



PRESS RELEASE

FOR IMMEDIATE RELEASE

Sarine Thwarts Customer's Fraudulent Use of Galaxy[®]

Hod Hasharon, Israel, 04 January 2018 – Galatea Ltd., a wholly-owned subsidiary of Singapore Exchange Mainboard-listed Sarine Technologies Ltd (“Sarine” (U77:SI) and together with its subsidiaries, “the Sarine Group”), worldwide leaders in the development, manufacture and sale of precision technology products for the evaluation, planning, processing, finishing, grading and trading of diamonds and gems, announced that it has further stepped up its enforcement initiatives against the fraudulent use of its Galaxy[®] inclusion mapping technology and systems. Galatea is taking action against a manufacturer in Surat, India for its deliberate under-reporting of rough stone weights and underpayment of amounts owed to Galatea for the scanning of said rough stones.

While auditing the manufacturer’s usage of its Galaxy[®] system, Galatea discerned significant discrepancies over an extended period between the weights of rough stones processed and those actually reported to Galatea. This under-reporting resulted in an underpayment of the amounts owed to Galatea for the use of the Galaxy[®] system. After an internal in-depth analysis, Galatea determined that such under-reporting was clearly a deliberate act to misrepresent the stone weights processed and the resultant sums payable to Galatea. Galatea also has incontrovertible evidence to demonstrate that the under-reporting was done through the illegal manipulation of the Galaxy[®] software. Appropriately, Galatea summarily locked out the manufacturer from the use of its Galaxy[®] system. It should be noted that even though the illicit software manipulation was temporarily successful in submitting the manipulated values of the weights processed, Galatea’s supervisory and billing software was able to identify the fraud and track same, and we possess irrefutable proof of the software hack and exhaustive data pertaining to the stones illicitly under-reported.



When confronted by Galatea, the manufacturer's proprietor claimed that a senior manager had been responsible for the software manipulation, which led to the fraud. Galatea intends to initiate appropriate legal action against said manufacturer and its owners, officers, employees, etc. who were involved in such unlawful and illegal activities, seeking compensation for the damages caused, and will take additional actions in the appropriate Indian and international diamond industry and trade centres to expose these fraudulent activities. Further details, including the manufacturer's identity will be made public after the filing of the legal actions in a few weeks' time.

David Block, Chief Executive Officer of Sarine Group, said, "The Sarine Group is taking proactive and aggressive actions aimed at protecting our intellectual property rights, including against manufacturers, who are engaged in the use of infringing products and services or any other fraudulent use of our technologies. Wrongful use of any Galatea or other Sarine Group products of any type will not be tolerated."

About Sarine:

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 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 Clarity, Color, Cut and light performance grading tools and visualisation systems. Sarine systems have become standard tools in every modern manufacturing plant, properly equipped gemology lab and diamond appraisal business, and are essential aids for diamond polishers, dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

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