



PRESS RELEASE

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Two Indian Suspects Arrested in Tel Aviv on Suspicion of Attempted Theft of Sarine's Intellectual Property

Arrested during meeting in which US\$100,000 in cash handed over as advance payment

Hod Hasharon, Israel, July 23, 2017 – Singapore Exchange Mainboard-listed Sarine Technologies Ltd ("Sarine" or "the Company" and together with its subsidiaries "the Group") (U77:SI), a worldwide leader in the development, manufacture and sale of precision technology products for the evaluation, planning, processing, finishing and trading of diamonds and gems, reports that two suspects of Indian nationality have been arrested in Tel Aviv on suspicion of attempting to illegally obtain Sarine's confidential intellectual property .

A couple of months ago, Sarine employees reported to Company management that they had been approached by a third party offering to buy key intellectual property pertaining to Sarine's diamond manufacturing products.

Sarine engaged the services of a private investigator who, posing as a Sarine employee, continued to correspond with said third party. An initial meeting took place in Tel-Aviv in June between the private investigator and two Indian nationals, who arrived in Israel specifically for said meeting. The terms of the proposed deal were agreed and a second meeting was set up in Tel Aviv last week. During this meeting the suspect, and a relative, who is also an Indian national residing in Israel, the owner of a company dealing in rough diamonds and a member of the Israel Diamond Bourse, handed over US\$ 100,000 in cash, as an advance payment against an agreed US\$1,000,000, to be paid in exchange for Sarine's Galaxy™ system schematics, list of parts™ and vendors thereof and software source code.



Immediately after the exchange, Israeli police detectives arrested the suspects and took them into custody. The suspects were brought before the Magistrate's Court in Tel Aviv and the primary suspect was remanded into custody for 6 days pending further investigation. The suspect's relative was released, as, though he admitted the money was his, the court accepted at face value his claim that he was not aware of the terms of the proposed deal, remarking that his presence at the meeting "smelled foul" but was not sufficient to establish complicity. A third suspect, who had attended the initial meeting in June, and is known to be in Israel, remains at large and is being sought by the Tel-Aviv police for questioning.

In response to these events, David Block, CEO of Sarine, stated that, "Sarine is fully committed to, and invests millions of dollars in the advancement of the diamond industry. We wish to reiterate that Sarine will aggressively defend its intellectual property in all places and at all times, with all the means that are necessary and appropriate. Unfortunately, this is another example of how far and how low unethical players will go to attain our technology illegally."

About Sarine Technologies:

Established in 1988, Sarine Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced evaluation, planning, processing, and finishing systems for diamond and gemstone production. Sarine products include diamond Cut, Color and light performance grading tools, the Galaxy™ family of inclusion mapping systems, rough diamond planning optimisation systems, laser cutting and shaping systems, laser-marking and inscription machines and polished diamond visualisation systems. Sarine systems have become standard tools in every properly equipped gemology lab, diamond appraisal business and manufacturing plant, and are essential aids for both diamond dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.



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