CHINA DAIRY GROUP LTD
Registration No. 199703080Z
(Incorporated in Singapore)

REPLY TO SGX QUERIES REGARDING THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Board of Directors (the "**Board**") of China Dairy Group Ltd (the "**Company**") refers to the queries raised by the Singapore Exchange Securities Trading Limited on 21 April 2014 relating to the Company's Annual Report for the financial year ended 31 December 2013 ("**Annual Report**") and wishes to respond as follows:-

Query : (i) Paragraph 9.2 of the Code of Corporate Governance 2012 states that the company should fully disclose the remuneration of each individual director and the CEO on a named basis and the company may round off the disclosed figures to the nearest thousand dollars.

Response : The remuneration of each director has been disclosed in the Annual Report in bands of S$250,000 with the breakdown of the salary (including fees) and bonus in percentages.

Having considered the sensitivity and confidentiality of the remuneration package and the recommendations of the Code of the Corporate Governance 2012, the Board is of the view that the current disclosure on the remuneration of the directors provides a balance between detailed disclosure and confidentiality.

Question : (ii) Paragraph 9.3 of the Code of Corporate Governance 2012 states that the company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. The Paragraph also prescribes that the company should disclose in aggregate the total remuneration paid to its top five key management personnel.

Response : The remuneration of the top three key management personnel is in band of below S$250,000. Apart from the three key management personnel as disclosed in the Annual Report, there is no other key management personnel in the Company.

Having considered the sensitivity and confidentiality of the remuneration package and the recommendations of the Code of the Corporate Governance 2012, the Board is of the view that the current disclosure on the remuneration of the key management personnel provides a balance between detailed disclosure and confidentiality.

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Question :	(iii)	Paragraph 9.4 of the Code of Corporate Governance 2012 states that the Company should disclose details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclose of remuneration should be in incremental bands of S$50,000.
Response :		The Board will like to clarify that there are no employees who are immediate family members of a director or the CEO whose remuneration exceeds S$50,000 during the financial year.

By Order of the Board

LIU HUAGUO
Director

Date: 22 April 2014