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 announcement dated 12 June 2015 ("Announcement").

Further to the Announcement, the Board of Directors of Next-Generation Satellite Communications Limited (the "Company") wishes to announce that the Court in Hong Kong has issued a Court Order dated 6 January 2016 by consent of the parties, in relation to the legal action against Neo Telemedia Limited:

1) Neo shall, within 3 business days after closing of the open offer regarding the sale of shares of Neo, pay to Arch and Hillgo the sum of HK$10,080,000 in full and final settlement of Arch and Hillgo's claim for outstanding accrued interest payable for the Convertible Notes for the period from 5 October 2014 to 4th October 2015.

2) 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;

   (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; and

   (d) The obligation of Neo to pay interest pursuant to condition 3(a) of the Convertible Notes at the rate of 7% per annum from 5th October 2015 until full payment pursuant to the Convertible Notes is expressly waived by Arch and Hillgo.

By Order of the Board
Next-Generation Satellite Communications Limited

Ku Vicente S.
Managing Director

8 January 2016