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 FIRST AMENDED JOINT PLAN OF REORGANIZATION FOR CDC CORPORATION

IMPORTANT DATES

- Ballots and Master Ballots must be received on or before: 4:00 p.m., prevailing Eastern Time, on August 20, 2012.
- Objections to Confirmation of the Plan must be filed and served on or before: August 23, 2012.
- Hearing on Confirmation of the Plan: 10:00 a.m., prevailing Eastern Time, on August 30, 2012.

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Dated: July 3, 2012

INTRODUCTION

CDC Corporation, a Cayman Islands exempted company ("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") have filed the "First Amended Joint Plan of Reorganization for CDC Corporation" dated July 3, 2012 (the "Plan").[1]

The Debtor and the Equity Committee believe that the Plan can be confirmed and is in the best interests of creditors and equity holders of the Debtor.

In summary, the Plan proposed by the Debtor and the Equity Committee provides for: (i) a distribution of existing cash on hand to creditors and equity holders of the Debtor; (ii) an orderly going concern sale of the remaining businesses owned by the Debtor and a distribution of the net cash proceeds received from those businesses to equity holders of the Debtor; (iii) payment in full plus postpetition interest to creditors with Allowed Claims; (iv) total distributions to holders of Allowed Equity Interests in an estimated range of approximately $5.01 to $6.10 per share; and (v) the pursuit of litigation claims against, among others, certain prior officers and directors of the Debtor, including, without limitation, the Debtor's former CEO, Mr. Peter Yip.[2]

This Introduction is not a substitute for reading the Plan and this disclosure statement (the "Disclosure Statement") in their entirety prior to voting to accept or reject the Plan.

ARTICLE I

BACKGROUND

Section 1.01 Introduction

This Disclosure Statement is submitted by the Debtor, pursuant to Section 1125 of the Bankruptcy Code, to provide information about the "First Amended Joint Plan of Reorganization for CDC Corporation" filed by the Proponents on July 3, 2012, referred to herein as the Plan. A copy of the Plan is enclosed with this Disclosure Statement or can be obtained as described in Section 5.01 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 "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court commencing the Chapter 11

[1]Capitalized terms used in the Disclosure Statement and not otherwise defined shall have the meanings ascribed to such terms in the Plan.

[2]The Debtor and Equity Committee anticipate that, prior to confirmation of the Plan, the Plan will be modified to incorporate a settlement reached in principle with Asia Pacific Online Limited (a/k/a Asia Pacific On-Line Limited), a Cayman Islands exempt company ("APOL"), Nicola Chu Ming Nga (the spouse of Mr. Yip), and Anthony Ip (the son of Mr. Yip and president of China.com, Inc.). Such agreement in principle is subject to documentation and approval by the Bankruptcy Court, and provides, *inter alia*, for the avoidance of certain Restricted Stock Awards and Option Interests of APOL in exchange for exculpations in favor of APOL and Ms. Chu. (APOL is owned by Ms. Chu and by a trust established for the benefit of Ms. Chu and Mr. Yip's children.) *See* Section 2.2(n) hereof.

Case. The Debtor continues 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, 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. Prior to the Petition Date, the Debtor was a holding company with many direct and indirect subsidiaries, wholly or majority owned, and was involved in many businesses as described above.[3] Debtor's stock was publicly 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 of its shares and estimates that it has over 29,000 beneficial holders of its shares.

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 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" or "CRO"). 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. Since the approval of the Chief Restructuring Officer, Mr. Watson has appointed Joseph D. Stutz, who was an in-house counsel for the Debtor, as general counsel and an officer of the Debtor.

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 ("CDC Delaware"), was the holder of $124.8 million in principal amount, or 75.2% of the total aggregate amount outstanding of Notes (the "Repurchased Notes"), and Evolution CDC SPV

[3]For a detailed flow chart of the Debtor's Corporate Structure as of the Petition Date, *see* Debtor's Statement of Financial Affairs, dated November 7, 2011 (Docket No. 52; Response to Question #18).

Ltd., Evolution Master Fund Ltd., SPC, Segregated Portfolio M, and E1 Fund Ltd. (collectively, "Evolution") was the holder 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") contained 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 afforded 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 (the "Evolution Note Action") 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 Evolution, together with accrued, retroactive, and default interest. Evolution also alleged default under the Notes.

On June 28, 2011, the New York Court orally granted Evolution's motion for summary judgment against the Debtor in the Evolution Note Action. On June 29, 2011, at a hearing on Debtor's motion to reargue prior sanctions granted by the New York Court against the Debtor, 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 in the Evolution Note Action. The New York Court imposed sanctions against the Debtor 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 exceeded $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 principal amount of $65.4 million (the

"Evolution Judgment"). Under the Evolution Judgment, principal accrued interest at a rate of 18% per annum, which equated to a per diem rate of $32,230.39. Shortly thereafter, in September 2011, Evolution moved for the appointment of a receiver and turnover of the Debtor's cash assets (which were insufficient, even on a consolidated basis, to satisfy the amount of the Evolution Judgment) and turnover of the Debtor's 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 Petition Date), 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 Debtor's subsidiaries, and creditors of its subsidiaries.

As discussed in more detail in Section 2.02(h) hereof, after the Petition Date, the Debtor and Evolution reached a settlement regarding the Evolution Judgment and certain counterclaims of the Debtor against Evolution, which settlement was approved by Order of the Bankruptcy Court dated April 11, 2012 (the "Evolution Note Order"; Docket No. 311). As a result, on April 12, 2012, the Debtor paid Evolution $71,410,349.19, which equaled the amount of the Evolution Judgment, including interest, less $2.1 million.

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 Equity 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, and the following professionals were retained pursuant to orders of the Bankruptcy Court: (a) Lamberth Cifelli, Stokes, Ellis & Nason, P.A. ("LCSEN"), as Debtor's general bankruptcy counsel; (b) Kobre & Kim LLP, as special litigation counsel to Debtor; (c) Moelis & Company, LLC ("Moelis"), as Debtor's financial advisor and investment banker; (d) Solomon Harris, as special corporate counsel for Debtor and its subsidiaries; (e) Donohoe Advisory Consultants LLC, as professional consultant for NASDAQ listing matters; (f) GCG, Inc., as Debtor's noticing agent and balloting agent (the "Balloting Agent"); and (g) K2 Advisors, LLC, as Debtor's accountants.

On December 23, 2011, the Equity Committee was appointed in the Chapter 11 Case. Since its appointment, the Equity Committee has retained, pursuant to orders of the Bankruptcy Court, Troutman Sanders, LLP ("Troutman"), as its counsel, and Morgan Joseph Triartisan, LLC ("Morgan Joseph"), as its financial advisor. 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" (the "CRO Application"; Docket No. 32). At the hearing held on the CRO Application on November 1, 2011, the Bankruptcy Court stated on the record that it would approve the CRO on an interim basis as long as the Debtor and Mr. Watson, the proposed CRO, agreed to changes to the terms of the CRO Application to provide that Mr. Watson had substantially all of the authority and responsibilities of a Chapter 11 trustee, including complete authority in the management of the estate, Debtor's business operations and bankruptcy reorganization, with the exception of some matters over which the Board of Directors might retain authority. As a result, the Debtor's Board of Directors at the time agreed to expand the CRO's authority and authorized the filing of an amendment to the CRO Application which provided that the CRO would have expanded authority with only the following management decisions remaining subject to the approval of the then Board of Directors of the Debtor: (a) proposal of a plan of reorganization; (b) sale or disposition of any asset for more than $5,000,000; (c) debtor in possession or exit financing in which substantially all of Debtor's assets are pledged; (d) settlement of the Evolution claims and counterclaims or settlement of the Evolution Judgment or appeal of the Evolution Judgment, and (e) the right to terminate Mr. Watson and Finley, Colmer and Company. As a result, on November 9, 2011, the Bankruptcy Court entered an Order (Docket No. 57) approving the CRO Application, as amended by the Debtor's Board of Directors, which approved the Debtor's employment of Finley, Colmer and Company and its designee, Marcus A. Watson, as CRO 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."

Thereafter, 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"). The Bankruptcy Court held hearings on the Trustee Motions on December 19 and 20, 2011. At the hearings, the parties announced an agreement (subject to approval of the Debtor's Board of Directors) to resolve the Trustee Motions by way of, *inter alia*, expanding the duties of the CRO. Thereafter and as a result of the hearings, the Debtor's Board of Directors approved a Second Amended Engagement Agreement with the CRO, which amended the original engagement agreement by no longer calling for the CRO's engagement to expire on January 31, 2012, and no longer calling for any of the CRO's decisions to be subject to Board approval. Additionally, to resolve the Trustee Motions, the Debtor, CDC Software, Evolution and Mr. Peter Yip executed a "Stipulation Regarding Motion for Appointment of Trustee" on December 29, 2011 (the "Stipulation"). As a result, on January 4, 2012, the Bankruptcy Court entered an Order approving the Second Amended Engagement Agreement and the Stipulation (Docket No. 105). Owing to such Order, the CRO 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) Delisting from NASDAQ

On January 27, 2012, NASDAQ filed a Form 25 with the SEC striking the Debtor's common stock from listing on NASDAQ. As a result, the Debtor's common stock was delisted. The Debtor's common stock is now traded only in the over-the-counter market in the Pink OTC Market.

(d) 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[4], 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.[5] The parties were invited to submit proposals for an acquisition of CDC Software, an 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

[4]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, as of the Petition Date, Software International owned 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 constituted approximately 87% of the outstanding shares of capital stock of CDC Software. The CDC Software Shares were the subject of the Sale Motion.

[5]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.

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 for the sale of the CDC Software Shares 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 for the CDC Software Shares made by Archipelago Holding, a Cayman Islands exempted company ("Archipelago"),[6] 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 Archipelago, 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.

(e) Share Purchase Agreement and Sale Motion

The Share Purchase Agreement entered into with Archipelago contemplated the sale of the CDC Software Shares to Archipelago (subject to higher and/or better bid at auction) for $249,788,301.00 (the "Purchase Price"). Under the Share Purchase Agreement, Archipelago 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.

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 Archipelago 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.

(f) 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 Archipelago, 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.

[6] Archipelago 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.

(g) Approval of Share Purchase Agreement and Closing of Sale

No Initial Overbid was submitted by any potential purchaser in accordance with the Sale Procedures Order. As a result, no Auction took place with respect to the CDC Software Shares. At the March 20th Hearing, the Debtor reported to the Bankruptcy Court that Archipelago's bid under the Share Purchase Agreement was the highest and/or best bid for the CDC Software Shares and sought approval of the Share Purchase Agreement. Thereafter, the Bankruptcy Court entered an order approving the Share Purchase Agreement and authorizing the sale of the CDC Software Shares to Archipelago (the "Sale Order"; Docket No. 295). In accordance with the Sale Order, the sale of the CDC Software Shares to Archipelago closed on April 11, 2012. As a result, the CDC Software Shares were transferred to Archipelago, and Archipelago paid the Purchase Price under the Share Purchase Agreement of $249,788,301.00.

(h) Settlement of the Evolution Judgment and Authorization to Pay Allowed General Unsecured Claims

To settle the Evolution Judgment and certain counterclaims the Debtor asserted against Evolution, the Debtor and Evolution entered into a settlement agreement dated March 13, 2012, subject to approval of the Bankruptcy Court (the "Evolution Note Settlement"). On March 14, 2012, the Debtor filed a motion with the Bankruptcy Court seeking approval of Evolution Note Settlement (Docket No. 283). Thereafter, on April 11, 2012, the Bankruptcy Court entered the Evolution Note Order approving the Evolution Note Settlement. As a result of the Evolution Note Order, Evolution was granted an allowed claim against the Debtor in the amount of $65,356,061.41, plus pre- and post-judgment interest at the rate $32,230.39 per day, less a discount of $2.1 million if Evolution was paid by the Debtor on or before October 31, 2012, or less a discount of $100,000 if paid after October 31, 2012.

Because the Debtor wanted to realize on the discount set forth in the Evolution Note Settlement if paid on or before October 31, 2012, and because daily interest in excess of $32,000.00 was accruing on Evolution's allowed claim under the Evolution Note Settlement, the Debtor filed a motion on March 22, 2012, in the Chapter 11 Case seeking authority to pay all allowed General Unsecured Claims in full from the net sale proceeds of the sale of the CDC Software Shares (Docket No. 297). On April 11, 2012, the Bankruptcy Court entered an order (the "Payment Order"; Docket No. 312) establishing a procedure for the payment of allowed General Unsecured Claims in the Chapter 11 Case and authorizing the immediate payment of Evolution's allowed claim. As a result, on April 12, 2012, the Debtor paid Evolution $71,410,349.19 in full satisfaction of its claim against the Debtor under the Evolution Note Settlement.

After payment of Evolution's allowed claim under the Evolution Note Settlement and payment of fees and expenses of Moelis in connection with the sale of the CDC Software Shares in the amount of $5,508,328.47, the Debtor held approximately $172.8 million in cash from the Sale Proceeds. The Debtor has used, and will continue to use, these proceeds to pay allowed General Unsecured Claims, in full with interest, as such claims become ripe for payment pursuant to the procedure established under the Payment Order.

(i) The Plan and the China.com Plan

On March 1, 2012, the Debtor and the Equity Committee filed their "Joint Plan of Liquidation for CDC Corporation" (the "Initial Plan"; Docket No. 245) and the related Disclosure Statement (the "Initial Disclosure Statement"; Docket No. 246) in connection therewith.

Also, on March 1, 2012, China.com, Inc., a Cayman Islands exempted company ("China.com"), filed its "[Proposed] Plan of Reorganization for CDC Corporation" (Docket No. 248) and the related Disclosure Statement (Docket No. 249) in connection therewith. (The Debtor is the indirect owner of approximately 74% of the equity interest in China.com.) On April 23, 2012, China.com filed its "First Amended Plan of Reorganization for CDC Corporation" (the "China.com Plan"; Docket No. 331) and the related First Amended Disclosure Statement (the "China.com Disclosure Statement"; Docket No. 332) in connection therewith. The China.com Plan proposed the following terms which differed significantly from the Initial Plan proposed by the Debtor and Equity Committee: China.com would not be sold; APOL and Nicola Chu Ming Nga (the spouse of Mr. Peter Yip) would provide financing as "Standby Investors" to fund a cash-out election to the Debtor's shareholders; and APOL and Ms. Chu would receive releases and their equity interests in the Debtor would not be subordinated.

On May 15, 2012, the Debtor and the Equity Committee each filed an objection to the China.com Disclosure Statement (Docket Nos. 408 and 406, respectively). On May 15, 2012, China.com filed its objection (Docket No. 407) to the Initial Disclosure Statement filed by the Debtor in connection with the Initial Plan.

After certain discussions with APOL, in early June 2012, the Debtor, the Equity Committee, APOL and Ms. Chu agreed in principle to a settlement (discussed in more detail in Section 2.02(n) below and referred to herein as the Anticipated APOL Settlement Agreement); as a result of the agreement in principle, APOL advised China.com that it and Ms. Chu were no longer willing to act as "Standby Investors" under the China.com Plan. Also as a result of the agreement in principle, several members of the then existing board of directors of China.com initiated discussions with the Debtor to resolve the issues and inefficiencies raised by the competing China.com Plan and the Initial Plan.

During these discussions, the China.com board members and the Debtor committed to, *inter alia*: (i) work with each other to create an acceptable set of procedures for the sale or other disposition of the Debtor's interest in China.com; and (ii) ensure that any sale procedures, process and ultimate sale or disposition of the Debtor interest in China.com are in compliance with: U.S. bankruptcy law; the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited & the Code of Takeovers and Mergers; the Memorandum and Articles of Association of China.com; and any applicable, non-conflicting Hong Kong and Cayman laws. As evidence of its intent to cooperate with China.com, on June 6, 2012, the Debtor withdrew its request for an extraordinary general meeting of the China.com shareholders to remove the then existing board. The Debtor also committed to seek the exculpation of the China.com Board Members (as defined in the Plan) to the same extent exculpations are being provided in the Plan to the CRO. As evidence of its

intent to cooperate, on June 8, 2012, China.com withdrew the China.com Plan (Docket No. 437). China.com also ceased prosecuting the appeal of the Dismissal Denial Order (as defined and discussed in Section 2.02(k) below) and agreed to restructure the board of directors of China.com by adding four nominees offered by the CRO.

In accordance with this intention to cooperate, on July 3, 2012, the Debtor and the Equity Committee amended the Initial Plan with the filing of their First Amended Joint Plan of Liquidation for CDC Corporation, referred to herein as the Plan, and this Disclosure Statement. In accordance with the assurances given, the Plan includes, *inter alia*, the China.com Board Members in the exculpation provision contained in Section 11.6.

To document their intention to cooperate as generally described above, the Debtor and China.com are in the process of drafting a Memorandum of Understanding and Statement of Cooperation (the "MOU"). Such MOU, once finalized, may result in a modification to the Plan with respect to the scope of the exculpation and releases in favor of the board members, officers, and employees of China.com.

(j) Injunction Litigation Commenced in the Cayman Islands by APOL

On April 5, 2012, APOL filed an Originating Summons in the Grand Court of the Cayman Islands against the Debtor, the CRO, and the five original individual members of the Equity Committee, commencing cause number FSD0055 (the "Cayman Proceeding"). The Originating Summons sought declaratory relief that the designation, subordination, or equitable disallowance of APOL's and/or any other person's shareholding interest in the Debtor was contrary to Cayman Islands law and that no designation, subordination, or equitable disallowance of any shareholding interest in the Debtor should have any effect on the rights of the Debtor's shareholders or the rights and obligations of the Debtor.

After the filing of the Cayman Proceeding, on April 18, 2012, the Debtor and the CRO filed a Complaint against APOL in the Chapter 11 Case seeking to enjoin the Cayman Proceeding as a violation of the automatic stay provisions of the Bankruptcy Code, commencing Adversary Proceeding No. 12-5220 (the "APOL Adversary"). The Debtor and CRO also filed a motion seeking a preliminary injunction against APOL in the APOL Adversary (the "Preliminary Injunction Motion"; Adv. Docket No. 3). On April 24, 2012, the Equity Committee filed a motion to intervene in the APOL Adversary as an additional Plaintiff with the Debtor (Adv. Docket No. 6). Thereafter, the Bankruptcy Court scheduled a status conference on the Preliminary Injunction Motion for April 26, 2012.

One day prior to the status conference, on April 25, 2012, APOL obtained an ex parte order in the Cayman Proceeding which, *inter alia*, enjoined the Debtor, the CRO and the original members of the Equity Committee from further prosecuting the APOL Adversary or pursuing the injunctive relief sought in the APOL Adversary (the "Ex Parte Cayman Injunction"). On April 26, 2012, the Bankruptcy Court held the scheduled status conference on the Preliminary Injunction Motion at which counsel for the Debtor and the Equity Committee did not participate due to the Ex Parte Cayman Injunction. At this hearing, the Bankruptcy Court, *sua sponte*, directed APOL, Mr. Peter Yip, and Ms. Chu to take immediate action to effect the dissolution or

elimination of the Ex Parte Cayman Injunction, which was subsequently evidenced by an order of the Bankruptcy Court dated April 30, 2012, (Adv. Docket No. 7). As a result, on April 27, 2012, an order was entered in the Cayman Proceeding dissolving the Ex Parte Cayman Injunction. Thereafter, on June 6, 2012, an order was entered in the Cayman Proceeding withdrawing the action.

The APOL Adversary remains active pending approval of the Anticipated APOL Settlement Agreement (as defined and discussed in Section 2.02(n) below).

(k) Denial of China.com's Motion to Dismiss and Appeal

On April 16, 2012, China.com filed a motion in the Bankruptcy Court seeking to dismiss the Chapter 11 Case (the "Dismissal Motion"; Docket No. 319). On April 25, 2012, APOL and Ms. Chu filed a pleading joining in the Dismissal Motion (Docket No. 336). Both the Debtor and the Equity Committee filed responses in opposition to the Dismissal Motion (Docket No. 335 and 340). Another significant shareholder of the Debtor, ChinaRock Capital Management Ltd, also filed a response in opposition to the Dismissal Motion (Docket No. 341). After hearing oral argument on the Dismissal Motion at an expedited hearing held on April 26, 2012, the Bankruptcy Court entered an Order dated May 2, 2012, denying the Dismissal Motion ("Dismissal Denial Order"; Docket No. 353). The Bankruptcy Court also denied China.com's oral motion for a stay of the Dismissal Denial Order pending appeal (Docket No. 354).

On May 3, 2012, China.com filed a notice of appeal of the Dismissal Denial Order, as well as a Motion for Leave to Appeal (the "Leave Motion") and an Emergency Motion for Expedited Appeal ("Expedited Appeal Motion") with respect to the Dismissal Denial Order in the United States District Court for the Northern District of Georgia (the "District Court"), Civil Action File No. 1:12-mi-00071-AT-LTW. The ground for appeal raised by China.com was that the Bankruptcy Court erred in not dismissing the Chapter 11 Case for cause. The Debtor and the Equity Committee filed responses in opposition to the Leave Motion and the Expedited Appeal Motion asserting that the Dismissal Denial Order was interlocutory in nature and an appeal of the Dismissal Denial Order was not procedurally proper. On May 22, 2012, the District Court entered an order denying the Leave Motion and denying the Expedited Appeal Motion as moot.

In connection with the discussions between the Debtor and the China.com board members as detailed in Section 2.02(i) above, no further action was taken by China.com with respect to the appeal and the Dismissal Denial Order.

(l) New York Action and Proof of Claim by Evolution Affiliate and Others

On April 27, 2012, Evolution Capital Management, LLC ("EMC"), along with certain affiliates including the Evolution parties involved in the Evolution Note Settlement (the "Evolution Plaintiffs"), filed a proceeding in the Supreme Court of the State of New York styled *Evolution Capital Management, LLC, et al. v. CDC Software Corporation, et al.*, Index No. 651395/2012 (the "New York Action"). Named as defendants in the New York Action were CDC Software, APOL, and the following current and/or former employees, officers and/or directors of CDC Software and/or the Debtor: C.K. Wong, Peter Yip, Raymond Ch'ien, Francis

Kwok-Yu Au, Donald L. Novajosky, Monish Bahl, Thomas M. Britt III, Simon Wong, and Fred Wang. As set forth in the complaint, the Evolution Plaintiffs assert claims against CDC Software, APOL, and these current and/or former employees, officers and/or directors of the Debtor and/or CDC Software for tortious interference with contract, tortious inference with prospective business relations, breaches of fiduciary duty, alter ego liability, malicious prosecution and libel *per se*, and seek damages in excess of $15 million. The Debtor was not a named defendant in the New York Action.

After the filing of the New York Action, on May 1, 2012, EMC filed a proof of claim in the Chapter 11 Case for an unliquidated amount, Claim No. 30 (the "EMC Claim"). Therein, EMC asserts a claim against the Debtor for alleged tortious interference with ECM's business relations, malicious prosecution, and defamation of ECM based on prepetition acts of the Debtor. ECM further asserts it suffered approximately $12.5 million in damages in the form of lost management fees for which the Debtor is liable as set forth in detail in the ECM Claim. The EMC Claim asserts essentially the same claims and causes of action set forth in the New York Action.

After the filing of the New York Action, several of the defendants in the New York Action filed unliquidated indemnity claims in the Chapter 11 Case asserting that the Debtor has an obligation to indemnify such defendants from any liability incurred as a result of the New York Action, including defendants CDC Software (Claim No. 32), APOL (Claim No. 35), Peter Yip (Claim No. 36), Donald Novajosky (Claim No. 37), and Monish Bahl (Claim No. 58).

On May 11, 2012, the Debtor filed in the Chapter 11 Case a Complaint against the Evolution Plaintiffs seeking to enforce the automatic stay and enjoin prosecution of the New York Action, commencing adversary proceeding no. 12-05266 (Adv. Docket No. 1). On May 11, 2012, the Debtor also filed a motion seeking a preliminary injunction of the New York Action, which is presently pending (Adv. Docket No. 3). A hearing on the preliminary injunction is scheduled for July 10, 2012.

(m) Authority to Sell Non-Debtor Assets

The Debtor sought authority in the Chapter 11 Case to sell certain non-Debtor assets of its indirect subsidiaries in the Global Services group of companies. On May 2, 2012, the Bankruptcy Court entered an order authorizing such sales and other actions relating to the liquidation of the Global Services group companies pursuant to a certain notice procedure, to the extent authority was required, subject to objection (Docket No. 358). In accordance with the order, the Debtor filed several notices regarding the sale of such assets. Specifically, the Debtor filed notices on May 4, 2012, regarding the sale of assets of OST International Corporation (Docket No. 375), Vis.Align, Inc. (Docket No. 376), and DB Professionals, Inc. (Docket No. 377), which are entities in which Debtor has an indirect interest. Mr. Rajan Vaz objected to such notices, and a hearing was held on May 15, 2012, with respect to the sales and the objection thereto. At the hearing, Mr. Vaz's objection was overruled by the Bankruptcy Court, and the sales were approved by order of the Bankruptcy Court (the "Sales Order"; Docket No. 411). The sale of Vis.Align, Inc. closed on or about May 16, 2012. On May 29, 2012, Mr. Vaz appealed

the Sales Order. As a result of the appeal of the Sales Order, the sales of OST International Corporation and DB Professionals, Inc. have not closed.

(n) Subordination Provisions in Initial Plan and Settlement with APOL and Ms. Chu

Prior to the Petition Date, in March 2011, upon information and belief, the Debtor's Board of Directors authorized the Debtor to cancel and then reissue certain options and other equity interests in the Debtor at reduced exercise prices. Based on this and other possible claims against certain other Equity Interests holders, the Initial Plan included provisions providing for the possible subordination of certain Equity Interests, including the Equity Interests of APOL and Ms. Chu.

After the filing of the Initial Plan and the China.com Plan (under which APOL and Ms. Chu had agreed to provide certain financing), the Debtor and the Equity Committee began to discuss settlement possibilities with APOL and Ms. Chu. As a result of settlement negotiations, the Debtor, the Equity Committee, APOL, Ms. Chu, and Anthony Ip (the son of Mr. Peter Yip and the president of China.com) reached an agreement in principle, subject to documentation and approval of the Bankruptcy Court, which provides for, *inter alia*, the avoidance of certain Restricted Stock Awards and Option Interests of APOL in exchange for exculpations in favor of APOL and Ms. Chu (the "Anticipated APOL Settlement Agreement").

Once the Anticipated APOL Settlement Agreement is finalized and approved by the Bankruptcy Court, the Debtor and the Equity Committee anticipate that they will modify the Plan prior to the Confirmation Hearing to incorporate the terms of the settlement into the Plan.

ARTICLE III

SUMMARY OF FIRST AMENDED JOINT PLAN OF REORGANIZATION

Section 3.01 Overview of Plan; Sale of Debtor's Assets

The Proponents are the Debtor and the Equity Committee. The Plan provides for the sale of all of the Debtor's assets, for the benefit of the Debtor's creditors and equity interest holders.

As indicated above, the Debtor received the Purchase Price for the CDC Software Shares of $249,788,301. As estimated in the Liquidation and Distribution Analysis in Section 4.04 below and as more fully described therein, after payment of all Allowed Claims, including Fee Claims, and the expenses of liquidation, the Debtor estimates that a range of $5.01 to $6.10 per share will be available for distribution to holders of Allowed Equity Interests in Class 3A.

Under the Plan, Mr. Watson will act as the Disbursing Agent and reserve from the Sale Proceeds sufficient funds to pay all Allowed Claims in full, plus interest, that remain unpaid. 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 in September 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 Proceeds 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. A detailed listing of Administrative Claims paid during the Chapter 11 Case is set forth in the Debtor's monthly operating reports filed in the Chapter 11 Case which have been filed through the period ending April 30, 2012. As set forth in the Liquidation and Distribution Analysis in Section 4.04, Debtor further estimates that unpaid Fee Claims subsequent to May 1, 2012 will equal approximately $4,659,857.15, 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. The Debtor and the Equity Committee note that Fee Claims could be significantly more if unanticipated litigation is filed in the Chapter 11 Case or other forums related to the Debtor or its assets by Mr. Yip or any other party in interest. An estimate of the transaction fee to the investment bankers for the Debtor is described in Note 5 to the Liquidation and Distribution Analysis in Section 4.04 hereof.

Under the Plan, Intercompany Obligations are not classified. Intercompany Obligations between Debtor and CDC Software and its direct and indirect subsidiaries were resolved as provided for in the Share Purchase Agreement. Except for the proof of claim filed by Praxa Limited on May 2, 2012, Claim No. 31, which was settled for $700,000 and paid by the Debtor upon notice without objection pursuant to the Payment Order (Docket No. 423), all other

Intercompany Obligations between Debtor and its subsidiaries shall be extinguished and terminated as of the Effective Date. For avoidance of doubt, to the extent not already extinguished or retired, the Repurchased Notes shall be considered an Intercompany Obligation extinguished, and null and void, pursuant to the Plan.

(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 Interests. 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 postpetition 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. The remaining Allowed General Unsecured Claims in Class 2 are estimated to be $2.9 million, including Postpetition Interest, as set forth on Exhibit A hereto and the Liquidation and Distribution Analysis set forth in Section 4.04.[7] 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.

(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.

Option Interests are any option convertible into common shares of the Debtor as set forth on Exhibit 1 to the Plan, for which a proof of interest has been filed in the Chapter 11 Case on or

[7] Exhibit A is the list of claims against the Debtor as of May 11, 2012. As of July 1, 2012, seven additional claims had been filed in the Chapter 11 Case totaling approximately $4,000. Additionally, since preparation of Exhibit A and the Liquidation and Distribution Analysis contained in Section 4.04 below, the claim of Praxa Limited, Claim No. 31, was settled and paid for $700,000. *See* Section 3.02(a).

before the Proof of Interest Bar Date for Option Interests, Equity Rights, and Restricted Stock Awards. All Option Interests are considered Disputed Equity Interests. Any distribution made to the holder of an Option Interest pursuant to the Plan will be reduced by the Option Consideration which would have been payable upon exercise of the Option Interest. Restricted Stock Awards are the grant to receive the common stock of the Debtor given to those Persons listed on Exhibit 1 to the Plan in the amounts set forth on such exhibit that are validly issued pursuant to the applicable issuing documents and to applicable law, for which a proof of interest has been filed in the Chapter 11 Case on or before the Proof of Interest Bar Date for Option Interests, Equity Rights and Restricted Stock Awards. All Restricted Stock Awards are considered Disputed Equity Interests under the Plan. An Equity Right is any right to a class A common share of Debtor that is not a Common Share, a Restricted Stock Award, or Option Interest, and for which a proof of interest has been filed in the Chapter 11 Case on or before the Proof of Interest Bar Date for Option Interests, Equity Rights, and Restricted Stock Awards. All Equity Rights are considered Disputed Equity Interests under the Plan.

As of the Petition Date, the Debtor had 35,634,820 Common Shares outstanding, excluding treasury stock, Equity Rights, Restricted Stock Awards, and Option Interests. As set forth in the Liquidation and Distribution Analysis in Section 4.04 hereof, based on outstanding Option Interests for 2,217,534 shares with an exercise price under $5.25 (assuming 100% exercise[8]) and Restricted Stock Awards of 1,152,270 shares, Debtor estimates a total diluted share amount of 39,004,624 shares for purposes of distribution to Beneficiaries under the Plan, which results in an estimated range of distribution of approximately $5.01 to $6.10 per share.[9] For every $10 million change in funds available for distribution, the amount payable per share would change approximately $0.27 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 Initial Equity Distribution 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 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. A holder of an Option Interest, Equity Right, and Restricted Stock Award will be entitled to vote to accept or reject the Plan, subject to any designation motion.

(ii) Class 3B. Those holders of Equity Interests in the Debtor that hold one-hundred (100) or less Common Shares of the Debtor may elect treatment in Class 3B. Each such holder will receive $5.05 in Cash on the Initial Equity Distribution Date, or as soon thereafter as reasonably practicable, for each Common Share, not to exceed 100 in number, in

[8]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.

[9]As set forth in the Liquidation and Distribution Analysis in Section 4.04 below, the high end of the range contemplates the subordination or disallowance of the Option Interests and the Restricted Stock Awards. The effect of any additional subordinations or disallowances of Equity Interests are not contemplated in this estimated range.

full satisfaction, settlement, release, and discharge of, and in exchange for such Common Share, as set forth in the Plan. This per share amount demonstrates a small premium for holders who elect Class 3B treatment over the estimated low end return of $5.01 for holders of Equity Interests, as demonstrated in the Liquidation and Distribution Analysis in Section 4.04 below. 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 for voting to accept or reject the Plan 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 the payment described above 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.

Treatment as a holder of Class 3B Equity Interests is subject to the determination by the Liquidation Trustee, in the Liquidation Trustee's sole judgment, that such treatment is feasible and practicable. At any time prior to the Initial Equity Distribution Date applicable to Class 3A, the Liquidation Trustee may elect to treat all Equity Interests in Class 3B as Class 3A Equity Interests and, in such event, the election by any holder of Equity Interests to be treated in Class 3B shall be null and void and of no force and effect and such holder's Equity Interests shall be treated as Class 3A Equity Interests.

(iii) Class 3C. The Plan also provides for the subordination or equitable disallowance of Equity Interests, which may include the Equity Interests of those parties listed on Exhibit 1 to the Plan, if such subordination or disallowance is ordered by the Bankruptcy Court as a result of a Subordination Action. The Proponents reserve the right to designate the vote of the those parties listed on Exhibit 1, 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 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 Undeliverable Distributions

(a) In the event that a Distribution Check is mailed to the Distribution Address of an Allowed Claim holder or Allowed Equity Interest holder and is returned undeliverable with no forwarding address and the Distribution Check exceeds $100, the Liquidation Trustee, Disbursing Agent, or Debtor, as applicable, shall undertake good faith efforts before the Stale Date to locate an updated address for such holder and/or to contact such holder to ensure that the intended recipient has a reasonable opportunity to participate in the distribution in accordance with the Plan. The Liquidation Trustee, Disbursing Agent, or Debtor, as applicable, shall be found to have undertaken good faith efforts if the Liquidation Trustee, Disbursing Agent, or Debtor, as applicable, conducts searches on two electronic databases, if available, to locate such holder's address or contact such holder.

(b) Distribution Checks that (i) are undeliverable despite the efforts of the Liquidation Trustee, Disbursing Agent, or Debtor, as applicable, described in Section 7.5(a) of the Plan, (ii) are not negotiated by the Stale Date, or (iii) are returned undeliverable and do not exceed $100, shall be void and the Liquidation Trustee, Disbursing Agent, or Debtor, as applicable, shall instruct the issuing financial institution to stop payment on such checks; provided however, with respect to any Distribution Check that is undeliverable despite the efforts described in Section 7.5(a) of the Plan and that is the result of the initial distribution under the Plan to Beneficiaries on the Initial Equity Distribution Date, such check shall not be void until the later of (i) the Stale Date, or (ii) ninety (90) days after the Liquidation Trustee, Disbursing Agent, or Debtor, as applicable, files a notice with the Bankruptcy Court enumerating the undeliverable distribution represented by the Distribution Check and such distribution has not been claimed by the rightful Beneficiary. If a Distribution Check is deemed void in accordance with Section 7.5(b) of the Plan, the funds represented by the Distribution Check will be considered abandoned and deemed Trust Assets not subject to any escheat laws and the holder of the Equity Interest or Claim giving rise to the Distribution Check shall have no further claim to such funds or to any subsequent or further distributions under the Plan, with such holder's Claim or Beneficial Interest, as applicable, being deemed canceled, void and satisfied.

Section 3.05 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 3.06 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 3.07 Continued Corporate Existence; Termination of Ownership Rights; Termination of Reporting Requirements; 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 and, in such event, the Liquidation Trustee shall have the authority to cause the Debtor to issue shares to the Liquidation Trust or other entity or to take such other actions in order to maintain the Debtor's corporate existence. 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, and the sole right of the holder of an Equity Interest will be to receive distributions from the Liquidation Trust as a Beneficiary.

After the Effective Date, the Liquidation Trustee will not take any action to (i) merge the Debtor into any other entity for the purposes of allowing the acquiring entity to be a public company, or (ii) sell any equity interests in the Debtor or the Debtor's corporate shell. Additionally, after the Effective Date, if eligible, the Liquidation Trustee or Debtor, as applicable, will file the appropriate documentation with the SEC to terminate the registration of the Debtor's common stock under the Exchange Act and the reporting requirement associated therewith under the Exchange Act. If eligibility does not exist, the Liquidation Trustee or Debtor, as applicable, will consent to any non-pecuniary action commenced by the SEC to terminate such requirements. 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 3.08 Certain Considerations/Conditions to Confirmation and Effective Date

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.

(b) Conditions to Confirmation

The following conditions are conditions precedent to Confirmation of the Plan, except to the extent waived in whole or in part by the Proponents: (i) the Confirmation Order shall be substantially in the form as proposed by the Proponents; and (ii) the Confirmation Order is a Final Order, not subject to appeal.

(c) Conditions to Effective Date

Proponents reserve the right to request that the Confirmation Order include a finding by the Bankruptcy Court that, notwithstanding Bankruptcy Rule 3020(e), the Confirmation Order shall take effect immediately upon its entry and shall be a Final Order. Notwithstanding the foregoing, the Plan may not be consummated, and the Effective Date shall not occur, unless and until each of the conditions set forth below is satisfied, to the extent not waived in whole or in part by the Proponents: (i) the Bankruptcy Court shall have entered the Confirmation Order in form and substance satisfactory to Proponents and such Confirmation Order shall not be the subject of any stay; (ii) all statutory fees and amounts then due and payable to the United States Trustee shall have been paid or reserved for in full; (iii) the Reserve for the Effective Date Available Cash has been fully funded; (iv) such documents as Proponents shall deem necessary to the consummation of the Plan shall be executed, delivered, or filed pursuant to the Plan, as the case may be; and (v) such actions, authorizations, filings, consents and regulatory approvals (if any) as Proponents shall deem necessary to the consummation of the Plan shall have been obtained, effected or executed in a manner acceptable to Proponents, and shall then remain in full force and effect.

(d) Waiver of Conditions.

The waiver, in whole or in part, of any condition to Confirmation or the Effective Date set forth in the Plan may be made by Proponents, in their sole and absolute discretion, without further notice or order of the Bankruptcy Court.

Section 3.09 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, unless such liquidation or further financial reorganization is proposed in the plan. Because the Plan provides for the sale of all of the Debtor's assets 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 Plan provides for the transfer of the Debtor's assets to the Liquidation Trust which will allow for such assets to be marketed over time and for the structured sales of such assets, with the proceeds therefrom to be distributed to Allowed Equity Interest in accordance with the Plan. This will result in a return to holders of Allowed Equity Interest that is likely to be more than the return such holders would receive through a distressed sale of the Debtor's assets under a

Chapter 7 liquidation. In any event, the return received by Allowed Equity Interest under the Plan will likely be at least as much as the return in a Chapter 7 liquidation as illustrated by the estimates set forth in the Liquidation and Distribution Analysis in Article IV hereof. Furthermore, if the Debtor's Chapter 11 Case were dismissed, the Proponents believe the distributions of the Sale Proceeds to the holders of Equity Interests would be delayed significantly, if not indefinitely, and be subject to corporate action.

(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 3.10 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 3.11 Releases by Debtor, Estate, and Related Persons.

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 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, 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, 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.

Section 3.12 Injunction Against Interference with the Plan

Upon entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present employees, agents, officers, directors or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan, except with respect to actions such entity may take in connection with the pursuit of appellate rights with respect to the Confirmation Order.

Section 3.13 Exculpation

None of Exculpated Parties shall have or incur any liability whatsoever, in any form, to the Estate, the Liquidation Trust, the Disbursing Agent, the Debtor, any holder of a Claim or Equity Interest in the Debtor, or any other party in interest for any act or omission in connection with or arising out of the Chapter 11 Case, 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 Interests, 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; provided however, that nothing in Section 11.6 of the Plan is intended to exculpate any of the Exculpated Parties from any liability for any acts or omissions of the Exculpated Parties taken prior to September 30, 2011.

Section 3.14 Permanent Injunction

(a) Terms of 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 taking any of the following actions against the Estate, the Debtor's property or the Released Parties on account of, in connection with, or related to, in any manner whatsoever, whether directly or indirectly, such Claims or Equity Interests: (a) commencing or continuing in any manner any action or other proceeding of any kind; (b) the enforcement, attachment, collection, or recovery by any manner or means of judgment, award, decree or order; (c) creating, perfecting, or enforcing any encumbrance of any kind; (d) asserting any right of setoff, recoupment or subrogation of any kind; and (e) commencing or continuing in any manner or in any place any suit, action or other proceeding that does not comply with or is inconsistent with the provisions of the Plan. The foregoing injunction will extend to successors of the Released Parties.

(b) Relief from Injunction. Any Person asserting a claim against one or more of the Released Parties that is enjoined under Section 11.5(a) of the Plan and that is not otherwise released or exculpated under the Plan may seek relief from the injunction contained in Section 11.5(a) of the Plan by filing with the Bankruptcy Court an explanation of the claim against the Released Party, the basis for the assertion that the claim was not released or exculpated under the terms of the Plan, and a description of the action(s) the holder desires to take on account of such claim and by thereafter obtaining an order of the Bankruptcy Court allowing the holder to assert the claim. The Bankruptcy Court may enter such order upon the finding, among other things, that (i) the claim is for gross negligence, willful misconduct, or breach of fiduciary duty, (ii) facts sufficient to state a claim that is plausible on its face have been plead, (iii) the provisions of Section 11.5(b) of the Plan have been complied with, (iv) the claim the holder desires to assert was not released or exculpated under the terms of the Plan, and (v) the holder is acting in good faith in pursuit of such claim.

Section 3.15 Deemed Consent

By submitting a Ballot, each holder of a Claim or Equity Interest shall be deemed, to the fullest extent permitted by applicable law, to have specifically consented to the injunctions, exculpations and releases set forth in Plan Sections 11.5, 11.6, 11.7, and 11.8.

Section 3.16 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 3.17 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, the Equity Committee, or the Liquidation Trustee, as applicable, may file lawsuits against the Persons listed on Exhibit B attached hereto for the Causes of Action described on said Exhibit. The Debtor hereby includes in the Causes of Action listed on Exhibit B 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 B is without prejudice to the retention and right by the Debtor, the Equity Committee, or the Liquidation Trustee, as applicable, to prosecute Estate Causes of Action that the Debtor, Equity Committee, or the Liquidation Trustee, after the date of this Disclosure Statement, either discover or determine is an appropriate Cause of Action to pursue.

Section 3.18 Striking of Provisions and Confirmation of Plan, as Modified.

Mr. Peter Yip has asserted that the Initial Plan was not confirmable under Section 1129 of the Bankruptcy Code because it contained provisions (i) permitting the possible subordination or equitable disallowance of an Equity Interest, and (ii) providing for the establishment of a Disputed Equity Interest Reserve for Disputed Equity Interests (collectively, the "Disputed Provisions").[10] The Plan also contains the Disputed Provisions. Although the Proponents believe the Disputed Provisions are appropriate and will not render the Plan unconfirmable under the Bankruptcy Code, the Plan contains a provision that strikes one or both of the Disputed Provisions if the Bankruptcy Court determines that the Plan cannot be confirmed because of the Disputed Provisions, and provides for the confirmation of the Plan, as modified, without such provisions.

Section 3.19 SEC Reservation of Rights

Nothing in the Plan or the Confirmation Order is intended to, or shall be construed to, restrict or otherwise limit the ability of the SEC to perform its statutory duties with respect to any Person in any nonbankruptcy forum, pursuant to otherwise applicable law; provided however, that nothing in Section 11.12 of the Plan is intended to grant the SEC any rights to challenge the Sale Order (or any actions taken in connection with the Sale Order) or any sale approved by

[10]Similarly, APOL alleged that the Disputed Provisions barred confirmation of the Initial Plan, but this allegation will likely be resolved as part of the Anticipated APOL Settlement Agreement.

order of the Bankruptcy Court in the Chapter 11 Case under Section 363 of the Bankruptcy Code (or any actions taken prior to the Effective Date in connection with such sale).

The SEC staff has communicated to the Proponents that they believe the "provided, however" language in Section 11.12 of the Plan, as set forth above, purports to limit the SEC or define the SEC's duties and that, as a result, such language is improper and not agreed to by the SEC staff.

Section 3.20 Debtor's Books and Records.

On the first Business Day following the formation of the Liquidation Trust, or as soon as practicable thereafter, the Liquidation Trust shall take possession, custody, and control of all books and records of Debtor, including, without limitation, all books and records necessary to the making of distributions, prosecution of objections to Equity Interests, prosecution of Causes of Action, and the analysis, recovery and disposition of the Trust Assets. All such books and records shall be preserved for so long as may be necessary for the prosecution or defense of any Causes of Action, or any Equity Interest objection filed by the Liquidation Trust, after which the Liquidation Trust shall be authorized and empowered to abandon and/or destroy said books and records, in the Liquidation Trustee's discretion, after providing a notice of abandonment pursuant to the Bankruptcy Code and the Bankruptcy Rules which shall only be served on the Liquidation Trust Oversight Board and the SEC.

Section 3.21 Expected Modifications to Plan due to Anticipated APOL Settlement Agreement

The Proponents anticipate that they will finalize the Anticipated APOL Settlement Agreement and obtain Bankruptcy Court approval thereof prior to the Confirmation Hearing and that, in such event, they will modify the Plan to incorporate the provisions of the finalized settlement into the Plan.

ARTICLE IV

VALUATION, AND LIQUIDATION AND DISTRIBUTION ANALYSIS

Section 4.01 Introduction to Valuation of China.com, CDC Global Services, CDC Games, and Menue, Inc.

To assist the Equity Committee in determining the estimated values to be received by the holders of Equity Interests in the Debtor under the Plan, the Equity Committee requested that Morgan Joseph, as part of their overall engagement, undertake an analysis of the estimated equity values of Debtor's interest in China.com, CDC Global Services, CDC Games, and Menue, Inc. Morgan Joseph completed their analysis on February 28, 2012.

In conducting their analysis, Morgan Joseph, among other things: (1) reviewed certain publicly available business and historical financial information relating to China.com, CDC Global Services, CDC Games, and Menue, Inc.; and (2) conducted such other financial studies,

analyses and investigations, and considered such other information, as Morgan Joseph deemed necessary or appropriate based upon available information.

The estimated equity values set forth in this section represent a hypothetical valuation of China.com, CDC Global Services, CDC Games, and Menue, Inc., assuming the consummation of a sale transaction as an operating business, based on the valuation methodologies described below. The estimated equity values set forth in this section do not purport to constitute an appraisal or necessarily reflect the actual market values that might be realized through a sale or liquidation of China.com, CDC Global Services, CDC Games, and Menue, Inc., which values may be significantly higher or lower than the estimates set forth in this section. The actual future results for China.com, CDC Global Services, CDC Games, and Menue, Inc., may differ materially from the financial projections, and such differences may affect the equity values. **Therefore, the estimated equity values set forth in this section are inherently subject to substantial uncertainty.** Accordingly, neither Morgan Joseph nor any other person makes any representation that the estimated equity values are indicative of the actual equity values, which may be significantly higher or lower than the estimates contained in this section.

Morgan Joseph's estimated equity values of China.com, CDC Global Services, CDC Games, and Menue, Inc., do not constitute a recommendation to any holder of Equity Interests as to how such holder should vote or otherwise act with respect to the Plan or any other transaction. The estimated equity values set forth in this section do not constitute an opinion as to fairness from a financial point of view to any person of the consideration to be received by such person under the Plan or of the terms and provisions of the Plan. Holders of Equity Interests bear the risk that the actual values of the recoveries they receive will be materially different than the estimated recoveries included in this Disclosure Statement.

As part of its investment banking business, Morgan Joseph is regularly engaged in evaluating businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements, restructurings and reorganizations and valuations for estate, corporate and other purposes.

Section 4.02 Methodology of Valuation of China.com, CDC Global Services, CDC Games, and Menue, Inc.

In preparing its valuation, Morgan Joseph performed a variety of financial analyses and considered a variety of factors. The following is a brief summary of the material financial analyses performed by Morgan Joseph, which consisted of (1) an analysis of the market value and trading multiples of selected publicly traded companies in lines of business Morgan Joseph believed to be comparable in certain respects to China.com, CDC Global Services, CDC Games, and Menue, Inc., and (2) a discounted cash flow analysis to estimate the present value of projected future unlevered, after-tax cash flows of China.com, CDC Global Services, CDC Games, and Menue, Inc., available to equity investors based on financial projections prepared by Morgan Joseph. This summary does not purport to be a complete description of the analyses performed and factors considered by Morgan Joseph. The preparation of a valuation analysis is a complex analytical process involving various judgmental determinations as to the most

appropriate and relevant methods of financial analysis and the application of those methods to particular facts and circumstances, and such analyses and judgments are not readily susceptible to summary description.

Section 4.03 Estimated Valuation of China.com, CDC Global Services, CDC Games, and Menue, Inc.

In connection with Morgan Joseph's analysis, with the Equity Committee's consent, Morgan Joseph did not assume any responsibility for independent verification of any of the information provided to Morgan Joseph, publicly available to Morgan Joseph or otherwise reviewed by Morgan Joseph, and Morgan Joseph relied, with the Equity Committee's consent, on such information being complete and accurate in all material respects.

In addition, with the Equity Committee's consent, Morgan Joseph did not assume any responsibility for independently evaluating the achievability of the financial projections or the reasonableness of the assumptions upon which they were based, did not conduct a physical inspection of the properties, facilities and products of China.com, CDC Global Services, CDC Games, and Menue, Inc. , and did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of China.com, CDC Global Services, CDC Games, and Menue, Inc.

Based upon the review and analyses described in this section and subject to the assumptions, limitations and qualifications described herein, Morgan Joseph estimated the value of China.com, CDC Global Services, CDC Games, and Menue, Inc., in a Chapter 7 Liquidation and in an enterprise value, giving a low and high value thereunder as set forth in the Liquidation and Distribution Analysis below.

The range of estimated equity values of China.com, CDC Global Services, CDC Games, and Menue, Inc., was necessarily based on economic, market, financial and other conditions as they existed on, and on the information available to Morgan Joseph as of, the date of its analysis. Although developments subsequent to the analyses may have affected or may affect Morgan Joseph's analyses and views, Morgan Joseph did not and do not have any obligation to update, revise or reaffirm their estimate.

Section 4.04 Estimated Equity Interest Value; and Liquidation and Distribution Analysis

Given these valuation estimates for China.com, CDC Global Services, CDC Games, and Menue, Inc., and including thereto cash on hand, total sources were estimated as set forth in the Liquidation and Distribution Analysis below. Total expenses in the case were also estimated, with expenses of Moelis and Morgan Joseph being less under a Chapter 7 liquidation than under the enterprise value. Based on these numbers and the Option Interests and Restricted Stock Awards set forth in the chart below, estimates of return to equity interest holders were determined, which results in an estimated range of distribution to holders of Allowed Equity Interests in Class 3A of approximately $5.01 to $6.10 per share.

LIQUIDATION AND DISTRIBUTION ANALYSIS

	Note		Chapter 7 Liquidation Value	Enterprise Value under Plan Low	High
Sources	1	Cash	$171,994,521.18	$171,994,521.18	$171,994,521.18
	2	Global Services	$6,374,878.00	$8,274,878.00	$11,874,878.00
	3	**China.com**	**$21,800,000.00**	**$29,700,000.00**	**$36,500,000.00**
	3	**Menue, Inc.**	**$3,300,000.00**	**$5,000,000.00**	**$10,000,000.00**
	3	**CDC Games**	**$1,200,000.00**	**$2,000,000.00**	**$5,000,000.00**
Total Sources			$204,669,399.18	$216,969,399.18	$235,369,399.18
Uses	4	Professional Fees	($4,659,857.15)	($4,659,857.15)	($4,659,857.15)
	5	Advisor Fees – Moelis	($545,000.00)	($1,042,500.00)	($1,884,379.95)
	5	Advisor Fees-Morgan Joseph	($3,686,779.59)	($4,525,647.57)	($5,393,742.80)
	6	Transition Services	($1,154,631.42)	($1,154,631.42)	($1,154,631.42)
	7	Bonuses/Severance	($1,117,507.00)	($1,117,507.00)	($1,117,507.00)
	8	SAR/Options	($510,000.00)	($510,000.00)	($510,000.00)
	9	Payroll	($418,258.33)	($418,258.33)	($418,258.33)
	10	U.S. Trustee Fees	($101,125.00)	($111,125.00)	($111,125.00)
	11	Claims	($2,916,921.27)	($2,916,921.27)	($2,916,921.27)
Total Uses			($15,110,079.76)	($16,456,447.74)	($18,166,422.92)
Equity Recovery	12		**$189,559,319.42**	**$200,512,951.44**	**$217,202,976.26**
Option Consideration	13		$5,926,594.00	$5,926,594.00	$5,926,594.00
Total Distribution	14		**$195,485,913.42**	**$206,439,545.44**	**$223,129,570.26**
	15	Number of Common Shares at Petition Date	**35,634,820**	**35,634,820**	**35,634,820**
	16	Restricted Stock Awards	1,152,270	1,152,270	1,152,270
		Total Shares Including Restricted Stock Awards	36,787,090	36,787,090	36,787,090
	17	Outstanding Options under $5.25	2,217,534	2,217,534	2,217,534
		Fully Diluted Shares	**39,004,624**	**39,004,624**	**39,004,624**

		Chapter 7 Liquidation Value	Enterprise Value Low	High
Per Share Distribution (assuming fully diluted shares & no disallowed or subordinated options/RSA)	[Total Distrib./ Fully Diluted Shares]	**$5.01**	**$5.29**	**$5.72**
Per Share Distribution (assuming only common shares and all options/ RSA disallowed or subordinated)	[Equity Recovery/ No. of Common Shares at Petition Date]	**$5.32**	**$5.63**	**$6.10**

NOTES TO LIQUIDATION AND DISTRIBUTION ANALYSIS:

The Liquidation and Distribution Analysis is as of May 1, 2012, with the incorporation of the valuation of China.com, CDC Global Services, CDC Games, and Menue, Inc., as of February 28, 2012, where indicated.

1. Cash Balance consists of $170,414,117.71 in proceeds from the sale of CDC Software Shares remaining in IOLTA trust account of Debtor's general counsel as of May 1, 2012 and the book balance in Debtor's bank accounts of $1,580,403.47 as of May 1, 2012.

2. The amounts set forth in the Liquidation and Distribution Analysis relating to Global Services are based on a combination of a sources and uses analysis prepared by Derik Reynecke, an employee of Debtor who was an executive for the Global Services segment, prepared on or about May 2, 2012, and a valuation analysis prepared by Morgan Joseph on February 28, 2012. With respect to DPBI, OSTI, Vis.Align, Inc., and GS Business Solutions, the amounts are based on the sources and uses analysis prepared by Derik Reynecke. With respect to Catalyst SAP, Praxa, Vectra, and D&E Advertising, the amounts are based on the valuation analysis prepared by Morgan Joseph. A summary by entity is set forth below:

Name	Chapter 7 Liquidation Value	Enterprise Value under Plan Low	Enterprise Value under Plan High
DPBI	$508,079.00	$508,079.00	$508,079.00
OSTI	$479,622.00	$479,622.00	$479,622.00
Vis.Align, Inc.	$43,897.00	$43,897.00	$43,897.00
GS Business Solution	$643,280.00	$643,280.00	$643,280.00
Catalyst SAP	$1,300,000.00	$2,000,000.00	$3,000,000.00
Praxa	$1,000,000.00	$1,000,000.00	$2,000,000.00
Vectra	$400,000.00	$600,000.00	$1,200,000.00
D&E Advertising	$2,000,000.00	$3,000,000.00	$4,000,000.00
Total	$6,374,878.00	$8,274,878.00	$11,874,878.00

3. The amounts set forth in the Liquidation and Distribution Analysis relating to China.com, CDC Games, and Menue, Inc., are based on a valuation analysis prepared by Morgan Joseph on February 28, 2012.

4. The professional fees are based on a calculation of unpaid fees and expenses known as of May 1, 2012, and an estimate of future fees prepared by Debtor's counsel and reviewed by Debtor's general counsel, Joseph D. Stutz, and the CRO. Such future estimate is subject to substantial uncertainty. The detail of the calculation is set forth below:

LCSEN-March 2012	Actual	$193,393.45
LCSEN-Holdback-Oct 2011 to Feb 2012	Actual	$214,562.20
LCSEN--Case Remainder	Estimate	$1,000,000.00
Kobre & Kim February 2012	Actual	$245,875.57
Kobre & Kim March 2012	Actual	$60,257.85
Kobre & Kim Holdback-Jan 2011-March 2012	Actual	$27,019.23
Kobre & Kim –Case Remainder	Estimate	$750,000.00
Solomon Harris-April 2012	Actual	$27,464.65
Solomon Harris Holdback	Actual	$4,213.70
GCG, Inc.	Estimate	$225,000.00
Troutman Holdback	Actual	$97,070.50
Troutman - Case Remainder	Estimate	$750,000.00
Marc Watson April 2012	Actual	$22,000.00
Marc Watson--May 2012 to August 2012	Estimate	$143,000.00
Marc Watson—September 2012 to March 2013	Estimate	$75,000.00
Employee Benefit Wind down	Estimate	$75,000.00
Moelis/Morgan Joseph - out of pocket expenses	Estimate	$150,000.00
K2 Advisors	Estimate	$100,000.00
Liquidation Trust Tax Compliance/Reporting	Estimate	$500,000.00
Total		$4,659,857.15

5. The amounts set forth in the Liquidation and Distribution Analysis for Moelis and Morgan Joseph are calculated based on their respective engagement agreements with the Debtor and the Equity Committee. Under the engagement agreement between Moelis and Debtor, Moelis is entitled to a sale transaction fee of 2.5% of any division of the Debtor whose cumulative transaction value equals $10,000,000 or greater. The Debtor has three remaining divisions: Global Services, China.com, and CDC Games (which includes Menue, Inc.). The high end enterprise value calculation included in Liquidation and Distribution Analysis for sales of these divisions assumes that Moelis's 2.5% fee is reached with respect to all three divisions. With respect to the low end enterprise value calculation of Global Service, Moelis's 2.5% fee is assumed to not have been reached. Additionally, Moelis is entitled to monthly fees. Under the engagement agreement between Morgan Joseph and the Equity Committee, Morgan Joseph is entitled to a completion fee based on any recovery that is distributed to equity security holders. The completion fee is a sliding scale with 1% for the first $100,000,000, 3% for recoveries from $100,000,000 to $200,000,000 and 5% for recoveries in excess of $200,000,000. The Liquidation and Distribution Analysis assumes that Moelis and Morgan Joseph will receive cumulative monthly fees from May 1, 2012 through September 30, 2012, of $300,000 and $500,000 respectively.

6. The amounts set forth in the Liquidation and Distribution Analysis are based on the terms of a transition services agreement executed in connection with the closing of the Share Purchase Agreement. The Liquidation and Distribution Analysis assumes that transition services will be required through July 31, 2012. The amounts for April and May are actual amounts.

April	Actual	$374,631.42
May	Actual	$315,000.00
June	Estimate	$315,000.00
July	Estimate	$150,000.00
Total		$1,154,631.42

7. The amounts set forth in the Liquidation and Distribution Analysis are based on bonuses and severance that have either been approved by, or are pending with, the Bankruptcy Court or are required to be paid under the Share Purchase Agreement. A detailed schedule is set forth below:

John Clough	$500,000.00
Joseph D. Stutz	$200,000.00
Monish Bahl	$80,000.00
Stutz Severance	$250,000.00
Clough-Software RSA Per SPA	$43,753.50
CK Wong-Software Bonus RSA SPA	$43,753.50
Total	$1,117,507.00

8. The amounts set forth in the Liquidation and Distribution Analysis are based on an estimate prepared by Debtor's general counsel, Joseph D. Stutz, based on inquiries from former employees of CDC Software who provided services for which they assert they were promised certain equity incentives that were never issued by Debtor. Debtor is in the process of evaluating the claims.

9. The detail schedule of the amounts set forth in the Liquidation and Distribution Analysis is set forth below:

Joe Stutz--May 2012 to March 2013	$208,333.33
Derik Reynecke May 2012 through November 2012	$93,333.33
Toni Cerrato June 2012 through November 2012	$42,500.00
John Clough May 2012 through September 30 2012	$50,000.00
Payroll Taxes	$24,091.67
Total	$418,258.33

10. The amounts set forth in the Liquidation and Distribution Analysis are based on an estimate of future fees prepared by Debtor's counsel and reviewed by Debtor's general counsel, Joseph D. Stutz and the CRO.

11. The amounts set forth in the Liquidation and Distribution Analysis are based on the detailed schedule set forth as Exhibit A hereto. Such amounts do not include, *inter alia*, any estimated amount for the claim of Rajan Vaz filed on April 12, 2012, Claim No. 27, in the

amount of $29,421,631.00 (the "Vaz Claim"), or for unliquidated claims, including, but not limited to, the EMC Claim.

12, 13, and 14. The amounts set forth in the Liquidation and Distribution Analysis for option consideration is the exercise price of all options under $5.25 per share. Under the Plan, any Option Interests that are ultimately allowed would be deemed to have been exercised, with the option consideration being used to reduce any distribution applicable to the Option Interest. For purposes of the Liquidation and Distribution Analysis, the option consideration is added to the equity recovery to show its effect on all equity holders. The calculation has not been adjusted to take into account the economic terms of the Anticipated APOL Settlement Agreement. The Debtor estimates that the settlement, if consummated, will result in an increase in the distribution to shareholders.

15, 16 and 17. As of February 11, 2012, Debtor's records reflected 36,164,505 Common Shares outstanding. The 36,164,505 includes the following Option Interests and Restricted Stock Awards where shares were issued between March 3, 2011, and the Petition Date:

Donald Novajosky	430
APOL	454,206
John Clough	41,186
Raymond Chien	20,069
Fred Wang	13,974
ESOP	40,000
Total	569,685

Other than the 40,000 shares to the ESOP, these shares were Restricted Stock Awards issued pursuant to letter agreements authorized by the Debtor's Board of Directors dated March 28, 2011, that were provided to various directors and officers of the Debtor. Under the terms of the letter agreements, the directors and officers, in exchange for cancellation of options and other equity incentives, all of which had exercise prices substantially higher than the market price of the Debtor's common stock on March 3, 2011, were granted new equity incentives effective March 3, 2011. After the grant of new equity incentives, a total of 1,152,270 Restricted Stock Awards and 2,217,534 Option Interests under $5.25 convertible into an equivalent number of common shares were outstanding, as set forth on the Liquidation and Distribution Analysis and detailed on Exhibit 1 to the Plan. The Debtor and Equity Committee dispute the validity of the issuance of all the equity incentives that were awarded in March 2011 and intend to take appropriate actions to either void or subordinate these options and other equity incentives. The number of outstanding shares for purposes of the Liquidation and Distribution Analysis has not been adjusted to take into account any resolution of this dispute or any recoveries or subordination. The Debtor and the Equity Committee have agreed in principle to resolve this dispute with APOL for an economic adjustment, which remains to be documented and approved by the Bankruptcy Court.

The Debtor and the Debtor's professionals, including Moelis, did not participate in the preparation of Morgan Joseph's analysis described hereinabove, and have not undertaken an independent audit of Morgan Joseph's analysis to test or confirm its accuracy or reliability. The

Debtor's efforts to obtain information regarding China.com, CDC Global Services, CDC Games, and Menue, Inc. are ongoing. As such, the Debtor and the Debtor's professionals, including Moelis, make no representations or warranties with respect to the statements made in this Article IV of the Disclosure Statement.

THE SOLICITATION; VOTING PROCEDURES

Section 5.01 Solicitation Package

Holders of Equity Interests shall receive for the purpose of soliciting votes on the Plan copies of the following: (i) the Plan, and this Disclosure Statement; (ii) 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 (iii) a Ballot (and an appropriate return envelope to use in voting to accept or to reject the Plan).

Additionally, the Plan and Disclosure Statement 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 and Disclosure Statement 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 www.CDCCorpBankruptcy.com; or (iii) by request of the Balloting Agent at: CDC Corporation, c/o GCG, Inc., P.O. Box 9872, Dublin, OH 43017-5772 (via first class mail), or CDC Corporation, c/o GCG, Inc., 5151 Blazer Parkway, Suite A, Dublin, OH 43017 (via overnight or hand delivery).

Section 5.02 Voting Instructions

After carefully reviewing the Plan and this Disclosure Statement, 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 (i) to the Balloting Agent directly, or (ii) to the appropriate broker, bank, commercial bank, trust company, dealer, or other agent or nominee or agent thereof (the "Voting Nominee") (who will in turn complete a "Master Ballot" and return the Master Ballot to the Balloting Agent), as indicated in the instructions accompanying your Ballot, so that Ballots and Master Ballots are RECEIVED by the Balloting Agent on or before the Plan Voting Deadline set forth on the Ballot at the following address:

If by First Class Mail:
CDC Corporation
c/o GCG, Inc.
P.O. Box 9872
Dublin, OH 43017-5772

If by Hand or Overnight Delivery:
CDC Corporation
c/o GCG, Inc.
5151 Blazer Parkway, Suite A
Dublin, OH 43017

The **Plan Voting Deadline** is: on or before **4:00 P.M., prevailing Eastern Time, on August 20 , 2012**.

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR VOTE MUST BE ACTUALLY RECEIVED BY THE BALLOTING AGENT FOR THE DEBTOR ON OR BEFORE 4:00 P.M., PREVAILING EASTERN TIME, ON AUGUST 20, 2012, AT THE ABOVE ADDRESS. EXCEPT TO THE EXTENT ALLOWED BY THE BANKRUPTCY COURT OR DETERMINED OTHERWISE BY THE PROPONENTS, BALLOTS AND MASTER 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 AND YOUR ELECTION ON THE BALLOT, IF ANY, WILL NOT BE VALID. IF YOU ARE VOTING THROUGH A VOTING NOMINEE, YOU MUST RETURN YOUR BALLOT TO THE VOTING NOMINEE IN SUFFICIENT TIME FOR YOUR VOTING NOMINEE TO PROCESS YOUR BALLOT AND SUBMIT A MASTER BALLOT TO THE BALLOTING AGENT SO THAT IT IS ACTUALLY RECEIVED BY THE PLAN VOTING DEADLINE, OR YOUR VOTE WILL NOT BE COUNTED AND YOUR ELECTION ON THE BALLOT, IF ANY, WILL NOT BE VALID.

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 AND MASTER BALLOTS RECEIVED BY THE BALLOTING AGENT BY THE PLAN VOTING DEADLINE WILL BE COUNTED.

Section 5.03 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 OR THE APPROPRIATE VOTING NOMINEE AS INDICATED ON THE BALLOT INSTRUCTIONS.

Section 5.04 Agreements upon Furnishing Ballots

The delivery of an accepting Ballot 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 (INCLUDING, WITHOUT LIMITATION, THE RELEASES, WAIVERS, EXCULPATIONS, AND INJUNCTIONS CONTAINED IN 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 VI

CONFIRMATION PROCEDURES

Section 6.01 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 August 30, 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 6.02 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 August 23 , 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 VII

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 7.01 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 the commission payable to a trustee in bankruptcy and the fees of professional advisors to such trustee, and (ii) 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, as set forth in the Liquidation and Distribution Analysis in Section 4.04, 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 remaining assets 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 that is less than the estimated return under the Plan as set forth in the Liquidation and Distribution Analysis in Section 4.04.

Section 7.02 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 VIII

RISK FACTORS

Section 8.01 Risk Factors

Before voting to accept or reject the Plan, holders of Equity Interests in the Debtor should read and consider carefully the risk factors enumerated throughout the Disclosure Statement, including those listed below, and the other information in this Disclosure Statement, the Plan and the other documents delivered with or incorporated by reference in this Disclosure Statement and the Plan. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan, its implementation, or the business and operations after the Effective Date of the Debtor's indirect subsidiaries, including, but not limited to, China.com, CDC Global Services, CDC Games, and Menue, Inc.

Except for historical information, all the statements, expectations, and assumptions contained in this Disclosure Statement are forward looking statements that involve a number of risks and uncertainties. Although the Debtor has used its best efforts to be accurate in making these forward-looking statements, it is possible that the assumptions may not materialize. In addition, other important factors could affect the prospect of recovery to Equity Interest holders, including, but not limited to, the inherent risks of litigation regarding the subordination or equitable disallowance of certain Equity Interests and the allowance and amount of certain Claims filed in the Chapter 11 Case as unliquidated.

There are many other risks associated with the Plan, including, but not limited to:

• Holders of Equity Interests in the Plan could vote to not accept the Plan. If the Plan is rejected by holders of Class 3 Equity Interests, the Bankruptcy Court may not confirm the Plan.

• Even if the Plan is accepted by Class 3 Equity Interest holders, the Bankruptcy Court could determine that the Plan is not confirmable under 11 U.S.C. §1129. If the Plan is not confirmed and consummated, there can be no assurance that the Chapter 11 Case will continue rather than be converted to Chapter 7. In a Chapter 7 liquidation, there is a risk that the value of the Debtor's enterprise would be eroded to the detriment of Equity Interest holders. *See* Liquidation and Distribution Analysis, Section 4.04. There is also no assurance that any alternative plan would be on terms as favorable to the holders of Equity Interests as the terms of the Plan.

• The SEC may object to certain language contained in Section 11.12 of the Plan as improper. As a result, the Bankruptcy Court may not confirm the Plan.

• Any litigation in the Chapter 11 Case to subordinate or equitably disallow Equity Interests, including those listed on Exhibit 1 of the Plan, will involve a number of uncertainties and litigation risks, plus costs associated therewith. In the event the litigation with respect to these Equity Interests is unsuccessful, such Equity Interests will receive a distribution under the Plan similar to other Equity Interests and such distribution will not then be available for

distribution to other Equity Interests. Additionally, even if the litigation is successful, there may be a delay in any subsequent distribution to other Equity Interests as the litigation to subordinate or equitable disallow these Equity Interests may be protracted.

- If the Bankruptcy Court determines that the Plan cannot be confirmed because of the Disputed Provisions in the Plan, the Plan may still be confirmable by the Bankruptcy Court based on the self-correcting provisions contained in Section 8.13 of the Plan, which would deem the Disputed Provisions stricken from the Plan. In such event, however, no Equity Interests would be subordinated or equitably disallowed under the Plan, thereby reducing the distribution to holders of other Equity Interests.

- Additionally, if the Bankruptcy Court finds that there is no basis for subordinating or equitably disallowing Equity Interests under Cayman Islands law and such Cayman Islands law is binding and applicable in the Chapter 11 Case and, as a result, the Subordination Provisions in the Plan are unenforceable, no Equity Interests would be subordinated or equitably disallowed under the Plan or under any competing Plan or in a Chapter 7 liquidation, and the distribution to holders of other Equity Interests would be reduced.

- Actual recoveries for Equity Interest holder may differ from the estimated recoveries set forth in this Disclosure Statement as the recoveries listed in this Disclosure Statement are estimates based on assumptions made, including assumptions related to the following: the ability to sell the Debtor's assets; the successful subordination or equitable disallowance of certain Equity Interests through litigation; and the estimates of Allowed Claims. Many of such factors are outside the control of the Debtor. Even with respect to those factors within the Debtor's control, actual results may differ from assumptions relating thereto. As a result, actual recoveries may differ materially from those estimates included in this Disclosure Statement.

- The actual amount of Allowed Claims may differ from the estimates set forth in the Liquidation and Distribution Analysis in Section 4.04, which may reduce the amount projected for return to holders of Equity Interests. Furthermore, the Liquidation and Distribution Analysis does not include any estimates for unliquidated claims, including the EMC Claim, or for the Vaz Claim. The actual allowed amount of certain claims, including the EMC Claim and the Vaz Claim, could be material, thereby substantially reducing the distribution to Allowed Equity Interest holders.

- The Plan's releases, exculpations, and injunctions, as provided in Sections 11.5 through 11.8 of the Plan and as described in this Disclosure Statement, may not be approved by the Bankruptcy Court. Failure of the Bankruptcy Court to approve such releases and injunctions may result in the use of Trust Assets to defend litigation and pay liabilities that would otherwise have been released or enjoined, which may reduce the return to holders of Equity Interests.

- Because the Debtor is a Cayman Islands exempted company, certain regulatory issues may exist relating to the Plan and certain requirements for dissolving an entity under Cayman Islands law may exist which may interfere with the Plan. Additionally, the Liquidation Trustee may face significant obstacles to liquidating the Debtor's interest in China.com due to its location in Hong Kong.

• The Debtor believes that there are no tax consequences as a result of the sale of the CDC Software Shares or of any other transaction or sale contemplated by the Plan. *See* Section 9.01(c). To the extent that the Debtor owes taxes as a result of such sales or transactions, such taxes would reduce the estimated distribution to holders of Equity Interests set forth in the Liquidation and Distribution Analysis.

ARTICLE IX

TAX CONSEQUENCES OF THE PLAN, AND DISCLAIMER

Section 9.01 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.

THE FOLLOWING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH THE ASSISTANCE OF A QUALIFIED TAX PROFESSIONAL. THE FOLLOWING DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A BENEFICIAL INTEREST HOLDER'S OR OTHER PARTY'S PARTICULAR FACTS AND CIRCUMSTANCES. ACCORDINGLY, EACH BENEFICIAL INTEREST HOLDER OR OTHER PARTY IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, AND LOCAL INCOME TAX CONSEQUENCES, AND ANY APPLICABLE FOREIGN AND OTHER TAX CONSEQUENCES OF THE PLAN.

THE DEBTOR HAS NOT REQUESTED AND DOES NOT PLAN TO REQUEST A RULING FROM THE INTERNAL REVENUE SERVICE ON THE TAX STATUS OF THE LIQUIDATION TRUST OR ON ANY OTHER TAX ASPECT OF THE PLAN. FURTHER, THE DEBTOR HAS NOT OBTAINED AND DOES NOT INTEND TO OBTAIN A TAX OPINION FROM COUNSEL ON THE TAX STATUS OF THE LIQUIDATION TRUST OR ANY OTHER TAX ASPECT OF THE PLAN.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCLUAR 230, BENEFICIAL INTEREST HOLDERS AND OTHERS, WHO MAY READ THIS DISCLOSURE STATEMENT, ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THE DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY BENEFICIAL INTEREST HOLDERS OR OTHERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE (IRC); (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE PROPONENTS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH BENEFICIAL INTEREST HOLDER OR OTHER PARTY SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM A QUALIFIED, INDEPENDENT TAX ADVISOR.

(a) Classification and Treatment of Transfers to the Liquidation Trust

1. Classification of the Liquidation Trust

The Liquidation Trust is intended to qualify as a "liquidating trust" as described in Treasury Regulations Section 301.7701-4(d) and Revenue Procedure 94-45, 1994-2 C.B. 684. In general, a liquidating trust is treated for federal income tax purposes as a "grantor trust." Under U.S. federal income tax laws, a grantor trust is disregarded, and the grantors are treated as if they directly own undivided interests in all of the trust's assets. For federal income tax purposes, the Liquidation Trust will be taxed as a grantor trust under IRC Sections 671-677 (nontaxable pass-through tax entities). The applicable Beneficial Interest holders will be deemed to be the grantors and owners of the Liquidation Trust and its respective Trust Assets.

The Liquidation Trust has been structured with the intention of complying with Revenue Procedure 94-45. Among other things, the Liquidation Trust Agreement will provide that the sole purpose of the Liquidation Trust is to liquidate the Trust Assets for the benefit of the Beneficial Interest holders. The Liquidation Trust Agreement will limit the ability of the Liquidation Trust to engage in the conduct of any trade or business activity, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidation Trust. Pursuant to the Plan, and in conformity with Revenue Procedure 94-45, all parties, including without limitation the Beneficial Interest holders, must treat the Liquidation Trust for federal income tax purposes as a grantor trust of which the Beneficial Interest holders are the owners and grantors.

All affected parties must treat the initial transfers to the Liquidation Trust as deemed taxable transfers to the Beneficial Interest holders of the Liquidation Trust as described in more detail in the following section. In turn, no income tax should be imposed on the deemed transfer of Trust Assets by a Beneficial Interest holder to the Liquidation Trust. In addition, no income tax should be imposed on the Liquidation Trust (i) on the deemed receipt of Trust Assets, or (ii)

on subsequent income earned or gain recognized by the Liquidation Trust with respect to Trust Assets. Instead, the Beneficial Interest holders of the Liquidation Trust will be taxed on their respective allocable shares of such net income or gain in each taxable year of the Liquidation Trust, and will be responsible for paying the taxes associated with such income or gain regardless of whether they received any distributions from the Liquidation Trust in that taxable year.

The following discussion assumes that the Liquidation Trust will be respected as a grantor trust for U.S. federal income tax purposes. No ruling has been requested from the IRS and no opinion of counsel has been requested concerning the tax status as a grantor trust of the Liquidation Trust. There can be no assurance that the IRS will agree with the tax classification of the Liquidation Trust, or any reserves within the Liquidation Trust, as a grantor trust or part of a grantor trust. A different classification could result in a different income tax treatment of the Liquidation Trust, or a reserve within the Liquidation Trust. Such treatment could include, but is not limited to, treatment as a tax partnership for federal income tax purposes, or the imposition of an entity-level tax on the Liquidation Trust, or a reserve within the Liquidation Trust. Such a tax, if imposed, could result in a material reduction in the amount that would otherwise be available for distribution to the Beneficial Interest holders.

2. Treatment of Transfer of Assets to the Liquidation Trust

For all U.S. federal income tax purposes, all parties with respect to the Liquidation Trust must treat the transfer of Assets to the Liquidation Trust as (i) a taxable transfer of the Assets to the Beneficial Interest holders of the Liquidation Trust, followed by (ii) a transfer of the Trust Assets by such Beneficial Interest holders to the Liquidation Trust, with Beneficial Interest holders being treated as grantors and owners of the Liquidation Trust. Each Beneficial Interest holder that is a beneficiary of the Liquidation Trust will generally recognize gain or loss in its taxable year that includes the Effective Date in an amount equal to the difference between the amount realized in respect of its Equity Interest and its adjusted tax basis in the Equity Interest. The amount realized should generally equal the fair market value of the Trust Assets deemed received for U.S. federal income tax purposes under the Plan in respect of each Beneficial Interest holder's Equity Interest. A Beneficial Interest holder that is deemed to receive for U.S. federal income tax purposes the Trust Assets under the Plan in respect of its Equity Interest should generally then have a tax basis in the Trust Assets in an amount equal to the fair market value of the Trust Assets on the date of receipt.

Because each Beneficial Interest holder's share of the Trust Assets in the Liquidation Trust may change depending upon the resolution of Disputed Claims and Disputed Equity Interest, the Beneficial Interest holders may be prevented from recognizing for tax purposes all of their losses from the consummation of the Plan until all Disputed Claims and Disputed Equity Interests have been resolved.

The Liquidation Trust and the beneficiaries of the Liquidation Trust, as applicable, must value the Trust Assets consistently and use the valuations for all U.S. federal income tax purposes. The Liquidation Trust Agreement will provide for (i) consistent valuation of the Trust Assets by the Liquidation Trustee and the beneficiaries of the Liquidation Trust, (ii) the

Liquidation Trust to determine the fair market value of the Trust Assets, and (iii) the Liquidation Trust to send the fair market value determinations to each beneficiary of the Liquidation Trust.

The Liquidation Trust will be required to file federal income tax returns as a grantor trust under IRC Section 671 and Treasury Regulations Section 1.671-4, and report, but not pay tax on, its respective tax items of income gain, loss deductions and credits (the "Tax Items'). Each Beneficial Interest holder will be required to report that holder's proportionate share of such Tax Items on his, her or its federal income tax return, and pay any resulting federal income tax liability, regardless of whether the Liquidation Trustee distributes sufficient cash to fund the tax.

(b) Income Tax Consequences to Debtor

The Debtor believes that there are no income taxes with respect to the Debtor as a result of any transactions under the Plan. The Debtor intends to seek to obtain a tax opinion to confirm this belief.

(c) Income Tax Consequences to Beneficial Interest holders

The federal income tax consequences to a Beneficial Interest holder receiving, or entitled to receive, a payment on accounts of its Equity Interest may depend on a number of factors, including the nature of the Equity Interest, the Beneficial Interest holder's method of accounting, the Beneficial Interest Holder's tax jurisdictions, and particular tax situations applicable to the Beneficial Interest Holder. Because each Beneficial Interest holder's Equity Interests and tax situations differ, Beneficial Interest Holder's should consult their own tax advisors to determine how the Plan affects them for their taxing jurisdictions, based on their particular tax situations.

In general, a Beneficial Interest holder that receives a payment under the Plan on account of its Equity Interest recognizes income or loss for United States federal income tax purposes measured by the difference between (i) the amount of cash and the fair market value (if any) of any property received and (ii) its adjusted tax basis in the Equity Interest. The character of any income or loss that is recognized will depend upon a number of factors, including the status of the holder of the Equity Interest, the nature of the Equity Interest in its hands, whether the Equity Interest was purchased or granted at a discount, and the holder's holding period of the Equity Interest. Generally, the income or loss will be capital gain or loss if the Equity Interest is a capital asset in the holder's hands.

(d) Other Tax Matters - Withholding, Backup Withholding, and Information Reporting

In connection with the Plan, all distributions under the Plan, including distributions from the Liquidation Trust, must comply with all tax withholding, payment, and reporting requirements imposed by any federal, state, provincial, local or foreign taxing authority, all distributions under the Plan will be subject to any withholding, payment, and reporting requirements. The Liquidation Trustee is authorized to take any and all actions that may be necessary or appropriate to comply with the withholding, payment and reporting requirements.

All amounts properly withheld from distributions to a Beneficial Interest holder as required by applicable law and paid over to the applicable taxing authority for the account of such holder will be treated as part of the distributions to such holder. All persons entitled to a distribution must provide any information necessary to effect information reporting and withholding of such taxes. Notwithstanding any other provision of the Plan, each Beneficial Interest holder that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of the distribution. Additionally, the Liquidation Trust Agreement shall provide that no distribution will be made to or on behalf of such holder pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Liquidation Trustee, for the payment and satisfaction of withholding tax obligations or any tax obligation that would be imposed in connection with the distribution.

Moreover, under certain circumstances, Beneficial Interest holders may be subject to "backup withholding" with respect to payments made pursuant to the Plan, unless such holder either (i) comes within certain exempt categories, which generally including corporations, and when required, demonstrates this fact, or (ii) provides a correct U.S. taxpayer identification number and certifies under penalty of perjury that the holder is a U.S. person, the taxpayer identification number is correct, and the taxpayer is not subject to backup withholding because of a failure to report dividend and interest income.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a Beneficial Interest holder's U.S. federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS.

In addition, Treasury regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including certain transactions that result in the taxpayer claiming a loss in excess of specified thresholds. Each Beneficial Interest holder is strongly urged to consult its tax advisor regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Beneficial Interest holders' tax returns.

(e) Importance of Obtaining Professional Tax Advice

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A BENEFICIAL INTEREST HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, BENEFICIAL INTEREST HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX CONSEQUENCES OF THE PLAN.

Section 9.02 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 AN 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 AN INTEREST.

THE DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, NOR HAS THE SEC 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 PROPONENTS 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 CONTROL OF THE PROPONENTS. THE PROPONENTS CAUTION 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 PROPONENTS. THEREFORE, ALTHOUGH THE PROPONENTS HAVE MADE EVERY REASONABLE EFFORT TO BE ACCURATE IN ALL MATERIAL MATTERS, THE PROPONENTS ARE 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 Proponents have made every effort to retain the meaning of such other documents or portions that have been summarized, the Proponents urge 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 X

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 4:00 p.m. prevailing Eastern Time on August 20, 2012.

Dated: July 3, 2012

CDC CORPORATION

By: /s/ Marcus A. Watson (w/express permission by GDE)
Name: Marcus A. Watson
Title: Chief Restructuring Officer

Finley, Colmer and Company
5565 Glenridge Connector, Ste. 200
Atlanta, GA 30342

LAMBERTH, CIFELLI, STOKES,
ELLIS & NASON, P.A.
Attorneys for the Debtor

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EXHIBIT "A"

LIST OF CLAIMS AS OF MAY 11, 2012

Claim No.	Date	Claimant	Filed Amount	Estimated Allowed Amount*
1	10/12/2011	CDW	$1,332.88	$0.00
2	10/14/2011	EMC CORPORATION	$3,541.38	$0.00
3	10/27/2011	PAUL E GREGORY & TERRY GREGORY JT TEN	$42.00	$0.00
4	11/3/2011	RYAN R KING	Unliquidated	$0.00
5	11/14/2011	BRONISLAW CUPRYS	$13,375.00	$0.00
6	11/4/2011	WLADYSLAWA CUPRYS	$13,375.00	$0.00
Amended 6	3/19/2012	WLADYSLAWA CUPRYS	$13,375.00	$0.00
7	11/8/2011	AON CONSULTING n/k/a AON HEWITT	$4,100.00	$0.00
8	11/16/2011	DEPARTMENT OF THE TREASURY-INTERNAL REVENUE SERVICE	$213,637.10	$0.00
Amended 8	3/23/2012	DEPARTMENT OF THE TREASURY-INTERNAL REVENUE SERVICE	$83,133.82	$0.00
9	11/7/2011	JOHN R HALLING & CAROLINE L HALLING JT TEN	$305.00	$0.00
10	11/7/2011	CAROLINE L HALLING	$1,936.75	$0.00
11	11/14/2011	ROBERT DONOHOE & DOROTHY DONOHOE	$14,400.00	$0.00
12	11/21/2011	HILDA DETWEILER	$3,000.00	$0.00
13	11/28/2011	CHARLES A GENEROSE & LILLIAN M GENEROSE JT TEN	$1,322.00	$0.00
14	11/29/2011	OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP	$385,200.00	$0.00
Amended 14	2/29/2012	OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP	$461,062.50	$461,062.50
15	12/2/2011	CELIA Y CHEAH	Unliquidated	Unliquidated
16	12/6/2011	ROSINA M GENEROSE	$2,250.00	$0.00
17	12/7/2012	MELLON INVESTOR SERVICES, INC.	$22,936.67	$22,936.67
18	1/3/2012	KIT LIN SONG & GIN S YEE JT TEN	$3,500.00	$0.00
19	1/18/2012	SUZANNE D KILLEEN	Unliquidated	Unliquidated
20	2/6/2012	HUMENDRA GUPTA	$23,023.00	$23,023.00
21	11/21/2011	HUMENDRA GUPTA	$23,023.00	$0.00
22	3/22/2012	BRONISLAW CUPRYS	$13,375.00	$0.00
23	3/26/2012	CALIFORNIA BUSINESS LAW OFFICE	$97,253.47	$0.00
24	3/29/2012	NAVIGANT CONSULTING, INC.	$49,774.50	$49,774.50
25	4/2/2012	KROLL ONTRACK	$42,438.79	$42,438.79
26	4/10/2012	PAUL HASTINGS LLP	$25,113.73	$25,113.73
27	4/12/2012	RAJAN VAZ	$29,421,631.00	$0.00
28	4/23/2012	BROAD CROSSING, INC.	$123,443.00	$0.00

EXHIBIT "A"
CONT"D - PAGE 2
LIST OF CLAIMS AS OF MAY 11, 2012

Claim No.	Date	Claimant	Filed Amount	Estimated Allowed Amount*
29	4/26/2012	WILMER CUTLER PICKERING HALE AND DORR LLP	$50,005.83	$50,005.83
30	5/1/2012	EVOLUTION CAPITAL MANAGEMENT, LLC	Unliquidated	Unliquidated
31	5/2/2012	PRAXA LIMITED A.C.N. 006126496, AN AUSTRALIAN INCORPORATED	$989,536.76	$989,536.76
32	5/2/2012	CDC SOFTWARE CORPORATION	Unliquidated	Unliquidated
33	5/2/2012	ALSTON & BIRD LLP	$129,904.66	$129,904.66
34	5/2/2012	BEATTIE PADOVANO, LLC	$41,528.59	$41,528.59
35	5/2/2012	ASIA PACIFIC ONLINE LIMITED	Unliquidated	Unliquidated
36	5/2/2012	PETER YIP	Unliquidated	Unliquidated
37	5/2/2012	DONALD L. NOVAJOSKY	Unliquidated	Unliquidated
38	4/30/2012	AJAY FRANCIS CARVALHO	$1,500.00	$0.00
39	4/30/2012	KOORKKENCHERYKARAN REGI GEORGE	$760.00	$0.00
40	5/1/2012	SUNDARARAJAN THYAGARAJAN	$3,050.00	$0.00
41	5/1/2012	MR. SUNIL SHARAD KASHILEAR	$7,966.00	$0.00
42	5/2/2012	MAKARAND MAHADEO PHAOKE	$1,317.00	$0.00
43	5/2/2012	SANDESH SURESH KADAM	$320.00	$0.00
44	5/2/2012	SACHIN GANGARAM CHOGALE	$307.00	$0.00
45	5/2/2012	C/O PAYAL DIGITAL PHOTO STUDIO	$308.00	$0.00
46	5/2/2012	SANTOSH SHYAMLAL KORI	$307.00	$0.00
47	5/2/2012	JAIKIRAN BHARAT JOSHI	$163.00	$0.00
48	5/2/2012	TRUPTI PATKAR	$15,761.00	$0.00
49	5/2/2012	SUMIT PARUI	$300.00	$0.00
50	5/2/2012	MANGESH VISHWANATH NABAR	$16,375.00	$0.00
51	5/2/2012	VIVEK YADAV	$308.00	$0.00
52	5/2/2012	JAYESH WAGHELA	$457.00	$0.00
53	5/2/2012	SHASHIKANT ASHOK KADAM	$343.00	$0.00
54	5/1/2012	SHRIKANT MADHUKAR PARAB	$4,000.00	$0.00
55	5/2/2012	VINOD C KARUNAKARAN	$1,500.00	$0.00
56	5/1/2012	SANGRAM S. TAKAWALE	$1,000.00	$0.00
57	5/1/2012	SHINDE TRAVELS & CHATRAPATI TRAVELS	$20,000.00	$0.00
58	5/2/2012	MONISH BAHL	Unliquidated	Unliquidated
59	5/2/2012	VINEET KINGER	$1,955.63	$0.00

EXHIBIT "A"
CONT'D - PAGE 3
LIST OF CLAIMS AS OF MAY 11, 2012

Claim No.	Date	Claimant	Filed Amount	Estimated Allowed Amount*
60	5/11/2012	MANGESH VISHWANATH NABAR	$16,375.00	$0.00
61	5/3/2012	BHABANI SANKAR SAHOO	$2,600.00	$0.00
62	5/3/2012	VENU ANAMALLA	$2,405.00	$0.00
63	5/3/2012	TAMIL SELVAN R.	$400.00	$0.00
64	5/9/2012	VIKAS YADAV	$865.00	$0.00
SCHEDULED	N/A	KOBRE & KIM	$138,000.00	$138,000.00
SCHEDULED	N/A	BROWN ESSA AND MCCLOUD LLP	$18,249.50	$18,249.50
SCHEDULED	N/A	CHOREY TAYLOR & FELL NKA BARNES & THORNBURG	$14,899.00	$14,899.00
SCHEDULED	N/A	COLEMAN TALLEY LLP	$1,194.00	$1,194.00
SCHEDULED	N/A	COVINGTON & BURLINGTON	$38,288.00	$38,288.00
SCHEDULED	N/A	DELOITTE & TOUCHE, LLP	$675,019.00	$675,019.00
SCHEDULED	N/A	FENSTERSTOCK & PARTNERS LLP	$130,403.00	$130,403.00
SCHEDULED	N/A	FELICE BROWN ESSA AND MCLEOD LLP	$17,804.00	$17,804.00
SCHEDULED	N/A	FISHER & PHILLILPS	$55,822.00	$0.00
SCHEDULED	N/A	GREENBERG TRAURIG	$15,392.00	$15,392.00
SCHEDULED	N/A	KASOWITZ BENSON TORRES & FRIEDMAN	$834.68	$834.68
SCHEDULED	N/A	THOMSON REUTERS MARKETS LLC	$17,871.06	$17,871.06
SCHEDULED	N/A	ELLENOF GROSSMAN & SCHOLE LLP	$11,642.00	$11,642.00
SCHEDULED	N/A	WEST PUBLISHING CORP	$2,000.00	$2,000.00
			Total estimated allowed claims:	$2,916,921.27

*By listing an estimated amount, the Proponents are not admitting the validity of any claim and reserve all rights to object to a claim.

EXHIBIT "B"

DESIGNATED CAUSES OF ACTION

Potential Defendant(s)	Causes of Action
Asia Pacific Online Limited (a/k/a Asia Pacific On-Line Limited)	Equitable subordination, equitable disallowance, classification of Equity Interests in Class 3B of the Plan, breach of contract, breach of fiduciary duty
Peter Yip	Breach of contract, breach of fiduciary duty
Current and former directors and officers of CDC Corporation	Equitable subordination, equitable disallowance, classification of Equity Interests in Class 3B of the Plan, breach of contract, breach of fiduciary duty
Former professionals for CDC Corporation (e.g., legal counsel, accountants/auditors)	Breach of contract, professional negligence, breach of fiduciary duty, aiding and abetting breach of fiduciary duty
Chu Ming Nga, Nicola a/k/a Nicola Chu	Equitable subordination, equitable disallowance, classification of Equity Interests in Class 3B of the Plan
Holders of Options Interests, Equity Rights, and Restricted Stock Awards	Equitable subordination, equitable disallowance, classification of Equity Interests in Class 3B of the Plan, breach of contract, breach of fiduciary duty