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 and 17 March 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 entered into a settlement agreement on 12 April 2016 ("Settlement Agreement") with Neo Telemedia Limited ("Neo") and AR Evans Capital Limited ("AR Evans") in relation to the court order dated 6 January 2016 ("Court Order"), specifically on terms mentioned in paragraphs 2(a) and 2(b) of the announcement of the Company dated 8 January 2016 ("8 Jan Announcement"), whereby the redemption of the two (2) Convertible Notes with total principal sum of HK$144,000,000 that matured on 5th April 2016 is substituted by a corporate irrevocable guarantee and undertaking of Neo to Arch and Hillgo to pay the total principal sum of HK$144,000,000 plus additional interest sum of HK$1,680,000 in five (5) instalment payments on or before 30 June 2016.

AR Evans, being an interested person and a party to the Settlement Agreement, its involvement therein is part of its continuing engagement to assist the Company to seek and facilitate the recovery of the two Convertible Notes.

The terms of the Settlement Agreement *inter alia* include the following:

a) Neo, upon approval of the Hong Kong Stock Exchange Limited ("HKSE"), shall issue 375,875,000 freely tradable shares of Neo on HKSE ("Issued Shares") to AR Evans in order to arrange the payments stated in paragraphs (c) and (d) below to Arch and Hillgo, which is guaranteed by Neo through a joint and several guarantee and undertaking of Neo.

b) Upon issue of the Issued Shares, without prejudice to the paragraph (d) below, the obligations of Neo under the Court Order as stated in paragraphs 2(a) and 2(b) of the 8 Jan Announcement shall be fully discharged and substituted by the irrevocable corporate guarantee and undertaking from Neo and Arch and Hillgo shall deliver or procure the delivery of the two (2) Convertible Notes to Neo for cancellation.

c) Upon issue of the Issued Shares, AR Evans shall sell or procure the sale of the Issued Shares within 3 months from the date of issue and allotment of the Issued Shares or such other period as agreed by Neo and arrange to make payments to Arch and Hillgo for an aggregate sum of HK$145,680,000, representing the sum of the principal amount of the two Convertible Notes of HK$144,000,000 and the outstanding interest of HK$1,680,000, by way of five (5) instalment payments, of which one payment shall be made within April 2016, two payments within May 2016 and two further payments within June 2016 or such other payment manner as mutually agreed.

d) Neo irrevocably guarantee and undertake to Arch and Hillgo jointly and severally for full repayment of up to the aggregate sum of HK$145,680,000, should there be any failure of payment or shortfall in payments to Arch and Hillgo by AR Evans. This undertaking by Neo shall be continuous until the full, final and complete discharge of Neo's liability herein.

By Order of the Board

Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director and Chief Executive Officer

12 April 2016