

PRESS RELEASE

FOR IMMEDIATE RELEASE

Responsible Sourcing – Key Topic at JCK Show

Miners, Manufacturers, Wholesalers and Retailers all Focused on Responsible Diamond Sourcing and Provenance Traceability

Leading U.S. Retailers Take Firm Stand Against Intellectual Property (IP) Infringement

Hod Hasharon, (Israel), 26 June 2018 – 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, wishes to update its investing public on a keynote issue in focus at the diamond industry's key JCK trade show in Las Vegas from June 1st through June 4th.

As reported in our press release of 3 June 2018, responsible sourcing (addressing issues such as ethical and environmentally friendly mining, labour conditions in general, and disavowing child or forced labour specifically, in mining and manufacturing activities, IP infringement, etc.) and polished diamond provenance have become central issues of significant interest to major players in the diamond industry, across the entire value chain – from producing miners, through manufacturers and wholesalers to retailers.

Major miners, including DeBeers who hosted a panel on its Tracr blockchain proposition, Alrosa and Canada's Dominion, all commented on the growing importance of diamond traceability.

Sarine strongly supports and is actively involved in several blockchain initiatives. Any blockchain application is only as good as the data it contains, and it is a key requirement that such data be verifiable and provided by objective and trustworthy sources. Our unique position and neutrality in the diamond pipeline's midstream, during which the diamond is actually transformed from rough to polish, and the near-ubiquitous utilisation of our technology during that crucial stage, enables us to provide a powerful solution to support the diamond industry's need for accountable traceability.

As previously reported on numerous occasions, Sarine has been actively discussing responsible sourcing with leading industry organizations, miners, wholesalers and retailers, for the better part of a year. Specifically, Sarine has presented the brazen nature of the infringement of its IP in India, and the potentially serious adverse impact this could have on the importation of polished diamonds into the U.S. Leading U.S. retailers, including Tiffany and Signet (the largest retailer in the U.S both by "doors" and by volume), have responded very positively to the material we have disclosed. Steps taken by these industry leaders and other retailers have included augmenting their suppliers' contractual terms and conditions, codes of conduct, etc., to specifically address IP infringement issues.

As expressed by Tiffany's Senior Vice President and General Counsel, Ms. Leigh Harlan, to Bill Weisel, Sarine's General Counsel, "Tiffany itself has faced infringement issues, making the company acutely aware of the importance of rigorously protecting and enforcing intellectual property rights".

As presented at the JCK in the context of a session on responsible sourcing delivered by Mr. Adriaan Olivier, Senior Vice President of Strategic Diamond Sourcing of Signet, "Signet takes intellectual property rights very seriously, and the IP policy like the rest of the requirements of the Signet Responsible Sourcing Protocol for Diamonds (D-SRSP) will continue to be updated and subject to the audit process." Specifically addressing the infringement by Diyora & Bhanderi Corporation of Sarine's Galaxy technology, he stated that, "This particular case is commercially very large and very serious." Adding, "Signet has received credible information that Diyora & Bhanderi Corporation in India has been utilizing a process of internally scanning/planning rough diamonds that infringes on the US patents owned by Sarine



Technologies Ltd. All of our suppliers need to ensure that they're not contracting for diamond manufacturing services that infringe on the IP rights of others. The implications are incredibly serious and we will take this particular infringement very seriously."

David Block, the Group's CEO, noted that, "We are extremely pleased that the issue of responsible sourcing and provenance traceability are receiving the attention they are, as it is key to ensuring the diamond industry's implicit stature, and explicitly the polished diamond's allure to the modern informed consumer. Sarine will continue to aggressively protect its IP and work with industry organizations and retailers to ensure that polished diamonds are procured in a responsible manner."

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 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 gemmology 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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