



NEWS UPDATE

POSITIVE CHANGES IN FARAD PROGRAM AND FRD TOKEN SWAP

Ensuring security and level playing field for all FRD participants

14th September 2017 - Virtue Fintech FZ-LLC ("Virtue") in its capacity as the program manager for the FARAD PROGRAM is please to announce the changes below :

1. Change of issuer.

In light of the recent statement by the Securities and Futures Commission of Hong Kong SAR on 5th September 2017, Virtue Fintech FZ-LCC, Dubai, UAE in its capacity as the program manager will be issuing the FRD smart contract under the ERC 20 protocols. However, Virtue fully intend to transfer the ownership of the FARAD program to an independent special purpose company in another jurisdiction after the successful issuance of the FRD and before the first scheduled swap-back date. Farad Limited (HK) will no longer play any role in the FARAD program.

2. Change in pricing convention.

Since the Pre-token swap opened on 25th August 2017, the price of ETH / USD reached a high of 1ETH : US\$390.04 with a low of 1ETH : US\$260.61, the effect of this volatility means that certain participants in the pre-token swap found themselves purchasing FRD at a higher value than others. Furthermore the value of US\$0.125 per FRD was fix based on the 90 days moving average of ETH closing price on 25th July 2017. Virtue listens to it's customers, therefore in order to provide a level playing field for all FRD participants, we have decided to peg the price of 1 FRD to US\$0.125. The comparison between the old pricing and new

ETH / USD price @ swap timestamp	Amount of ETH Swap	Number of FRD based on old Pre-Token Swap offer price of 1 FRD = 0.0005921 ETH	Number of FRD based on new Pre-Token Swap offer of 1 FRD = US\$ 0.125
US\$350	1	1688	2800
US\$300	1	1688	2400
US\$250	1	1688	2000



pricing conventions are as shown in the table below:

For the current and future participants, the number of FRD that will be swap will be base on the value of ETH or BTC to USD at the time that they enter into the swap. The TxHash timestamp will be use to determine the exact number of FRD.

3. Extension of Pre-Token Swap and Token Swap periods.

We at Virtue felt that its prudent to extend the period of the Token Swap to allow the market to fully absorb the effect of the changes in the pricing convention, therefore we have decided to extend the Pre-Token Swap period to 30th September 2017, 23:59 GMT. The Token Swap will commence on 1st October 2017, 00:00 GMT and end on 31st October 2017, 23:59 GMT.

4. Multiple FRD issuance dates.

In order to accommodate the longer Pre-Token Swap and Token Swap period, Virtue has also decided to institute multiple batch offer and FRD issuance exercises rather than one

Batch	Start Date	End Date	FRD issuance date (not later than)
Pre-TS1	25th August 2017, 00:00 GMT	15th September 2017, 23:59 GMT	22nd September 2017, 23:59 GMT
Pre-TS2	16th September 2017, 00:00 GMT	22nd September 2017, 23:59 GMT	30th September 2017, 23:59 GMT
Pre-TS3	23rd September 2017, 00:00 GMT	30th September 2017, 23:59 GMT	7th October 2017, 23:59 GMT
TS1	1st October 2017, 00:00 GMT	7th October 2017, 23:59 GMT	15th October 2017, 23:59 GMT
TS2	8th October 2017, 00:00 GMT	15th October 2017, 23:59 GMT	31st October 2017, 23:59 GMT
TS3	16th October 2017, 00:00 GMT	31st October 2017, 23:59 GMT	7th November 2017, 23:59 GMT

issuance exercise at the end of the Token Swap. The multiple batches and issuance dates are as shown below :



5. FRD listing in exchanges .

Virtue plans to list the FRD in multiple crypto exchanges not later than 7 days after the close of the token swap program on 31st October 2017.

In taking the new measures above, Virtue main objectives are:

- i) to protect the interests of cryptoken holders who have already participated in the Pre-Token Swap.
- ii) to ensure a conducive legal environment for its current and future cryptoken holders to continue participating in the FRD's Pre-Token Swap and Token Swap exercises.
- iii) to provide a level playing field for all cryptoken holders who participated in the Pre-Token Swap and Token Swap exercises.
- iv) to protect and ensure that the FARAD PROGRAM will continue to fulfill its stated objectives of providing a cryptoken backed by real economic activity and to reach its full potential as the medium of exchange for the Energy Storage industry

For more information on Farad Program and the Farad Ultra-capacitor project, visit our website at www.farad.energy or <https://farad.energy/farad-ucc/>

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Issued by Virtue Fintech FZ-LLC the program manager of the FARAD Program.