

## FARAD TOKEN SWAP CLOSING STATEMENT

On behalf of FARAD Program Manager, we are happy to announce that the FARAD Token Swap Program had been concluded October 31, 2017 with a resounding success. The total token Swap results are as follows:

### Farad Distribution Table:

|  | Farad (FRD)                                | Farad Escrow (FRE)                         | Farad Manufacturing (FRM)                  | Dates  |
|--|--|--|--|--|
| <b>Total Cryptokens created</b>                          | 1,600,000,000                              | 1,600,000,000                              | 1,600,000,000                              |  |
| <b>Ethereum Contract Address</b>                         | 0x0ABeFb7611Cb3A01EA3FaD85f33C3C934F8e2cF4 | 0xb7E0F6F5a28193Cdb393F9f5094350798C3d5B77 | 0x0E9E921937c606705C8f8487e68913E97C0C34D2 | Contracts were deployed on 16 September 2017 |
| <b>Total Distributions related to Token Swap Program</b> | 200,000,000                                | 200,000,000                                | 200,000,000                                | 7 November 2017                              |
| <b>Total Distribution to FARAD STORE</b>                 | 1,400,000,000                              | 1,400,000,000                              | 1,400,000,000                              | 15 November 2017                             |

### The Distribution for Token Swap are as follows:

|  | FRD         | FRE         | FRM         |
|--|-------------|-------------|-------------|
| <b>The Public</b>                                    | 160,000,000 |             |             |
| <b>Virtue Fintech (Program Manager)</b>              | 40,000,000  |             |             |
| <b>Aero Beidou (Program executor)</b>                |             |             | 200,000,000 |
| <b>FARAD Electronic Trading LLC (Escrow Manager)</b> |             | 200,000,000 |             |

### Aero Beidou Status

Have installed the production line dedicated for FARAD execution program as follows:

| Program                      | Date of completion/start | Targets/Results              |
|------------------------------|--------------------------|------------------------------|
| Testing & Commissioning      | 31 October 2017          | Completed with success       |
| UCC Product testing          | 30 November 2017         | Under progress & on schedule |
| Begin full production of UCC | 1 December 2017          | Under progress & on schedule |

Production line details: The semi-automated assembly line has been installed, while the more advanced fully automated assembly line is being manufactured and planned for full scale 24X7 operations in January 2018.

Types of UCC to be produced: UCC model 7070 rated at 100 mF per unit

No of UCCs per month: 56,000 units

Total contribution to FARAD program: 200 million mF

Expected/forecasted FRE contribution/month: USD805,555/month for 36 months to be contributed quarterly to FRE (FARAD Escrow) by Aero Beidou. (USD2,416,665 per quarter).

Aerospace Beidou is making great headway into the China market with higher than expected demands and the appropriate announcements will be made in due course.

### **Market Trading of FARAD**

All FRD issued under the Token Swap are tradable in the markets beginning from November 7, 2017. Total FRD which are eligible to be traded are 200,000,000 FRD, which were issued to the Public and Program Manager.

The trading places are as follows:

1. Etherdelta Trading Platform: etherdelta.com
2. Decentrex Trading Platform: decentrex.com
3. Virtue Exchange Trading Platform: vxe.ae

We have chosen the above platforms as the first batch of trading platforms based on the following basis:

- a. FRD is an ERC20 tokens based on the Ethereum platform. The above platforms (i.e. Etherdelta & Decentrex) represents about 30% of total ERC20 tokens trading volumes. Which means FRD is traded on the most liquid and vibrant trading platforms for ERC20 tokens.
- b. We are promoting Pure Peer-to-Peer and decentralised trading platforms as they are the real future of any blockchain based coins and tokens.
- c. We also believe that "pure" Peer-to-Peer platforms are better from the prices discoveries as well as fairness in price - since they are not controlled by large market players, which could influence the price behaviour of the tokens, which is evident from the price behaviours of many tokens traded on some of the major trading platforms.

- d. At the same time, we are setting up Virtue Exchange Trading platform which will carry out similar practices of “pure” Peer-to-Peer Trading Platform, which would make FRD as its base token (beside ETH), which will then make it to be the main Trading Platforms for FRD. Virtue Exchange (VXE) is expected to be ready soon.
- e. We have applied to other major exchangers for trading of FRD on their platforms, however the decision by them when FRD will be available for trade on their platforms hinges upon the volume and liquidity of FRD trading - which may be achieved after a few months of trade. We will continue in our engagement with them and announce the results as they come along.

### **Deployment of Smart Contract for FRD Redemption Program**

We will begin to deploy the Smart Contract for FRD Redemption for the FRD that is issued to the Public and Program Manager (total 200,000,000) FRD by December 15, 2017.

The basis for the Smart Contract are as follows:

- 16,666,666 FRD shall be eligible for Redemption every quarter.
- The FRD Redemption Smart Contract shall be activated on the first day of the quarter for eleven weeks, whereby during those times any FRD holders could send their FRD to the contract address, which effectively makes them qualify for redemption.
- The contract shall be closed whenever the total FRD (available for redemption, i.e. 16,666,666) had been reached or 11 weeks’ time lapsed.
- For each FRD sent for redemption shall be paid in ETH US dollar equivalent of USD0.145 based on ETH price on the closing date (i.e. the contract closing date).
- We shall publish the contract address on <https://Farad.energy> website (where the details shall be provided and spelled out).

### **Announcing the FARAD STORE**

FARAD STORE will be the **FIRST** blockchain based market place that will be launched by end of January 2018.

FARAD STORE among others shall carry out the following:

1. Is the market place for all ultra-capacitor based consumer products produced by Aero Beidou (for now it is already planned for at least 10 innovative products to be launched: Giga Booster series, Super Battery series, and others).
2. Is the market place for selected merchants to sell their innovative products and services from various ranges of categories.
3. It is an integration of "value chain" and "supply chain" management for the various products and services to be offered for sale.
4. It is a B2B and B2C market place integrated via Blockchain Smart Contract (the first in the world).
5. It shall be expanded further to be a pure Peer-to-Peer market place, which would have localised as well as globalised within the same platform.

As a note, FARAD STORE will eventually be the cash exchanger for FRD (and other tokens) once it is in full fledged operations (targeted by mid 2018).

Merchant on-boarding for FARAD STORE starts from November 15, 2017 and shall continue from thereon.

All remaining FRD, FRE and FRM (totalling 1,400,000,000 each) shall be deposited into FARAD STORE (represented by FARAD Electronics Trading LLC (Dubai, United Arab Emirates) by November 15, 2017, which marks the beginning of the formation of the FARAD STORE.

All the transactions related to the FRD, FRE, FRM shall be governed by the new FARAD STORE Blockchain Smart Contracts, hence making these tokens non-tradable outside of the FARAD STORE. Furthermore, this shall not add to the supply of 200,000,000 FRD already in circulation.