



Gems TV Holdings Limited

(Incorporated with limited liability in the Cayman Islands on April 23, 2001)

For Immediate Release

***GEMS TV TO END OPERATIONAL CASH BURN IN USA,
PLANS TO ACQUIRE 37.8% STAKE IN LEADING TELEVISION
AND INTERNET JEWELRY RETAILER IN USA***

- **Gems TV to close US operations to end operational cash drain**
- **Despite closure of US operations, Gems TV plans to retain a higher proportionate share of the US jewelry market through a proposed investment in Jewelry Television®**
- **The proposed combination of Gems TV's reverse auction sales format and Jewelry Television®'s fixed price format would create a powerful sales platform positioned for growth in the US market**

Singapore, 8 March 2010 – Gems TV Holdings Limited (“**Gems TV**” or the “**Group**”) announced today that it will cease operations in the United States of America (“**USA**” or “**US**”). The Group has also entered into a non-binding term sheet (“**Term Sheet**”) to acquire approximately 37.8% (subject to adjustments) shareholding interest in Multimedia Commerce Group Inc. (“**MMCG**”) (the “**Proposed Investment**”). The proposed transaction is subject to several conditions precedent including the signing of definitive binding legal agreements and the approvals of the shareholders of the parties.

MMCG is a private corporation based in the US. MMCG operates a shopping network under the trade name “Jewelry Television®” (“**JTV®**”) and retails jewelry, gemstones and related products via its television network and internet sites. **JTV®** is a direct competitor of the Group in the US.

Upon completion of the Proposed Investment, both Gems TV and **JTV®** will no longer be in competition with each other and instead will work together to achieve better margins and greater revenue. **JTV®**'s dominant position in the world's largest jewelry market would be further strengthened, allowing it to assume a larger share of the US jewelry market.

Pursuant to the Proposed Investment, Gems TV shall subscribe for approximately 10 million shares in the capital of MMCG amounting to approximately 37.8% of the issued and paid up capital of MMCG for a consideration consisting of (i) cash (ii) inventories and (iii) other assets and intangibles, at an aggregate value of USD60 million. The said consideration was arrived between Gems TV and MMCG on a "willing-buyer and willing-seller" basis at USD6.00 per MMCG share (subject to adjustments).

JTV[®] plans to incorporate Gems TV's popular reverse-auction program with its existing fixed-price selling programs, the combination of which will create a powerful sales platform positioned for growth in the US market.

Gems TV to cease US Operations

Since its entry into the US in November 2006, Gems TV has struggled to achieve the necessary operational and economic scale that would enable it to thrive in that market. The Group's margins and profitability have been under constant pressure from the extremely challenging and unpredictable economic environment.

Mr Jason Choo, Chairman of Gems TV said, *"We are putting a stop to the operational cash drain in the US which is clearly a disappointing outcome. However, if the Proposed Investment completes, it will allow us to immediately increase our proportionate share of the US jewelry market. Both parties believe that a significant portion of our revenue will migrate to MMCG once we cease broadcasting and MMCG is in an ideal position to leverage off that additional revenue."*

The cessation of the Group's US operations is not contingent on the completion of the Proposed Investment. Gems TV will cease its US operations regardless of whether or not the Proposed Investment takes place.

About Jewelry Television[®]

MMCG operates its primary retail distribution through JTV[®] and is based in Knoxville, Tennessee, USA. JTV[®] is a leading television home shopping network and Internet retailer specializing in the sale of jewelry, gemstones and related products. JTV[®]'s high definition programming is broadcast 24 hours a day, 7 days a week, to over 80 million unique households in the US.

Since being founded in 1993, JTV[®] has become one of the top tier television home shopping networks and the largest focused exclusively on jewelry. In addition, JTV[®]'s internet site, jtv.com, is the fourth largest online jewelry retailer according to Internet Retailer's Top 500

Guide 2009 edition. Currently, JTV[®] generates approximately 77.0% of its sales through television broadcasting and 23.0% through its Internet sites.

JTV[®]'s management team has approximately 23 years of direct industry experience and an average tenure with JTV[®] of over 7 years. Team members have held positions at a number of established home shopping, media, retail, consumer and technology-related companies. Several members of the management team hold a meaningful ownership interest in JTV[®] as original founders and recipients of stock options.

Based on its audited consolidated accounts, JTV[®] achieved a peak revenue of USD511.5 million for its financial year 2007. Due to the entry of the Company into the US market and the ensuing recession in the US, JTV[®]'s revenue in the trailing 12 months to 31 January 2010 fell to approximately USD300 million (unaudited). Despite this contraction in revenue, over this same period, JTV[®]'s earnings before the deduction of interest, tax, depreciation and amortisation was approximately USD16 million (unaudited).

Creating Value for Shareholders

Gems TV will be able to share with JTV[®]'s Board of Directors its experience operating in the industry and worldwide markets via the two Board seats it will gain with the completion of the Proposed Investment.

MMCG currently intends to seek an initial public offering of its shares on the US securities exchange within a time frame of approximately 2 years following the completion of the Proposed Investment, if market conditions permit and the general economic conditions within the US improve.

Mr Choo added, "*I believe Jewelry Television[®] represents the very best that the jewelry TV and internet shopping industry has to offer consumers and is also a cut above the rest of the players, in terms of its established branding, market position and scale. We are very confident that our Proposed Investment in JTV[®] would give both parties the best vantage points from which to grow, and we look forward to sharing in the success of Jewelry Television[®].*"

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