi Jinko issued short-term bonds with a principal amount of RMB300,000,000 which bears interest at the rate of 5.28% per annum, and the bond was repaid on January 14, 2012. On March 24, 2011, Jiangxi Jinko issued short-term bonds with a principal amount of RMB300,000,000 which bears interest at the rate of 5.6% per annum, and the bond was repaid on March 23, 2012. On July 11, 2011, Jiangxi Jinko issued short-term bonds with a principal amount of RMB400,000,000 which bears interest at the rate of 6.5% per annum, and the bond was repaid on July 11, 2012.

On April 24, 2012, Jiangxi Jinko issued short-term bonds with a principal amount of RMB300,000,000 which bears interest at the rate of 6.3% per annum, and the bond was subsequently repaid on April 23, 2013.

On January 29, 2013, the Group issued six-year bonds with an aggregate principal amount of RMB800,000,000 which bears a fixed annual interest rate of 8.99% and will mature on January 29, 2019. At the end of the third year in the life of the bonds, the Group has the option to raise the interest rate by up to 100 basis points, and the bondholders will have the right to require the Company to repurchase all or part of their bonds, at such time. The bonds are recorded on amortized cost basis with the interest rate of 8.99%. Interest expense related to the bonds was RMB 30,366,222 in the six months ended June 30, 2013.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. BORROWINGS

(a) Short-term borrowings

	2012	2013
	December 31	June 30
	RMB	RMB
Short-term bank borrowings	1,917,630,796	2,087,191,196
Long-term bank borrowings – current portion	328,000,000	283,000,000
Total short-term borrowings	2,245,630,796	2,370,191,196

(b) Long-term borrowings

	2012	2013
	December 31	June 30
	RMB	RMB
Long-term bank borrowings	495,000,000	666,000,000
Less: Current portion	(328,000,000)	(283,000,000)
Total long-term borrowings	167,000,000	383,000,000

Future principal repayments on the long-term borrowings are as follows:

Twelve months ending June 30	RMB
2014	283,000,000
2015	27,000,000
Thereafter	356,000,000
Total	666,000,000

16. EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share have been calculated as follows:

	For the six months ended	
	June 30, 2012	June 30, 2013
	RMB	RMB
Numerator:		
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders – Basic	(666,756,344)	(79,781,679)
Dilutive effect of convertible notes	—	—
Net income attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders – Diluted	(666,756,344)	(79,781,679)
Denominator:		
Denominator for basic calculation – weighted average number of ordinary shares outstanding	88,759,992	88,784,426
Dilutive effects of outstanding share options	—	—
Dilutive effects of exercised share options	—	—
Denominator for diluted calculation – weighted average number of ordinary shares outstanding	88,759,992	88,784,426
Basic loss per share attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders	(7.51)	(0.90)
Diluted loss per share attributable to JinkoSolar Holding Co., Ltd.'s ordinary shareholders	(7.51)	(0.90)

JINKOSOLAR HOLDING CO., LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. EARNINGS PER SHARE – (continued)

In the six months ended June 2012 and 2013, the Company's average stock price for the period was below the strike price of the call options; therefore the call options were not included in the computation of diluted EPS because of their anti-dilutive effect.

In the six months ended June 30, 2012 and 2013, the Company was in the loss situation, therefore the convertible bonds was not included in the computation of diluted EPS because of its anti-dilutive effect. Furthermore, the Company's share options were under-water, therefore the share options was not included in the computation of diluted EPS as well.

17. Employee benefits

The full-time employees of the Company's subsidiaries incorporated in the PRC are entitled to staff welfare benefits, including medical care, welfare subsidies, unemployment insurance and pension benefits and housing funds. These companies are required to pay for these benefits based upon certain percentages of employees' salaries in accordance with the relevant regulations, and to make contributions to the state-sponsored housing, pension and medical plans from the amounts accrued for housing, medical and pension benefits. The total amounts charged to the condensed consolidated statements of operations for such employee benefits were RMB14,501,722 and RMB18,022,616 for the six months ended June 30, 2012 and 2013, respectively. The unpaid balances of liability accrued for such employee welfare benefits were RMB154,819,927 and RMB174,162,759 as of December 31, 2012 and June 30, 2013, respectively. The unpaid balance of penalty accrued for employee welfare benefits were RMB12,063,712 and RMB18,458,708 as of December 31, 2012 and June 30, 2013, respectively.

The PRC government is responsible for the medical benefits and ultimate pension liability to these employees.

18. CONVERTIBLE SENIOR NOTES

The Company issued USD 125 million of convertible senior notes on May 17, 2011 (the "Notes"). The Notes will mature on May 15, 2016. The interest rate is 4% per annum payable semi-annually, in arrears. No accrued interest to be paid on the Notes when they are converted.

Holders have the option to convert their Notes from the earlier of (i) when the registration statement of the Notes becomes effective and (ii) the first anniversary of the date on which the Notes are first issued, through to and including the business day prior to the maturity date into ADSs representing the ordinary shares initially at a conversion rate of 29.6307 ADSs per US\$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately US\$33.75 per ADS).

The conversion rate is subject to change on anti-dilution and upon certain fundamental changes. Fundamental changes are defined as 1) any "person" or "group" beneficially owns (directly or indirectly) 50% or more of the total voting power of all outstanding classes of Company's shares or has the power to elect a majority of the members of the board of directors; 2) Company consolidates with, or merge with or into, another person or the Company sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets, or any person consolidates with, or merges with or into, the Company; 3) Termination of trading of Company's ADSs; and 4) adoption of a plan relating to our liquidation or dissolution.

The holders have the option to require the Company to repurchase the Notes, in whole or in part, in the event of a fundamental change for an amount equal to the 100% of the principal amount and any accrued and unpaid interest in the event of fundamental changes. Management assessed that the likelihood of fundamental change is remote.

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18. CONVERTIBLE SENIOR NOTES – (continued)

The holders will have the right to require the Company to repurchase for cash all or any portion of their notes on May 15, 2014 at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

While the Notes remain outstanding, the Company or its subsidiaries will not create or permit to subsist any security upon its property, assets or revenues (present or future) to secure any international investment securities or to secure any guarantee of or indemnity of any international investment securities unless the obligations under the Notes and the indenture (a) are secured equally and ratably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by holders of a majority in aggregate principal amount of the Notes then outstanding.

The Company has RMB as its functional currency, and the Notes are denominated in USD. As a result, the conversion feature is dual indexed to the Company's stock as well as the RMB and USD exchange rate, and is considered an embedded derivative which needs to be bifurcated from the host instrument in accordance with ASC 815.

ASC 815-15-25 provides that if an entity has a hybrid financial instrument that would require bifurcation of embedded derivatives under ASC 815, the entity may irrevocably elect to initially and subsequently measure a hybrid financial instrument in its entirety at fair value with changes in fair value recognized in earnings. The fair value election can be made instrument by instrument and shall be supported by concurrent documentation or a preexisting documented policy for automatic election.

The Company elected to measure the Notes in their entirety at fair value with changes in fair value recognized as non-operating income or loss at each balance sheet date in accordance with ASC 815-15-25. Further, as the functional currency of the Company is RMB, the fair value of the Notes is translated into RMB at each balance sheet date with the difference being reported as exchange gain or loss. In addition, all issuance costs associated with the Notes offering has been expensed as incurred in the year ended December 31, 2011.

The estimated fair value of the Notes amounted to approximately RMB483,581,668 and RMB 559,057,290 as of December 31, 2012 and June 30, 2013. In the six months ended June 30, 2012 and 2013, the Company recorded foreign exchange loss of RMB1,607,192 and gain of RMB8,909,029, loss from change in fair value of convertible senior notes of RMB14,916,191 and RMB84,384,652, respectively.

As a result of the depressed market conditions, the Company repurchased the Notes with face value of US\$2 million or 1.6% of the Notes at approximately 41% of the face value as of December 31, 2011. There were no repurchase of the Notes for the six months ended June 30, 2012 and 2013.

Capped Call Options

Concurrent with the Company's issuance of the Convertible Senior Notes on May 17, 2011, it entered into a capped call option transactions with an affiliate of the initial purchaser of the Notes. The capped call transaction was designed to reduce the potential dilution that would otherwise occur as a result of new ordinary share issuances upon conversion of the Notes and effectively increase the conversion price of the Notes for the Company to \$48.21 per ADS from the actual conversion price to the Notes holders of \$33.75 per ADS. The total premium paid by the Company for the capped call transactions was US\$18 million. The purchaser of the Notes have the right to require us to repurchase for cash all or any portion of their notes on May 15, 2014 at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

The Company's functional currency is different from the denomination of the capped call. Therefore, in accordance with ASC 815, Derivatives and Hedging, the Company accounted for the capped call transactions

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18. CONVERTIBLE SENIOR NOTES – (continued)

as freestanding derivative assets in the consolidated balance sheets. The derivative is marked to market each reporting period utilizing the binomial model.

The fair value of capped call options was RMB16,131,208 and RMB28,101,537 as of December 31, 2012 and June 30, 2013. An amount of loss of RMB6,772,277 and gain of RMB12,158,716 was recorded in change in fair value of capped call options for the six months ended June 30, 2012 and 2013.

19. SHARE BASED COMPENSATION

The Company adopted a long-term incentive plan (the “Plan”) in July 2009 which was subsequently amended and restated. The Plan provides for the issuance of options of the Company's ordinary shares in the amount of up to 7,325,122. The options have a contractual life of seven years with the exception of certain options granted to an employee that can be exercised until October 1, 2013. From August 28, 2009 to September 15, 2009, options were granted to certain of the Company's administrative and management personnel to purchase in total 3,024,750 shares of the Company's ordinary shares at an exercise price of US\$3.13 per share. On April 6, 2010, the exercise price of these share options was adjusted from US\$3.13 per share to US\$2.08 per share (“repricing”). The impact of this amendment of RMB5,132,052 was recognized during the year ended December 31, 2010 as a result of the IPO condition described below. The share options will generally vest in 5 successive equal annual installments on the last day of each year from the grant date, provided that the personnel's service with the Company has not terminated prior to each such vesting date. For one employee, the share options will vest in a series of 36 successive equal monthly installments, on the last day of each month, commencing from October 1, 2008, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

On September 28, 2011, the Company amended and restated the Plan to increase the maximum number of shares that may be issued under the Plan to 9,325,122.

On January 25, 2010, the Company granted to certain officers and employees options to purchase 726,250 ordinary shares of the Company at an exercise price of 85% of the initial public offering price per share. These options will vest in five successive equal annual installments on the last day of each year from January 25, 2010, provided that the personnel's service with the Company has not been terminated prior to each such vesting date. These share options were considered as not effectively granted until their exercise price was determined at US\$2.08 on April 12, 2010.

From April 12, 2010 to April 26, 2010, the Company granted additional options to purchase 785,480 ordinary shares at an exercise price of US\$2.08 per share to certain administrative and management personnel. The share options will generally vest in 5 successive equal annual installments on the last day of each year from the grant date, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

No portion of any of the above granted share options, even vested, may be exercised prior to and within the 180-day period following an effective initial public offering as defined in the Plan. Given the exercise restriction, the recognition of share-based compensation expense was delayed. Such expense of RMB14,651,329 accumulated from grant date was recognized at the time of the Company's initial public offering on May 14, 2010.

On March 11, 2011, the Company granted to certain officers and employees options to purchase 300,000 ordinary shares of the Company at an exercise price of US\$5.65 per share. The share options will vest in 5 successive equal annual installments on the last day of each year from the grant date, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

On May 3, 2011, the Company granted to one officer options to purchase 100,000 ordinary shares of the Company at an exercise price of US\$6.50 per share. The share options will vest in 5 successive equal annual

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19. SHARE BASED COMPENSATION – (continued)

installments on the last day of each year from the grant date, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

On October 1, 2011, the Company granted to certain officers and employees options to purchase 4,180,000 and 32,000 ordinary shares of the Company at an exercise price of US\$1.42 per share, with which the share options will vest in 5 and 1 successive equal annual installments on the last day of each year from the grant date, respectively, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

On November 3, 2011, the Company granted to one officer options to purchase 1,120,000 ordinary shares of the Company at an exercise price of US\$1.42 per share. The share options will vest in 24 successive equal monthly installments on the last day of each month from October 1, 2011, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

On December 21, 2012, the Company granted to certain officers options to purchase 160,000 ordinary shares of the Company at an exercise price of US\$1.42 per share. The share options will vest in 5 successive equal annual installments on the last day of each year from December 21, 2011 and February 1, 2012, provided that the personnel's service with the Company has not terminated prior to each such vesting date.

As of June 30, 2013, the company had 7,295,790 options outstanding. Total share-based compensation expense, determined based on the fair value of the options on the grant dates including the incremental charge resulted from the repricing, applying an estimated forfeiture rate of 10%, amounted to approximately RMB55,584,197 of which the amounts of RMB10,216,639 and RMB4,233,211 recognized in the six months ended June 30, 2012 and 2013, respectively. The Group had unrecognized share-based compensation expenses RMB8,290,327 related to non-vested share options as of June 30, 2013.

20. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Related party balances

Outstanding amounts due from/to related parties were as follows:

	<u>2012</u>	<u>2013</u>
	<u>December 31</u>	<u>June 30</u>
	<u>RMB</u>	<u>RMB</u>
Accounts receivable from related parties:		
Accounts receivable from subsidiaries of ReneSola Ltd. ("ReneSola", controlled by an immediate family member of the principal shareholders and directors of the Company, who are the executive officers of the Company)	105,531,368	85,097,166
Accounts receivable due from Gansu Jintai Electronic Power Company Ltd. ("Gansu Jintai", our affiliated company with 28% shares owned)	—	368,865,207
Other receivables from related parties:		
Other receivable from subsidiaries of ReneSola Ltd. ("ReneSola", controlled by an immediate family member of the principal shareholders and directors of the Company, who are the executive officers of the Company)	—	—

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	2012		2013	
	December 31		June 30	
	RMB		RMB	
Advances of travel and other business expenses to executive directors who are also shareholders	5,840,380		704,022	
Total	<u>111,371,748</u>		<u>454,666,395</u>	
Accounts payable due to a related party:				
Accounts payable due to a subsidiary of ReneSola Ltd. (“ReneSola”, controlled by an immediate family member of the principal shareholders and directors of the Company, who are the executive officers of the Company)	30,045,245		28,611,286	
Other payables due to a related party:				
Other payables to Jiangxi Desun Energy Co., Ltd. (Desun, 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) for leasing of land and buildings	2,161,345		2,436,425	
Travelling reimbursements payable to executive directors who are also shareholders	109,531		18,655	
Total	<u>32,316,121</u>		<u>31,066,366</u>	

Balances due to related parties are interest-free, not collateralized, and have no definitive repayment terms.

(b) Related party transactions

For the six months ended June 30, 2012 and 2013, revenues from sales of products and provision of processing services to subsidiaries of ReneSola amounted to RMB127,356,301 and RMB29,340,155, respectively.

For the transactions with subsidiaries of ReneSola in the six months ended June 30, 2012, these sales and purchases transactions were conducted simultaneously and there was direct linkage between any one or group of buy transactions with any one or group of sell transactions. There was also correlation between the value of raw materials received and the value of finished goods delivered pursuant to the contractual arrangement. These buy and sell transactions with the same counterparty were recognized at net basis and presented separately as sales in the Group’s condensed consolidated statement of operations. In the six months ended June 30, 2013, the Group entered into processing services agreements with subsidiaries of ReneSola, and revenue related to provision of processing services was recognised when such services had been performed.

For the six months ended June 30, 2012 and 2013, raw materials purchased from a subsidiary of ReneSola amounted to RMB249,724,494 and RMB20,855,335.

On January 1, 2008, Desun and Jiangxi Jinko entered into an operating lease agreement pursuant to which Desun leased its buildings and land use rights to Jiangxi Jinko for a ten-year period from January 1, 2008 to December 31, 2017. Desun was deconsolidated from the Group on July 28, 2008 and became a related party of the Group. Desun charged Jiangxi Jinko RMB550,152 rental expenses for each of the six months ended June 30, 2012 and 2013.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS AND BALANCES – (continued)

On December 20, 2012, JinkoSolar has signed a strategic cooperation agreement with Jinchuan Group Co., Ltd. (“Jinchuan Group”), a Chinese state-owned enterprise, to jointly invest and establish a Company (“Gansu Jintai” or “investee”), to develop 200 MW photovoltaic (“PV”) solar power plant in Jinchang, Gansu Province, China. (Note 2(aa) In the six months ended June 30, 2013, sales of solar module to Jinchuan Group amounted to RMB434,136,532.

During the six months ended June 30, 2013, the Shareholders provided guarantees for the Group’s several short-term and long-term bank borrowings. As of June 30, 2013, the Shareholders provided guarantees for Jiangxi Jinko several short-term bank borrowings totalling RMB922,887,740, which mature within the next twelve months from June 30, 2013.

21. COMMITMENTS AND CONTINGENCIES

(a) Contingencies

In the opinion of management, as confirmed by its legal counsel, as of June 30, 2013, the ownership structure of the Group is in compliance with all existing PRC laws and regulations. It is also in the opinion of management that potential losses arising from the ownership structure based on current regulatory environment is remote. However, the Company cannot be assured that the PRC government authorities will not take a view contrary to the opinion of management. In addition, there may be changes and other developments in the PRC laws and regulations or their interpretations. If the current ownership structure of the Group was found to be not in compliance with any existing or future PRC laws or regulations, the Group may be required to restructure its ownership structure and operations in the PRC to comply with current or new PRC laws and regulations.

In October 2011, we sued Cixi Boneng Photovoltaic Electronic Technology Co., Ltd. (“Boneng”), one of our suppliers, for a breach of contract for damages of RMB29.0 million. In February 2012, Boneng countersued us seeking to recover RMB24.4 million of outstanding payments under the supply contract. In July 2012, we settled the cases and made a settlement payment of RMB6 million to Boneng and recorded the reversal of the remaining accrual of RMB17.4 million as income.

In November 2011, we sued Henan Zhaoge New Energy Company (“Zhaoge”), a polysilicon supplier with which we had entered into a strategic cooperation agreement for our purchase of silicon. We sought to recover RMB7.0 million, a portion of the prepayment that we made to Zhaoge for our purchase. Zhaoge initiated a countersuit against us. In June 2012, we settled the case with Zhaoge, who agreed to provide us with 10 tonnes of silicon and RMB1.0 million. We made provisions for RMB4.03 million for the loss of the balance of our prepayment.

On October 11, 2011, JinkoSolar, along with our directors and officers at the time of our initial public offering, or the Individual Defendants, and the underwriters of our initial public offering were named as defendants in a putative shareholder class action lawsuit filed in the United States District Court for the Southern District of New York captioned Marco Peters v. JinkoSolar Holding Co., Ltd., et al., Case No. 11-CV-7133 (S.D.N.Y.). In an amended complaint filed on June 1, 2012, the plaintiff, representing a class of all purchasers and acquirers of ADSs of JinkoSolar between May 13, 2010 and September 22, 2011, inclusive, alleged that the defendants violated Sections 11 and 12(a)(2) of the Securities Act and Section 10(b) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, by making material misstatements or failing to disclose material information regarding, among other things, JinkoSolar’s compliance with environmental regulations at its Haining facility. The amended complaint also asserted claims against the Individual Defendants for control person liability under Section 15 of the Securities Act and Section 20(a) of the Exchange Act. The amended complaint sought, among other things, certification of the putative class, unspecified compensatory damages (including interest), and costs and expenses incurred in the action.

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21. COMMITMENTS AND CONTINGENCIES – (continued)

On August 1, 2012, JinkoSolar filed a motion to dismiss the amended complaint, as did Stephen Markscheid, who was the only Individual Defendant to have been served in the action. On the same date, the underwriter defendants filed a joinder to JinkoSolar's motion to dismiss. On January 22, 2013, the court issued a Memorandum and Order granting JinkoSolar's and Stephen Markscheid's motions to dismiss in their entirety and dismissing the amended complaint as against all defendants. The Court entered judgment in favor of defendants on the same date. On February 19, 2013, lead plaintiffs filed a notice of appeal with respect to the court's January 22, 2013 Memorandum and Order and Judgment. Lead plaintiffs' appeal is currently pending in the United States Court of Appeals for the Second Circuit. Although JinkoSolar was successful before the district court, we cannot guarantee that the decision will be upheld on appeal. Oral argument on the appeal is scheduled for September 18, 2013.

On March 19, 2012, the court entered an order appointing lead plaintiffs in the U.S. Securities Action. On April 2, 2012, the trial court directed lead plaintiffs to file an amended complaint on or before May 30, 2012. On August 1, 2012, JinkoSolar filed a motion to dismiss the amended complaint, as did Stephen Markscheid, who was the only Individual Defendant to have been served in the action. On the same date, the underwriter defendants filed a joinder to JinkoSolar's motion to dismiss. On January 22, 2013, the court issued a Memorandum and Order granting JinkoSolar's and Stephen Markscheid's motions to dismiss in their entirety and dismissing the Amended Complaint as against all defendants. The Court entered judgment in favor of defendants on the same date. On February 19, 2013, lead plaintiffs filed a notice of appeal with respect to the court's January 22, 2013 Memorandum and Order and Judgment. Lead plaintiffs' appeal is currently pending in the United States Court of Appeals for the Second Circuit. The Company is unable to reliably estimate the probability of the case and the range of any exposure if any.

In July 2008, we entered into a long-term supply agreement with Wuxi Zhongcai, a producer of virgin polysilicon materials. We provided a prepayment of RMB95.6 million pursuant to such contract. Wuxi Zhongcai subsequently halted production as a result of the adverse changes in the polysilicon market. In February 2013, we sued Wuxi Zhongcai in Shangrao City Intermediate People's Court for the refund of the outstanding balance of our prepayment of RMB93.2 million after deducting delivery made to us by an affiliate of Wuxi Zhongcai. In January 2013, we notified Wuxi Zhongcai to terminate our long-term supply agreement. In February 2013, Wuxi Zhongcai sued us in Shanghai Pudong New Area People's Court for approximately RMB2.7 million for breaching the contract by failing to make allegedly required payments. We considered the recovery of the RMB93.2 million unlikely as a result of the polysilicon market conditions, the mutually alleged claims and the adverse developments in the operations of Wuxi Zhongcai and recorded provisions of RMB93.2 million for the balance of our prepayment to Wuxi Zhongcai. As of the date of this report, these suits are still pending. The Company is unable to reliably estimate the probability of the case and the range of any exposure if any.

In March 2012, COGIP S.p.A., or COGIP, one of our customers, initiated arbitration proceedings in the Chinese European Arbitration Centre for approximately EUR20.4 million for damages allegedly relating to the late delivery of modules and defects in our products. We responded to the arbitration summons on April 18, 2012 and raised a counterclaim for the outstanding portion of the purchase price of EUR23,310,000.00 plus liquidated damages of 0.5% of this amount per week since March 6, 2012. On April 24 we reached a settlement agreement with COGIP, pursuant to which COGIP agreed to pay EUR14 million to us in three installments to settle all claims. As of July 31, 2013, we received all settlement payment of EUR14 million from COGIP.

(b) Guarantees

On June 13, 2009, Jiangxi Jinko entered into a loan agreement with Shangrao Heji Investment Co., Ltd. ("Heji"), in the principal amount of RMB100 million with a term of three years. Of this amount, RMB50 million was outstanding as of March 31, 2011. In consideration of this loan agreement, Heji required

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. COMMITMENTS AND CONTINGENCIES – (continued)

Jiangxi Jinko to enter into a guarantee agreement with Jiangxi International Trust Co., Ltd. (“JITCL”) on May 31, 2009 for Heji’s payment obligations under its separate trust loan agreement with JITCL (“JITCL Loan Agreement”), under which JITCL extended a loan to Heji in the principal amount of RMB50 million for a term of three years. In the event that Heji fails to perform its obligations under the JITCL Loan Agreement or otherwise defaults thereunder, Jiangxi Jinko will become liable for Heji’s obligations under the JITCL Loan Agreement. The Company recorded a guarantee liability of RMB1.5 million as of December 31, 2010 and reclassified to short term liability as of December 31, 2011. Corresponding deferred financing cost was recorded and amortized over the period of Jiangxi Jinko’s long-term borrowing. Jiangxi Jinko has fully repaid the entrusted loans in July 2011. In the six months ended June 30, 2012, Heji repaid the loan and Jiangxi Jinko was released from its obligations.

(c) Operating lease commitments

From January 1, 2008, Jiangxi Jinko leased buildings and land use rights from Desun, under a non-cancelable operating lease expiring in January 2018. In addition, the Group also leased office buildings for its offices under non-cancelable operating lease from third parties.

Future minimum obligations for operating leases are as follows:

Twelve months ending June 30	RMB
2014	9,781,021
2015	4,559,027
2016	2,167,682
2017	1,070,464
2018	520,312
Thereafter	1,083,984
Total	19,182,490

Rental expense under all operating leases were RMB3,680,186 and RMB4,328,426 for the six months ended June 30, 2012 and 2013, respectively.

(d) Capital commitments

The Group entered into several purchase agreements and supplementary agreements with certain suppliers to acquire machineries to be used in the manufacturing of its products. The Group's total future payments under these purchase agreements amounted to RMB263.0 million as of June 30, 2013.

22. FAIR VALUE MEASUREMENTS

A hierarchy is established for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability, developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. As such, fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity-specific measure. The hierarchy is broken down into three levels based on the reliability of inputs as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs other than the quoted price in active markets that are observable either directly or indirectly, or quoted prices in less active markets; and (Level 3) unobservable inputs with respect to which there is little or no market data, which require the Company to develop its own assumptions.

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. FAIR VALUE MEASUREMENTS – (continued)

(a) Fair value change in forward contracts

The Company has entered into foreign exchange forward contracts with local banks to reduce the exposure of significant changes in exchange rates between Renminbi and foreign currencies. Authoritative guidance requires companies to recognize all of the derivative financial instruments as either assets or liabilities at fair value in the consolidated balance sheets based upon quoted market prices for comparable instruments. The Company's derivative instruments have not met the criteria for hedge accounting within authoritative guidance. Therefore, the foreign currency forward contracts have been recorded at fair value, with the gain or loss on these transactions recorded in the consolidated statements of operations within "Change in fair value of forward contracts" in the period in which they occur. The Company does not use derivative financial instruments for trading or speculative purposes. The Company held foreign exchange forward contracts with a total notional value of US\$239 million and EUR55.66 million as of June 30, 2013. These foreign exchange forward contracts mature between 1 to 18 months. The Company used a discounted cash-flow methodology to measure fair value, which requires inputs such as interest yield curves and foreign exchange rates. The significant inputs used in the aforementioned model can be corroborated with market observable data and therefore the fair value measurements are classified as level 2. Typically, any losses or gains on the forward exchange contracts are offset by re-measurement losses or gains on the underlying balances denominated in non-functional currencies. The Company's foreign currency exchange contract is an over-the-counter instrument.

(b) Convertible Senior Notes and Capped Call Options

The Company has adopted valuation models to assess the fair value for capped call options and the Notes, as the capped call options are not publicly traded and the trading of the Notes is considered inactive. Management is responsible for determining these fair values and assessing a number of factors. Both capped call options and the Notes are valued using the Binominal Tree option pricing model. The valuation involves complex and subjective judgments as well as the Company's best estimates on the valuation date. The main inputs to this model include underlying share price, expected share volatility, expected dividend yield, risk free interest rate etc.

(c) Recurring change in fair value

As of December 31, 2012 and June 30, 2013, information about inputs into the fair value measurements of the Company's assets and liabilities that are measured at fair value on a recurring basis in periods subsequent to their initial recognition is as follows:

Description	Fair Value Measurements at Reporting Date Using			
	Balance as of December 31, 2012	Quote prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Foreign exchange forward contracts	12,930,159	—	12,930,159	—
Capped call options	16,131,208	—	—	16,131,208
Liabilities:				
Foreign exchange forward contracts	5,490,630	—	5,490,630	—
Convertible senior notes	483,581,668	—	—	483,581,668

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. FAIR VALUE MEASUREMENTS – (continued)

Description	Fair Value Measurements at Reporting Date Using			
	Balance as of June 30, 2013	Quote prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Foreign exchange forward contracts	26,384,086	—	26,384,086	—
Capped call options	28,101,537	—	—	28,101,537
Liabilities:				
Foreign exchange forward contracts	236,402	—	236,402	—
Convertible senior notes	559,057,290	—	—	559,057,290

The Group's foreign exchange forward contracts are not traded on an exchange, the Group values them using valuation models. The valuation of these contracts used interest rate yield curves and foreign exchange rates as the significant inputs in the valuation models. These inputs are observable in active markets over the terms of the instruments the Group holds.

(d) Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3 valuation)

A summary of changes in Level 3 fair value of convertible senior notes for the six months ended June 30, 2012 and 2013 were as follows:

	For the six months ended	
	June 30, 2012	June 30, 2013
	RMB	RMB
Balance at Beginning	387,777,235	483,581,668
Foreign exchange gain	1,607,192	(8,909,030)
Change in fair value of convertible senior notes	14,916,191	84,384,652
Balance at June 30, 2012 and 2013	<u>404,300,618</u>	<u>559,057,290</u>

A summary of changes in Level 3 fair value of Capped call options for the six months ended June 30, 2012 2013 were as follows:

	For the six months ended	
	June 30, 2012	June 30, 2013
	RMB	RMB
Balance at Beginning	16,408,445	16,131,208
Foreign exchange gain	106,139	(188,387)
Change in fair value of capped call options	(6,772,277)	12,158,716
Balance at June 30, 2012 and 2013	<u>9,742,307</u>	<u>28,101,537</u>

JINKOSOLAR HOLDING CO., LTD.

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22. FAIR VALUE MEASUREMENTS – (continued)

(e) Change in fair value of derivatives

The Change in fair value of derivatives recognized in earnings was as follows:

	For the six months ended	
	June 30, 2012	June 30, 2013
	RMB	RMB
Foreign exchange forward contracts – realized	39,624,287	9,604,721
Foreign exchange forward contracts – unrealized	(93,794,848)	18,708,155
Convertible senior notes	(14,916,191)	(84,384,652)
Capped call options	(6,772,277)	12,158,716
Total	(75,859,029)	(43,913,060)

23. REPURCHASE OF ORDINARY SHARES

In the six months ended June 30, 2012, 173,570 outstanding ADSs (694,280 shares) were repurchased with a total consideration of RMB5,521,130, which is shown as treasury stock. There was not share repurchase in the six months ended June 30, 2013.

As of June 30, 2013, 430,800 ADSs (1,723,200 shares) were repurchased but have not been retired with a total consideration of RMB13,875,553 which is shown as treasury stock.

24. SUBSEQUENT EVENTS

Subsequent to June 30, 2013 and up to September 16, 2013, the Group obtained additional short-term bank borrowings of RMB179.5 million, and repaid short-term and long-term bank borrowings of RMB570.1 million and RMB5 million, respectively.

Revision of Cash Flow Items

In 2013, we determined that government grants received in relation to fixed assets had previously been incorrectly classified as an operating cash inflow item in the consolidated statements of cash flows for the years ended December 31, 2011 and 2012. Government grants related to fixed assets of RMB66.6 million and RMB59.6 million should have been classified as an investing cash inflow item instead of an operating cash inflow item in the consolidated statements of cash flows for the years ended December 31, 2011 and 2012, respectively. We have concluded that the impact of these amounts is not material to our previously reported operating or investing cash flows, and had no impact on our total cash flows for the years ended December 31, 2011 and 2012. We will revise the statement of cash flow presentation for these immaterial corrections in future filings.
