NEXT-GENERATION SATELLITE COMMUNICATIONS LIMITED
Co. Registration No.196400100R

UPDATE ON LEGAL ACTION AGAINST NEO TELEMEDIA LIMITED

Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to them in the announcements dated 12 June 2015, 8 January 2016, 29 January 2016, 17 March 2016 and 12 April 2016 ("Announcements").

Further to the Announcements, the Board of Directors of Next-Generation Satellite Communications Limited (the "Company") wishes to announce that Arch Capital Limited ("Arch") and Hillgo Asia Limited ("Hillgo"), wholly-owned subsidiaries of the Company, have issued a Summons in Hong Kong on 26 May 2016 against Neo Telemedia Limited ("Neo"), as a consequence of breach of the terms of the Court Order dated 6 January 2016 ("Court Order") by Neo, to comply with the Court Order, which states that Neo shall comply with all terms of the Convertible Notes *inter alia*:.

(a) Neo will redeem the 1st note of the Convertible Notes with certificate number 001 for the principal amount of HK$95,000,000 as and when it falls due three (3) calendar years after the day of its issue on 5th April 2013;

(b) Neo will redeem the 2nd note of the Convertible Notes with certificate number 002 for the principal amount of HK$49,000,000 as and when it falls due three (3) calendar years after the day of its issue on 5th April 2013; and

(c) Arch and Hillgo shall have the rights to convert part or full of the two Convertible Notes at the price of HK$1.10 on or before 4th April 2016.

The Court Order also provided that in the event of default by Neo to comply with the terms of the Convertible Notes, Arch and Hillgo shall be at liberty to apply to the court for the compliance of the Court Order.

The Company will update shareholders on any material developments at the appropriate time.

By Order of the Board

Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director and Chief Executive Officer

29 May 2016