UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
CDC CORPORATION,	)	Case No. 11-79079-PWB
Debtor.	)	

DISCLOSURE STATEMENT IN CONNECTION WITH JOINT PLAN OF LIQUIDATION FOR CDC CORPORATION

IMPORTANT DATES

- Ballots must be received on or before: 5:00 p.m., prevailing Eastern Time, on [ ], 2012
- Objections to Confirmation of the Plan must be filed and served on or before: [ ], 2012.
- Hearing on Confirmation of the Plan: 10:00 a.m., prevailing Eastern Time, on April 26, 2012

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT.

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Dated: March 1, 2012

ARTICLE I

BACKGROUND

Section 1.01 Introduction

This disclosure statement (the "Disclosure Statement") is submitted jointly by CDC Corporation, a Cayman Islands exempted company ("CDC" or "Debtor"), and the Official Committee of Equity Security Holders for CDC Corporation (the "Equity Committee")(the Debtor and the Equity Committee are collectively referred to herein as the "Proponents"), pursuant to Section 1125 of the Bankruptcy Code, to provide information about the "Joint Plan of Liquidation" filed by the Proponents on March 1, 2012 (the "Plan").[1] A copy of the Plan can be obtained as described in Section 4.01 hereof. The Disclosure Statement describes certain aspects of the Plan, including the treatment of holders of Claims and Equity Interests.

On October 4, 2011, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court commencing the Chapter 11 Case. The Debtor is continuing to manage its assets as a debtor in possession in the Chapter 11 Case.

Section 1.02 Description of Debtor's Businesses and Corporate Structure

Debtor began in June 1997 as a pan-Asian integrated internet company. The Debtor, through its subsidiaries, has evolved into a global operation focused on: enterprise software applications and services, through its CDC Software business; IT consulting services, outsourced applications development, and IT staffing, through its CDC Global Services business; online games, through its CDC Games business; and internet portals for the Greater China market, through its China.com business. The Debtor is a holding company with many direct and indirect subsidiaries, wholly or majority owned, and is involved in many businesses as described above.[2] Debtor's stock was publically traded on the Hong Kong exchange and on Nasdaq under the CHINA symbol. Its shares are owned by U.S. residents and residents of other countries. The Debtor has approximately 215 record holders and estimates that it has over 29,000 beneficial holders.

Section 1.03 Debtor's Management

As of the Petition Date, the Debtor's officers and directors were as follows: Peter Yip, Director; Fred Wang, Director; John Clough, Interim CEO; Edward P. Swift, General Counsel; and Zhou Shunao, Director and Vice Chairman of the Board. Within the year immediately preceding the Petition Date, the following officers and directors resigned: Dr. Raymond Ch'ien, Director; Thomas M. Britt, III, Director; John Stone, Chief Financial Officer; Simon Wong, Director; Stephen Dexter, Chief Accounting Officer; Matt Lavalle, Chief Financial Officer; and Don Novajosky, Corporate Secretary/Associate General Counsel. After the Chapter 11 Case was filed, the Bankruptcy Court approved the appointment of Finley, Colmer and Company and

[1] Capitalized terms used in the Disclosure Statement and not otherwise defined shall have the meanings ascribed to such terms in the Plan.
[2] For a detailed flow chart of the Debtor's Corporate Structure, *see* Debtor's Statement of Financial Affairs, dated November 7, 2011 (Docket No. 52; Response to Question #18).

its designee, Marcus A. Watson, as "Chief Restructuring Officer" of the Debtor as described more fully in Section 2.02(b) below (the "Chief Restructuring Officer"). The Chief Restructuring Officer has the authority to make decisions about management of the Debtor's business, operations, and bankruptcy, and to perform the duties customarily performed by the Debtor's Board of Directors.

Section 1.04 Events Precipitating the Chapter 11 Case

In November 2006, Debtor issued an aggregate of $168.0 million of 3.75% Senior Exchangeable Convertible Notes due November 2011 (the "Notes"), to a total of 12 institutional accredited investors in a private placement exempt from registration under applicable securities laws. Thereafter, Debtor, through its subsidiaries, repurchased a significant portion of the Notes. As of the Petition Date, CDC Delaware Corporation, an indirect subsidiary of Debtor, was the holder of $124.8 million in principal amount, or 75.2% of the total aggregate amount outstanding of Notes, and Evolution CDC SPV Ltd., Evolution Master Fund Ltd., SPC, Segregated Portfolio M and E1 Fund Ltd. (collectively, "Evolution") were the holders of an aggregate of $41.2 million, or 24.8% of the total aggregate amount outstanding of Notes.

The Notes and the Note Purchase Agreement related thereto dated as of November 2006 (the "Note Purchase Agreement") contain certain negative covenants, including restrictions on Debtor's ability to incur debt, create, assume, or incur any mortgage, pledge, lien, or other security interest, pay dividends to common shareholders (other than dividends of common shares), and repurchase shares of capital stock or any subsidiaries under certain circumstances. The Note Purchase Agreement also affords the note investors certain anti-dilution protections.

The Note Purchase Agreement originally provided that, if neither CDC Software International nor CDC Games International was able to complete a "qualified initial public offering," or QIPO, prior to November 13, 2009, holders would have the option to require the Debtor to redeem the Notes at a redemption price of principal plus accrued and unpaid interest, calculated at the rate of 12.5% per annum applied retroactively from November 13, 2006 to the date of redemption. On November 11, 2009, and June 18, 2010, CDC Delaware executed certain amendments to the Note Purchase Agreement. As a result of the amendments, Debtor believed that the holder redemption right provided in the Notes was both no longer exercisable by such holders, and was no longer of any force or effect. Debtor also believed that the negative covenants were no longer applicable.

Notwithstanding the foregoing belief, in November 2009, Debtor received a notification from Evolution purporting to elect to exercise the holder redemption option under the Notes. Furthermore, on December 18, 2009, Evolution filed suit against the Debtor in the Supreme Court of the State of New York, County of New York (the "New York Court"), demanding payment of the remaining principal portion of the Notes held by them, together with accrued, retroactive, and default interest (the "Evolution Case"). Evolution also alleged default under the Notes.

On June 28, 2011, the New York Court orally granted Evolution's motion for summary judgment with respect to the Evolution Case against Debtor. On June 29, 2011, at a hearing on

Debtor's motion to reargue prior sanctions, the New York Court orally indicated that it was considering imposing personal sanctions against Mr. Peter Yip, the Debtor's Chief Executive Officer, in connection with his deposition and affidavit testimony. The New York Court imposed sanctions based upon its determination that the Debtor: (i) willfully disregarded its discovery obligations; (ii) submitted patently false testimony in certain deposition and affidavit testimony; and (iii) advanced factually and legally unsupportable defenses and claims intended to frustrate Evolution's enforcement of the Notes. On July 13, 2011, the written order of the New York Court following the hearing on June 29, 2011, was entered (the "July 13th Order"). The July 13th Order increased the sanctions against Debtor to an amount of $150,000 and granted Evolution leave to seek a greater sum if its legal fees exceed $150,000.

On September 8, 2011, the New York Court entered summary judgment in favor of Evolution on its claims against the Debtor in the principle amount of $65.4 million. Under the summary judgment order, principle accrues interest at a rate of 18% per annum until the judgment is fully paid, which equate to a per diem rate of $32,230.39. In September 2011, Evolution moved for the appointment of a receiver and turnover of the Debtor's cash assets and interests in its subsidiaries. The hearing on the motion for appointment of a receiver and turnover of assets was scheduled for October 6, 2011. On October 4, 2011, the Debtor filed the Chapter 11 Case to prevent the disorderly disposition of Debtor's assets, resulting in significant damage to the Debtor, its creditors, its shareholders, the 2,500 employees of the Subsidiaries, and creditors of the Subsidiaries.

The Debtor and Evolution have been involved in negotiations to reach a settlement, subject to Bankruptcy Court approval, regarding Evolution's claims against the Debtor and certain counterclaims of the Debtor against Evolution. The Debtor is proposing to settle Evolution's claim, subject to Bankruptcy court approval, by paying Evolution the amount of its claim, less $2.1 million. Based on this contemplated agreement, assuming payment as of May 1, 2012, the amount of Evolution's Allowed General Unsecured Claim, plus Postpetition Interest, would be approximately $72,000,000.

ARTICLE II

THE DEBTOR'S CHAPTER 11 CASE

Section 2.01 Overview of Chapter 11

Chapter 11 of the Bankruptcy Code authorizes a debtor to reorganize or liquidate its business for the benefit of its creditors, equity interest holders, and other parties in interest. Commencing a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the filing date. The principal objective of a chapter 11 case is to consummate a plan of reorganization or liquidation. A plan sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan by a bankruptcy court binds a debtor, any issuer of securities thereunder, any person acquiring property under the plan, any creditor or equity interest holder of a debtor, and any other person or entity the bankruptcy court may find to be bound by such plan. Chapter 11 requires that a plan treat similarly situated

creditors and similarly situated equity interest holders equally, subject to the priority provisions of the Bankruptcy Code.

Prior to soliciting acceptances of a proposed plan, Section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan. This Disclosure Statement is submitted in accordance with Section 1125 of the Bankruptcy Code.

Section 2.02 Administration of the Debtor's Chapter 11 Case

(a) Retention of Professionals; Appointment of Committee

After the Petition Date, to assist the Debtor in its case, the Debtor filed several applications to retain professionals in the Chapter 11 Case, including applications to retain: (a) Lamberth Cifelli, Stokes, Ellis & Nason, P.A., as its general bankruptcy counsel; (b) Kobre & Kim LLP, as special litigation counsel to Debtor; (c) Moelis & Company, LLC ("Moelis"), as its financial advisor and investment banker; (d) Solomon Harris, as special corporate counsel for Debtor and its subsidiaries; (e) GCG, Inc., as its noticing agent; and (f) [ ], as its balloting agent (the "Balloting Agent").

On December 23, 2011, the Equity Committee was appointed in the Chapter 11 Case. Since its appointment, the Equity Committee has retained counsel and financial advisors in the Chapter 11 Case. The Equity Committee and the Debtor are the Proponents of the Plan.

(b) Chief Restructuring Officer

After the Petition Date, on October 26, 2011, Debtor filed its "Application for Approval of Employment of Finley, Colmer and Company as Chief Restructuring Officer for Debtor" (Docket No. 32) which was thereafter amended. On November 9, 2011, the Court entered an Order (Docket No. 57) approving the Debtor's employment of Finley, Colmer and Company and its designee, Marcus A. Watson, as "Chief Restructuring Officer" of the Debtor on an interim basis. The Order provided that: "…Mr. Watson and Finley, Colmer and Company will in substance perform the duties of a Chapter 11 trustee in this case as the duly authorized fiduciary in control of the assets and operations of the Debtor and of the administration of this case."

On December 5, 2011, the United States Trustee and Evolution each filed motions for the appointment of a Chapter 11 Trustee in the Chapter 11 Case (Docket Nos. 70 and 71, the "Trustee Motions"). To resolve the Trustee Motions, all parties to the Trustee Motions filed a "Stipulation Regarding Motion for Appointment of Trustee" on December 29, 2011 (the "Stipulation"). Thereafter, on January 4, 2012, the Court entered an Order approving the Stipulation (Docket No. 105). As a result of such Order, the Chief Restructuring Officer was given expanded powers as the Chief Restructuring Officer of the Debtor, including, but not limited to, authority to make decisions about management of the Debtor's business, operations, and bankruptcy, and to perform the duties customarily performed by the Debtor's Board of Directors.

(c) Events Leading to Execution of Share Purchase Agreement

The Debtor, through its Chief Restructuring Officer, retained Moelis as its financial advisor and investment banker in the Chapter 11 Case to assist the Debtor in connection with various potential sale or financing transactions, including the possible sale of the CDC Software Shares[3], one of the Debtor's major assets. Moelis, on behalf of the Debtor, contacted approximately 36 third parties consisting of financial buyers, strategic buyers, and financing sources with a possible interest in pursuing a transaction with the Debtor.[4] The parties were invited to submit proposals for an acquisition of CDC Software, the acquisition of identified division(s) of CDC Software, or a financing transaction. In connection with this process, approximately 20 parties entered into confidentiality agreements with the Debtor and conducted due diligence. Sixteen parties submitted proposals to Moelis.

After an extensive review of the indications of interest and careful consideration of the merits of each of the sixteen proposals, the Debtor and its professionals concluded that neither a financing transaction nor a piecemeal sale of selected businesses or subsidiaries of CDC Software would accomplish the desired results on a timely and efficient basis (i.e. to generate sufficient cash proceeds through a timely and executable transaction to satisfy all debt obligations scheduled by the Debtor and to maximize value for the Debtor and its equity shareholders). As a result, a form share purchase agreement was submitted to four of the parties and negotiations took place with each of the four parties regarding the terms of a definitive agreement. After consultation with Moelis and counsel, the Debtor determined that the offer made by Archipelago Holding, a Cayman Islands exempted company (the "Stalking Horse Purchaser"),[5] presented the best recovery for all stakeholders. Thereafter, on February 1, 2012, the Debtor and one of its subsidiaries, Software International, executed the Share Purchase Agreement (the "Share Purchase Agreement") with the Stalking Horse Purchaser, as purchaser, for the sale of the CDC Software Shares, subject to higher and/or better bid at auction, and subject to approval by the Bankruptcy Court.

(d) Share Purchase Agreement and Sale Motion

The Share Purchase Agreement entered into with the Stalking Horse Purchaser contemplates the sale of the CDC Software Shares to the Stalking Horse Purchaser (subject to higher and/or better bid at auction) for $249,788,301.00 (the "Purchase Price"). Under the Share Purchase Agreement, the Stalking Horse Purchaser paid the Debtor a deposit of ten percent (10%) of the Purchase Price, or $24,978,830.10 (the "Deposit"), in connection with the sale of the CDC Software Shares.

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[3] The Debtor owns 100% of the issued and outstanding shares of capital stock in CDC Software International Corporation, a Cayman Islands exempted company ("Software International"). In turn, Software International owns 23,789,362 shares of the capital stock (the "CDC Software Shares") of CDC Software Corporation, a Cayman Islands exempted company ("CDC Software"). The CDC Software Shares constitute approximately 87% of the outstanding shares of capital stock of CDC Software. The CDC Software Shares are the subject of the Sale Motion.

[4] For several months prior to the Petition Date, the Debtor contacted a number of parties requesting proposals for the sale of all or portions of the software businesses.

[5] The Stalking Horse Purchaser is an affiliate of Vista Equity Partners ("Vista"). Vista is the leading private equity firm focused solely on acquiring enterprise application software companies. To date, Vista has completed over 40 software and software-related transactions totaling more than $12 billion in aggregate value, including 20 transactions in the past three years representing an aggregate value of more than $6 billion. Vista is expert in successfully completing software transactions in good and bad market environments.

On February 6, 2012, the Debtor filed with the Bankruptcy Court a Motion (the "Sale Motion"; Docket No. 152) seeking an order authorizing and approving the Share Purchase Agreement with the Stalking Horse Purchaser or such other purchaser making a higher and/or better offer for the CDC Software Shares at auction. A hearing on the Sale Motion was scheduled in the Chapter 11 Case for March 20, 2012 (the "March 20th Hearing"), and notice of the March 20th Hearing was given to the Debtor's creditors and equity interest holders.

(e) Sale Procedures Motion and Sale Procedures Order

Contemporaneously with the filing of the Sale Motion, on February 6, 2012, the Debtor filed its Motion (the "Sale Procedures Motion"; Docket No. 153) seeking entry of an order, *inter alia*, authorizing and scheduling an auction (the "Auction") for the Debtor to solicit the highest and/or best bid for the sale of the CDC Software Shares. On February 17, 2012, the Bankruptcy Court entered its Order with respect to the Sale Procedures Motion (the "Sale Procedures Order"; Docket No. 196), wherein the Bankruptcy Court approved certain bid procedures with respect to the Auction, approved certain bid protections with respect to the Stalking Horse Purchaser, including payment of a break-up fee under certain circumstances, fixed the deadline for the submission of Initial Overbids (as defined therein), and scheduled the Auction with respect to the CDC Software Shares for March 16, 2012.

At the March 20th Hearing, the Debtor reported to the Bankruptcy Court the outcome of the Auction, and that the prevailing purchaser of the CDC Software Shares was [ ]. At the March 20th Hearing, the Bankruptcy Court also found with respect to the Sale Motion that [ ].

ARTICLE III

SUMMARY OF JOINT PLAN OF LIQUIDATION

Section 3.01 Overview of Plan; Sale of Debtor's Assets, including CDC Software Shares

The Proponents are the Debtor and the Equity Committee. The Plan contemplates the liquidation of all of the Debtor's assets, for the benefit of the Debtor's creditors and equity security holders.

As indicated above, the Purchase Price for the CDC Software Shares is $249,788,301. Debtor estimates that an additional $41,000,000, after expenses, will be realized from the disposition of Trust Assets, other than the Sale Proceeds of the CDC Software Shares, for total proceeds from asset sales of approximately $290,788,301. After payment of all Allowed Claims, including Fee Claims, and the expenses of liquidation, the Debtor estimates $194,860,662 will be available for distribution to holders of Allowed Equity Interests.

Through the filing of the Sale Motion, the Debtor seeks approval of the sale of the CDC Software Shares to the Stalking Horse Purchaser or such other purchaser with the highest and/or best bid at Auction. Under the Plan, Mr. Watson will act as the Disbursing Agent and reserve

from the Sale Proceeds $110 million to pay all Allowed Claims in full. The remaining Sale Proceeds will be transferred to the Liquidation Trust for the benefit of Allowed Equity Interests. Under the Plan, all other assets of the Debtor will be transferred to the Liquidation Trust to be liquidated for the benefit of holders of Allowed Equity Interests pursuant to the Plan.

The Plan has an Effective Date which Debtor anticipates will occur before May 1, 2012. On the Effective Date, Equity Interests in the Debtor will be fixed and non-transferable and holders of Equity Interests will receive Beneficial Interests in the Liquidation Trust pursuant to the Plan. On account of such Beneficial Interests, distributions will be made from the sale of the CDC Software Shares and the other assets of the Debtor called Trust Assets. Such distributions will commence on the Initial Equity Distribution Date, which should be on the Effective Date or as reasonably practicable thereafter.

Section 3.02 Classification and Treatment of Claims and Equity Interests under the Plan

The Plan classifies all Claims and Equity Interests against the Debtor into classes, with the exception of Administrative Claims, Priority Tax Claims, and Intercompany Obligations. A Claim or Equity Interest is classified in a particular Class only to the extent that it qualifies within the description of such Class, and is classified in other Classes to the extent that any portion of such Claim or Equity Interest qualifies within the description of such other Classes. Holders of Allowed Claims and Equity Interests are entitled to distributions under the Plan. The Plan provides mechanisms for the resolution of Disputed Claims and Disputed Equity Interests.

(a) Administrative Claims; Priority Tax Claims; Intercompany Claims

Under the Plan, all Allowed Administrative Claims and Priority Tax Claims will be paid in full pursuant to the Plan. As permitted by the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified. Administrative Claims include Fee Claims. The Debtor estimates that, as of the Effective Date, the total amount of Allowed Administrative Claims will be approximately $5,235,000. The Debtor further estimates that approximately $4,940,000 of the total amount of Allowed Administrative Claims will consist of unpaid Fee Claims, excluding the transaction fee of the investment bankers for the Debtor (as described in the order entered in the Chapter 11 Case approving their employment) and the completion fee of the investment bankers for the Equity Committee (as described in the order entered in the Chapter 11 Case approving their employment) which will be paid out of the proceeds from the sale of the CDC Software Shares and Trust Assets. Debtor estimates that such transaction fee to be paid to the investment bankers for the Debtor will total $7,200,000. Debtor estimates that such completion fee due to the investment bankers for the Equity Committee will total $4,000,000. Additionally, the Debtor estimates that there will be $6 million of post-Effective Date Professional Fees, exclusive of the fees of investment bankers, which will include the costs of administration of the Liquidation Trust, including tax reporting obligations.

Under the Plan, Intercompany Obligations are not classified. Intercompany Obligations between Debtor and CDC Software and its direct and indirect subsidiaries shall be treated as

provided for in the Share Purchase Agreement. All other intercompany claims between Debtor and its Subsidiaries shall be extinguished and terminated as of the Effective Date.

(b) Classes of Claims and Equity Interests

The Plan classifies Claims and Equity Interests into 3 classes: (i) Class 1, Priority Claims; (ii) Class 2, General Unsecured Claims; and (iii) Class 3, Equity Interest. The Debtor is unaware of any secured claims in the Chapter 11 Case, and therefore, the Plan does not provide for a class of secured claims.

1. Class 1, Priority Claims. The Plan classifies all Priority Claims in Class 1 of the Plan and provides for the payment of all Allowed Priority Claims in full pursuant to the Plan. Thus, Priority Claims in Class 1 are Unimpaired under the Plan. Each holder of a Priority Claim in Class 1 is deemed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan. The Debtor is unaware of any Priority Claims in Class 1.

2. Class 2, General Unsecured Claims. The Plan classifies all General Unsecured Claims in Class 2 and provides for the payment of all Allowed General Unsecured Claims in full, with interest, pursuant to the Plan. Thus, General Unsecured Claims in Class 2 are Unimpaired under the Plan. Each holder of an Allowed General Unsecured Claim in Class 2 shall receive the same payment on account of its Claim as it would receive under applicable non-bankruptcy law. Evolution has the largest Allowed General Unsecured Claim in Class 2, and the Debtor estimates that Evolution will receive approximately $72,000,000 on account of its Allowed General Unsecured Claim, including Postpetition Interest, under the Plan assuming an Effective Date of May 1, 2012. The Debtor estimates that the remaining Allowed General Unsecured Claims in Class 2 total approximately $2,500,000, including Postpetition Interest. If not paid on or before May 1, 2012, the Debtor estimates that Allowed General Unsecured Claims will accrue interest at a rate of approximately $1 million a month. Each holder of a General Unsecured Claim in Class 2 is deemed to have accepted the Plan, and, therefore, is not entitled to vote to accept or reject the Plan.

3. Class 3, Equity Interests. All Equity Interests are classified in Class 3. Class 3 Equity Interests include: Allowed Equity Interests in Class 3A; the Equity Interests of Eligible Equity Interest Holders that elect treatment in Class 3B; and Subordinated Equity Interests in Class 3C that are subordinated or equitably disallowed as set forth in the Plan.

(i) Class 3A. Each holder of an Allowed Equity Interest in Class 3A will receive, in full satisfaction, release and exchange of such holder's Allowed Equity Interest, an interest in the Liquidation Trust created under the Plan as set forth in the Plan. For every interest in the Liquidation Trust, a holder will receive its pro rata share of distributions from the Liquidation Trust as set forth in the Plan. Those holders of Equity Interests on the Effective Date under the Plan will receive a Beneficial Interest in the Liquidation Trust as set forth in the Plan.

As of the Petition Date, the Debtor had 36,164,505 of Common Shares outstanding, excluding treasury stock, Restricted Stock Awards, and Option Interests. Based on outstanding Option Interests for 2,217,534 shares with an exercise price under $5.00 (assuming 100%

exercise[6]) and Restricted Stock Awards of 1,152,270 shares, Debtor estimates a total diluted share amount of 39,534,309 shares for purposes of distribution to Beneficiaries under the Plan, which results in an estimated distribution of approximately $5.05 per share. For every $10 million change in funds available for distribution, the amount payable per share would change about $0.25 per share adjusted up or down, as applicable.

All Equity Interests classified and treated in Class 3A will be cancelled and fully extinguished on the Effective Date of the Plan in exchange for the right, if any, to receive an interest in the Liquidation Trust under the Plan. Distributions will be made by the Liquidation Trustee to interest holders on account of their Allowed Equity Interests in Class 3A on the Effective Date, or as soon thereafter as reasonably practicable in the business judgment of the Liquidation Trustee, and on each Periodic Distribution Date, in accordance with the provisions of the Plan.

Because the Equity Interests are being cancelled under the Plan, Class 3A is an Impaired Class. Therefore, holders of Equity Interests in Class 3A are entitled to vote to accept or reject the Plan.

(ii) Class 3B. Those holders of Equity Interests in the Debtor that hold one-hundred (100) or less Common Shares or Option Interests of the Debtor may elect treatment in Class 3B. Each such holder will receive $5.05 in Cash on the Effective Date, or as soon thereafter as reasonably practicable, for each Common Share, not to exceed 100 in number, in full satisfaction, settlement, release, and discharge of, and in exchange for such Common Share, as set forth in the Plan. Holders of Class 3 Equity Interests will be given the opportunity to make the election for treatment in Class 3B. Such election must be made on the Ballot and be received by the Debtor on or prior to the Plan Voting Deadline.

All Equity Interests classified and treated in Class 3B will be cancelled and fully extinguished on the Effective Date of the Plan in exchange for the right, if any, to receive an interest in the Liquidation Trust under the Plan. Because the Equity Interests are being cancelled under the Plan, Class 3B is an Impaired Class. Therefore, holders of Equity Interests in Class 3B are entitled to vote to accept or reject the Plan.

(iii) Class 3C. The Plan also provides for the subordination or equitable disallowance of Equity Interests, which may include the Equity Interests of Mr. Yip and his affiliates. The Proponents reserve the right to designate the vote of Mr. Yip and his affiliates under Section 1126(e) of the Bankruptcy Code. All Equity Interests classified and treated in Class 3C will be cancelled and fully extinguished on the Effective Date of the Plan. If an Equity Interest is subordinated pursuant to Section 5.5 of the Plan or otherwise before the Plan Voting Deadline, the holder of the Equity Interest would be deemed to reject the Plan and not be entitled to vote to accept or reject the Plan pursuant to Section 1126(g) of the Bankruptcy Code. The Proponents do not anticipate that any order subordinating or disallowing an Equity Interest

[6] At an average exercise price of $2.67 per Option Interest, Debtor estimates that it will receive approximately $5.9 million in proceeds from the exercise.

would enter until after the Plan Voting Deadline; thus, the Proponents do not expect any Equity Interest to be ineligible to vote to accept or reject the Plan due to classification in Class 3C.

After the Effective Date, a holder of an Equity Interest will be unable to trade such interest on any exchange, and payment on account of such interests will only be from the Liquidation Trust. Holders of Equity Interests in Class 3 will be considered jointly for voting and tabulation purposes.

Section 3.03 Voting; Acceptance by Impaired Class

Both classes of Claims (Class 1 and Class 2) under the Plan are Unimpaired, are deemed to have accepted the Plan, and therefore are not entitled to vote to accept or reject the Plan. The Class of Equity Interests (Class 3) under the Plan is Impaired and therefore entitled to vote to accept or reject the Plan. Class 3 shall have accepted the Plan if the holders (other than any holder designated under Bankruptcy Code Section 1126(e)) of at least two-thirds in amount of the Allowed Equity Interests actually voting in such Class have voted to accept the Plan.

Section 3.04 Liquidation Trust

(a) Creation of Liquidation Trust; Trust Assets

As set forth in Article VII of the Plan, a Liquidation Trust will be established under the Plan. The initial Liquidation Trustee will be Marcus A. Watson. The Liquidation Trust shall be created for the primary purpose of liquidating and distributing the Trust Assets to holders of Allowed Equity Interests and payment of Liquidation Trust Expenses in accordance with the Plan and the Confirmation Order, and in an expeditious but orderly manner, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to and consistent with the liquidation purpose of the Liquidation Trust and the Plan.

(b) Liquidation Trust Oversight Board

Under the Plan, a Liquidation Trust Oversight Board shall be formed and constituted upon the establishment of the Liquidation Trust. The Liquidation Trust Oversight Board shall consist of three (3) members, to be initially comprised of members of the Equity Committee. The Liquidation Trust Oversight Board has certain powers of oversight over the Liquidation Trustee as set forth in the Plan. The Liquidation Trustee shall consult with members of the Liquidation Trust Oversight Board as set forth in the Plan.

Section 3.05 Assumption of Executory Contracts and Unexpired Leases

On the Effective Date, and to the extent permitted by applicable law, all of the Debtor's executory contracts and unexpired leases will be assumed, with certain exceptions limited to Insurance Policies and Indemnification Obligations as set forth in the Plan.

Section 3.06 Continued Corporate Existence; Dissolution of Equity Committee; Closing of Chapter 11 Case

As soon as practicable after the Effective Date, the Debtor will cease to exist as a separate corporate entity, unless the Liquidation Trustee, in the exercise of the Liquidation Trustee's business judgment, determines the corporate entity should continue for purposes consistent with the objectives of the Liquidation Trust and the Plan. All voting or putative voting rights for all Equity Interests, and any other rights of ownership, other than the right to receive Beneficial Interests under the Plan, will be terminated and extinguished on the Effective Date and all such rights shall vest in the Liquidation Trustee. The appointments of the Equity Committee will terminate upon the establishment of the Liquidation Trust, and the members of the Equity Committee thereafter shall be released and discharged from all further rights and duties arising from or related to the Chapter 11 Case. As soon as practicable after the final Distribution Date, if any, or such other time as the Liquidation Trustee deems appropriate after consultation with the Liquidation Trust Oversight Board, the Liquidation Trustee may seek entry of a Final Order closing the Chapter 11 Case pursuant to Section 350 of the Bankruptcy Code.

Section 3.07 Certain Considerations

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF EQUITY INTERESTS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

(a) Certain Bankruptcy Law Considerations

The Bankruptcy Court may only confirm the Plan if it meets all of the Bankruptcy Code requirements. Although the Proponents believe that the Plan will meet all applicable tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Furthermore, even if the Plan is confirmed, it might not become effective or its effectiveness might be delayed. Additionally, if there are two confirmable plans, the Bankruptcy Court may confirm an alternate plan.

(b) Risks Related to the Sale of the Debtor's Assets

The Bankruptcy Court has not yet approved a sale of the CDC Software Shares. Further, the Share Purchase Agreement is subject to certain conditions precedent which must be satisfied before the transaction is consummated. There is no guarantee that these conditions precedent will be satisfied or that the Bankruptcy Court will approve a sale of the CDC Software Shares.

Section 3.08 Bankruptcy Code Requirements

The Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must make a series of findings concerning the Plan and the Proponents, including that: (i) the Plan has classified claims in a permissible manner; (ii) the Plan complies with applicable

provisions of the Bankruptcy Code; (iii) the Proponents have complied with applicable provisions of the Bankruptcy Code; (iv) the Proponents have proposed the Plan in good faith and not by any means forbidden by law; (v) the disclosure required by Section 1125 of the Bankruptcy Code has been made; (vi) the Plan has been accepted by the requisite votes of holders of Equity Interests (except to the extent that "cramdown" is available under Section 1129(b) of the Bankruptcy Code); (vii) the Plan is feasible and confirmation is not likely to be followed by further financial restructuring of the Debtor; (viii) the Plan is in the "best interests" of all holders of Equity Interests in an impaired class; and (ix) all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation, have been paid or the Plan provides for the payment of such fees on the Effective Date. The Proponents believe that the Plan satisfies all the requirements for confirmation. A few of the confirmation requirements that are most often the focus of discussion regarding a chapter 11 plan are discussed below.

(a) Financial Feasibility Test

In order to confirm a plan, the Bankruptcy Code requires the Bankruptcy Court to find that confirmation of the plan is not likely to be followed by liquidation or the need for further financial reorganization of the debtor (the "Feasibility Test"), unless such liquidation or further financial reorganization is proposed in the plan. Because a form of liquidation is proposed in the Plan and no further financial reorganization of the Debtor will be possible, and because the Estate will be able to satisfy all Allowed Administrative Claims, Priority Tax Claims, Priority Claims and General Unsecured Claims in accordance with the requirements of the Bankruptcy Code, the Proponents believe that the Plan meets the feasibility requirement.

(b) Best Interests Test

The Proponents also assert that the Plan is in the best interest of holders of Claims and Equity Interests. Under the Plan, all holders of Allowed General Unsecured Claims are receiving payment in full, with interest, which is the same as such holders would receive under applicable non-bankruptcy law. All remaining assets are being liquidated for the benefit of Equity Interests. The Debtor believes that the value of any distributions in a chapter 7 case would be less than the value of distributions under the Plan because, among other reasons, the value of CDC Software Shares would be significantly reduced, and additional professional fees would accrue, if the CDC Software Shares are sold with any delay.

(c) Acceptance by Impaired Class

Among other requirements for confirmation of the Plan, Section 1129 of the Bankruptcy Code requires that each impaired Class accept the Plan or the Plan meet the so-called "cramdown" requirements of Section 1129(b). Class 3 is the only Impaired Class under the Plan and is the only class voting to accept or reject the Plan. The Plan contains the request of the Proponents that the Bankruptcy Court confirm the Plan pursuant to the cramdown provisions of Section 1129(b) in the event Class 3 does not accept the Plan.

Under the cramdown provisions of Section 1129(b), the Bankruptcy Court may confirm the Plan notwithstanding its rejection by Class 3 if the Plan "does not discriminate unfairly" and

is "fair and equitable" with respect to Class 3. A plan does not discriminate unfairly within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its allowed claim or equity interest. With respect to Equity Interests, "fair and equitable" means that the plan provides that either (i) each holder receives property equal in value to the value of such interests; or (ii) the holders of interests junior to the interests of the dissenting class will not receive any property under the Plan. The Proponents believe that the Plan does not discriminate unfairly and is fair and equitable with respect to Class 3. The Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly in the event Class 3 rejects the Plan, such that its confirmation is proper under Section 1129(b) of the Bankruptcy Code.

Section 3.09 Amendments and modifications; Retention of Jurisdiction

The Proponents may alter, amend, or modify the Plan or any exhibits thereto under Section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date and prior to "substantial consummation" of the Plan, as defined in Section 1101(2) of the Bankruptcy Code, the Proponents may, under Section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of the Plan, so long as such proceedings do not materially adversely affect the treatment of holders of Claims or Equity Interests under the Plan.

Under Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Case and the Plan to the fullest extent permitted by law, as set forth in Section 12.1 of the Plan.

Section 3.10 Releases

(a) Releases by Debtor, Estate, and Liquidation Trust

Except as otherwise expressly provided in the Plan, the Share Purchase Agreement, or the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, the Debtor, on its own behalf and as representative of the Estate, the Liquidation Trust, and each of its respective Related Persons, shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally, each and all of the Released Parties, exclusive of the Excluded Insiders, of and from any and all Claims, Causes of Action (including any Avoidance Actions), any and all other obligations, suits, judgments, damages, debts, rights, remedies, causes of action and liabilities of any nature whatsoever, and any and all Equity Interests or other rights of a holder of an Equity Interest, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to the

Debtor, or its assets, property and Estate, the Chapter 11 Case or the Plan, the Share Purchase Agreement, and the Disclosure Statement.

(b) Releases by Holders of Claims and Equity Interests

Except as otherwise expressly provided in the Plan, the Share Purchase Agreement, or the Confirmation Order, on the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each Person that has held, currently holds or may hold a Claim or any other obligation, suit, judgment, damages, debt, right, remedy, cause of action or liability of any nature whatsoever, or any Equity Interest, or other right of a holder of an Equity Interest or other ownership interest, and each of its respective Related Persons, shall, and shall be deemed to, completely and forever release, waive, void, extinguish and discharge unconditionally each and all of the Released Parties of and from any and all Claims, any and all other obligations, suits, judgments, damages, debts, rights, remedies, causes of action and liabilities of any nature whatsoever (including, without limitation, those arising under the Bankruptcy Code), and any and all Interests or other rights of a holder of an equity security or other ownership interest, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are or may be based in whole or part on any act, omission, transaction, event or other circumstance taking place or existing on or prior to the Effective Date (including prior to the Petition Date) in connection with or related to any of the Debtor, or its assets, property and Estate, the Chapter 11 Case or the Plan, the Share Purchase Agreement, and the Disclosure Statement; provided, however, that each Person that has submitted a Ballot with respect to an Equity Interest may elect, by checking the appropriate box on its Ballot, not to grant with respect to such Person's Equity Interests the releases set forth in Plan Section 11.8 with respect to those Released Parties other than the Debtor, and its respective predecessors, successors and assigns (whether by operation of law or otherwise).

Section 3.11 Exculpation

None of Released Parties, exclusive of the Excluded Insiders, shall have or incur any liability whatsoever, in any form, to the Estate, the Liquidation Trust or Debtor for any act or omission in connection with or arising out of the involvement of any of them in the filing and/or conduct of the Chapter 11 Case, including the type or value of distributions, if any, reserved under the Plan for holders of Claims or Equity Interest, the pursuit of consummation of the sale of the CDC Software Shares, the solicitation of votes for acceptance or rejection of the Plan, the pursuit of confirmation and consummation of the Plan, the administration of the Plan and/or the Liquidation Trust or the property to be distributed under the Plan, other than acts or omissions found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to constitute willful misconduct, gross negligence, or breach of fiduciary duty by such person or entity.

Section 3.12 Permanent Injunction

Except as otherwise expressly provided in the Plan, the Share Purchase Agreement or the Confirmation Order, all Persons who have held, hold or may hold Claims against, or Equity Interests in, the Debtor are permanently enjoined, on and after the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Interest; (b) the enforcement, attachment, collection, or recovery by any manner or means of judgment, award, decree or order against any Released Party on account of any such Claim or Equity Interest; (c) creating, perfecting, or enforcing any encumbrance of any kind against any Released Party or against the property or interests in property of such Released Party on account of any such Claim or Equity Interest; and (d) asserting any right of setoff, recoupment or subrogation of any kind against any obligation due from any Released Party or against the property or interests in property of any Released Party on account of any such Claim or Equity Interest. The foregoing injunction will extend to successors of any Released Party and their respective property and interests in the property.

Section 3.13 Notices; Term of Injunction or Stay

Any notice, request or demand given or made under the Plan or under the Bankruptcy Code or the Bankruptcy Rules shall be in accordance with Section 13.12 of the Plan.

Until the Effective Date, all injunctions or stays provided for in the Chapter 11 Case under Bankruptcy Code Sections 105(a) or 362, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect. After the Effective Date, all injunctions or stays provided for in the Chapter 11 Case under Bankruptcy Code Sections 105(a) or 362, or otherwise, and in existence on the Confirmation Date, will remain in full force and effect until the later of the final Distribution Date or the date the Chapter 11 Case is closed.

Section 3.14 Retention of Estate Causes of Action/Reservation of Rights.

The Plan provides that the Liquidation Trust shall be entitled to assert and prosecute any and all Estate Causes of Action, including Avoidance Actions. The Debtor's and the Equity Committee's investigations to date have revealed, and they anticipate that further investigation may also reveal, Causes of Action which may be asserted by the Liquidation Trustee after the Effective Date, including, without limitation, Causes of Action under the Plan's provisions regarding the retention of subject-matter jurisdiction. Without limitation, and in addition to Avoidance Actions, the Debtor, if before the Effective Date, or the Liquidation Trustee, if after the Effective Date, may file lawsuits against the Persons listed on Exhibit [ ] attached hereto for the Causes of Action described on said Exhibit. The Debtor hereby includes in the Causes of Action listed on Exhibit [ ] each of the following Causes of Action, to the extent related to the enumerated Causes of Action: declaratory judgment, equitable subordination, specific performance, setoff, turnover, recoupment, subrogation, attorneys' fees, expenses, costs and other items of damages against such Persons, and any other remedy with respect to any such Causes of Action. The enumeration of Causes of Action on Exhibit [ ] is without prejudice to

the Liquidation Trustee's retention and right to prosecute Estate Causes of Action that the Debtor or the Liquidation Trustee, after the date of this Disclosure Statement, either discover or determine is an appropriate Cause of Action to pursue.

ARTICLE IV

THE SOLICITATION; VOTING PROCEDURES

Section 4.01 Solicitation Package

Holders of Equity Interests shall receive, in addition to this Disclosure Statement, for the purpose of soliciting votes on the Plan, copies of the following: (i) the notice of, among other things, the time for submitting Ballots to accept or reject the Plan, the date, time, and place of the hearing to consider Confirmation of the Plan and related matters, and the time for filing objections to Confirmation of the Plan; and (ii) a Ballot (and return envelope to use in voting to accept or to reject the Plan). Holders of Equity Interests will not receive a copy of the Plan, as a summary of the Plan is contained in this Disclosure Statement.

The Plan will be on file with the Office of the Clerk, United States Bankruptcy Court, Suite 1340, 75 Spring Street, S.W., Atlanta, Georgia 30303, and can be reviewed during normal business hours. Alternatively, a copy of the Plan can be obtained: (i) via download from the Bankruptcy Court's website at www.ganb.uscourts.gov for registered users of the PACER and/or CM/ECF systems; (ii) via download from [ ]; or (iii) by written request of Debtor's counsel (a) faxed to Elizabeth A. Miller at (404) 262-9911, (b) mailed to Elizabeth A. Miller at the address shown above for Debtor's counsel, or (c) sent via email to emiller@lcsenlaw.com.

Section 4.02 Voting Instructions

After carefully reviewing this Disclosure Statement, including the summary of the Plan (or the entire Plan if obtained pursuant to Section 4.01 above), and the instructions accompanying the Ballots, holders of Equity Interests should indicate their acceptance or rejection of the Plan by voting in favor of, or against, the Plan on the enclosed Ballot. The Ballot should be signed and returned in the envelope provided so that it is RECEIVED by the Balloting Agent on or before the Plan Voting Deadline set forth on the Ballot at the following address:

CDC Corporation Ballot Processing
c/o [ ]
[ ]

The Plan Voting Deadline is: on or before 5:00 P.M. prevailing Eastern Time on [ ], 2012.

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT FOR THE DEBTOR ON OR BEFORE 5:00 P.M. PREVAILING EASTERN TIME ON [ ], 2012, AT THE

ABOVE ADDRESS. EXCEPT TO THE EXTENT ALLOWED BY THE BANKRUPTCY COURT OR DETERMINED OTHERWISE BY THE DEBTOR, BALLOTS RECEIVED AFTER THE PLAN VOTING DEADLINE WILL NOT BE ACCEPTED OR USED IN CONNECTION WITH THE PROPONENTS' REQUEST FOR CONFIRMATION OF THE PLAN OR ANY MODIFICATION THEREOF.

ONLY BALLOTS WITH ORIGINAL SIGNATURES WILL BE COUNTED. BALLOTS WITH COPIED SIGNATURES WILL NOT BE ACCEPTED OR COUNTED. YOU MAY NOT SUBMIT A BALLOT ELECTRONICALLY, INCLUDING VIA EMAIL OR FACSIMILE. ONLY ORIGINAL BALLOTS RECEIVED BY THE BALLOTING AGENT BY THE PLAN VOTING DEADLINE WILL BE COUNTED.

Section 4.03 Voting Tabulation

Under the Bankruptcy Code, for purposes of determining whether the requisite acceptances have been received, only holders of Equity Interests who actually vote will be counted. The failure of a holder to deliver a duly executed Ballot will be deemed to constitute an abstention by such holder with respect to voting on the Plan and such abstentions will not be counted as votes for or against the Plan. Unless otherwise ordered by the Bankruptcy Court, Ballots that are signed, dated, and timely received, but on which a vote to accept or reject the Plan has not been indicated, will not be counted. The Proponents, in their discretion, may request that the Balloting Agent attempt to contact such voters to cure any such defects in the Ballots.

Except as provided below, unless the applicable Ballot is timely submitted to the Balloting Agent before the Plan Voting Deadline, together with any other documents required by such Ballot, the Proponents may, in their sole discretion, reject such Ballot as invalid and decline to utilize it in connection with seeking Confirmation of the Plan. A vote may be disregarded if the Bankruptcy Court determines, pursuant to Section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. IN NO CASE SHOULD A BALLOT BE DELIVERED TO ANY ENTITY OTHER THAN THE BALLOTING AGENT.

Section 4.04 Agreements upon Furnishing Ballots

The delivery of an accepting Ballot to the Balloting Agent by a holder of an Equity Interest pursuant to one of the procedures set forth above will constitute the agreement of such holder to accept (i) all of the terms of, and conditions to, the solicitation and voting procedures, and (ii) the terms of the Plan; provided, however, all parties in interest retain their right to object to Confirmation of the Plan pursuant to Section 1128 of the Bankruptcy Code.

ARTICLE V

CONFIRMATION PROCEDURES

Section 5.01 The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing. The Bankruptcy Court has scheduled the **Confirmation Hearing for April 26, 2012, at 10:00 a.m.,** prevailing Eastern Time, before the Honorable Paul W. Bonapfel, United States Bankruptcy Judge, United States Bankruptcy Court for the Northern District of Georgia in Courtroom 1401, United States Bankruptcy Court, 75 Spring Street, S.W., Atlanta, Georgia 30303.

Section 5.02 Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan. Objections to Confirmation of the Plan must be filed and served on the Proponents and the other parties set forth in the order approving the Disclosure Statement, by no later than [ ] , 2012, in accordance with the order approving the Disclosure Statement. THE BANKRUPTCY COURT MAY NOT CONSIDER OBJECTIONS TO CONFIRMATION OF THE PLAN IF ANY SUCH OBJECTIONS HAVE NOT BEEN TIMELY SERVED AND FILED IN COMPLIANCE WITH THE ORDER APPROVING THE DISCLOSURE STATEMENT. The notice of the Confirmation Hearing will contain, among other things, the deadline to object to Confirmation of the Plan, the Plan Voting Deadline, and the date and time of the Confirmation Hearing.

ARTICLE VI

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed and consummated, the alternatives to the Plan include: (a) liquidation of the Debtor under chapter 7 of the Bankruptcy Code; and (b) an alternative plan of reorganization or liquidation.

Section 6.01 Liquidation under Chapter 7

If no plan can be confirmed, the Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed (or elected) to liquidate the Debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code.

After considering the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to the holders of Claims and Equity Interests in the Chapter 11 Case, including (i) the increased costs and expenses of a liquidation under chapter 7 of the Bankruptcy Code arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, (ii) the likely decrease in value of the CDC Software Shares due to a delay in

their sale, and (iii) the likely erosion in value of other assets in a chapter 7 case in the context of an expeditious liquidation and the "forced sale" atmosphere that would prevail under a chapter 7 liquidation, the Proponents have determined that Confirmation of the Plan will provide each holder of an Allowed Claim or Equity Interest with a recovery that is not less than such holder would receive pursuant to a liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

The Debtor has estimated the value of the Debtor's assets other than the CDC Software Shares in a distressed sale. Based on this analysis, the Debtor believes that the recovery under a chapter 7 liquidation in which a trustee appointed by the Bankruptcy Court would liquidate the assets of the Debtor's estate would result in a return of between $10 million and $20 million less than the return estimated by the Debtor under the Plan.

The sale of CDC Software Shares is subject to certain contingencies beyond the control of the Debtor and its management. Accordingly, the values reflected for sale of CDC Software Shares would likely not be realized if the sale of CDC Software Shares is not closed as contemplated.

Section 6.02 Alternative Plan

If the Plan is not confirmed, the Bankruptcy Court could confirm a different plan. A different plan might involve either a reorganization and continuation of the Debtor's business or an orderly liquidation of the Debtor's assets. The Proponents believe that the Plan, as described herein, enables holders of Claims and Equity Interests to realize the highest and best value under the circumstances. Other alternatives could involve diminished recoveries, significant delay, uncertainty, and substantial additional administrative costs.

ARTICLE VII

TAX CONSEQUENCES OF THE PLAN, AND DISCLAIMER

Section 7.01 Tax Consequences of the Plan

THERE ARE SIGNIFICANT TAX CONSEQUENCES OF THE PLAN WHICH MAY REQUIRE CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF AN ALLOWED CLAIM OR EQUITY INTEREST. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER IS STRONGLY URGED TO CONSULT ITS TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, AND LOCAL INCOME TAX CONSEQUENCES, AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

The Disbursing Agent and the Liquidation Trustee may be required to file applicable tax forms associated with distributions made to holders of Allowed Equity Interests under the Plan, and may be required to provide K-1s, 1099s, or other similar tax forms to holders of Allowed Equity Interests.

Section 7.02 Important Disclaimers

THE DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION INCLUDED IN THE DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE PLAN. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS WHICH ARE ATTACHED TO, OR INCORPORATED BY REFERENCE IN, THE DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS AND THE STATEMENTS REFLECTED HEREIN OR THEREIN, RESPECTIVELY. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THE DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN, OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THE DISCLOSURE STATEMENT BY REFERENCE, THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT HAVE BEEN MADE AS OF THE DATE OF THE DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THE DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH IN THE DISCLOSURE STATEMENT SINCE THE DATE OF THE DISCLOSURE STATEMENT OR THE DATES OTHERWISE NOTED. EACH HOLDER OF A CLAIM OR INTEREST ENTITLED TO VOTE ON THE PLAN SHOULD CAREFULLY REVIEW THE PLAN, THE DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT IN THEIR ENTIRETY BEFORE CASTING A BALLOT. THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ENTITIES DESIRING SUCH ADVICE OR ANY OTHER ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO ONE IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THE DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING THE DEBTOR OR THE VALUE OF ITS PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THE DISCLOSURE STATEMENT AND THE DOCUMENTS ATTACHED TO THE DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN THAT ARE OTHER THAN AS SET FORTH, OR INCONSISTENT WITH THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT OR THE DOCUMENTS ATTACHED TO THE DISCLOSURE STATEMENT AND THE PLAN, SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER

ACTIONS, THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE. THE DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT.

THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THE DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, EXCEPT AS SPECIFICALLY INDICATED OTHERWISE.

THE PROJECTIONS PROVIDED IN THE DISCLOSURE STATEMENT, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT, THOUGH CONSIDERED REASONABLE BY THE DEBTOR AND ITS PROFESSIONALS, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTOR'S CONTROL. THE DEBTOR CAUTIONS THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THESE PROJECTIONS OR TO THE ABILITY TO ACHIEVE THE PROJECTED RESULTS.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECTED TO A CERTIFIED AUDIT AND IS BASED, IN PART, UPON INFORMATION PREPARED BY PARTIES OTHER THAN THE DEBTOR. THEREFORE, ALTHOUGH THE DEBTOR HAS MADE EVERY REASONABLE EFFORT TO BE ACCURATE IN ALL MATERIAL MATTERS, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT ALL THE INFORMATION CONTAINED HEREIN IS COMPLETELY ACCURATE.

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the Debtor, its businesses, properties and management, and the Plan, have been prepared from information furnished by the Debtor or its Subsidiaries.

Certain of the materials contained in this Disclosure Statement are taken directly from other readily accessible documents or are digests of other documents. While the Debtor has made every effort to retain the meaning of such other documents or portions that have been summarized, the Debtor urges that any reliance on the contents of such other documents should depend on a thorough review of the documents themselves. In the event of a discrepancy between this Disclosure Statement and the actual terms of a document, the actual terms of such document shall apply.

ARTICLE VIII

CONCLUSION AND RECOMMENDATION

The Proponents believe that the Plan is in the best interests of all holders of Claims and Equity Interests, and urge those holders of Equity Interests entitled to vote to accept the Plan and to evidence such acceptance by returning their Ballots so they will be RECEIVED by the Balloting Agent on or before 5:00 p.m. prevailing Eastern Time on [ ] , 2012.

Dated: March 1, 2012

CDC CORPORATION

By: */s/ Marcus A. Watson*
Name: Marcus A. Watson
Title: Chief Restructuring Officer
Finley, Colmer and Company
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