

C03180-2017

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

May 17, 2017

2. SEC Identification Number

A199908874

3. BIR Tax Identification No.

202955796

4. Exact name of issuer as specified in its charter

DFNN, Inc.

5. Province, country or other jurisdiction of incorporation

Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

3F Bonifacio Technology Center, 31st St. cor. 2nd Ave., Bonifacio Global City, Taguig
Postal Code
1634

8. Issuer's telephone number, including area code

02-8180973

9. Former name or former address, if changed since last report

None

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	249,592,314

11. Indicate the item numbers reported herein

None

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



DFNN, Inc.
DFNN

**PSE Disclosure Form LR-1 - Comprehensive Corporate Disclosure on Issuance of Shares
(Private Placements, Share Swaps, Property-for-Share Swaps
or Conversion of Liabilities/Debt into Equity)
Reference: Rule on Additional Listing of Securities**

Subject of the Disclosure

Subscription to Seventy-Four Million Eight Hundred Seventy-Seven Thousand Six hundred Ninety-Four (74,877,694) common shares

Background/Description of the Disclosure

Subscription by EXCEL CENTURY INVESTMENT LIMITED to 74,877,694 unissued shares of the Company at the issue price of Eight Pesos and 30/100 (PhP8.30) per share at a total of Six Hundred Twenty-One Million Four Hundred Eighty-Four Thousand Eight Hundred Sixty and 20/100 Pesos (PhP621,484,860.20).

**Date of Approval by
Board of Directors**

Apr 19, 2017

Comprehensive Corporate Disclosure

Description of the proposed transaction including the timetable for implementation, and related regulatory requirements

Subscription by EXCEL CENTURY INVESTMENT LIMITED of 74,877,694 unissued shares of the Company at the issue price of Eight Pesos and 30/100 (PhP8.30) per share at a total of Six Hundred Twenty-One Million Four Hundred Eighty-Four Thousand Eight Hundred Sixty and 20/100 Pesos (PhP621,484,860.20). The full amount of the subscription price is payable in cash within three banking days from signing of the subscription agreement.

The private placement qualifies as an exempt transaction from the registration of securities with the Securities and Exchange Commission by virtue of Section 10(c) and/or 10(k) of the Securities Regulation Code, i.e. an isolated transaction [10(c)] and/or sale to less than 20 persons [10(k)].

Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction

The Corporation seeks to raise capital through the issuance of shares via private placement. The investment proceeds shall be used to provide funds for general corporate purposes and funding requirements in relation to its business plans, in particular: for a) Expanding Infrastructure (Data Center, etc.) and b) Expansion of Gaming Systems and Platforms (Unified e-wallet subsystem, security system for IT Platforms)

The aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any agreements for payment on a deferred basis

The aggregate value of the consideration is PhP621,484,860.20 payable in cash within three banking days from signing of the subscription agreement.

The basis upon which the consideration or the issue value was determined

The price was set reasonably near the market price of DFNN shares.
 -if based on 3-months VWAP (end-April 18), subscription price is around 4% discount to market;
 -if based on 6-months VWAP, price reflects 8% premium to market.

Detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project

1 Build Out and Fit Out of DFNN Technology Center and Studios 150,000,000
 2 Technology and Infrastructure Solutions 120,000,000
 3 Gaming Consultancy Services 90,000,000
 4 Marketing and Promotions 80,000,000
 5 Strategic Investments 80,000,000
 6 Working Capital 50,000,000
 7 Retirement of Debts 36,484,860
 8 Fit out of DFNN Group New Offices 15,000,000
 TOTAL 621,484,860

Identity and/or corporate background of the beneficial owners of the shares subscribed, including the following

Beneficial Owners/Subscribers	Nature of Business	Nature of any material relationship with the Issuer and the parties to the joint venture, their directors/officers or any of their affiliates
Excel Cetury Investment Limited	Holding and Investing company	none

Organizational/Ownership Structure of Subscribers

Beneficial Owners/Subscribers	Controlling Shareholders of Subscribers	Number of Shares Held	%
Excel Cetury Investment Limited	Eagle Sunrise Global Limited	10	100

For subscribers with no track record or with no operating history: the Subscriber must present a statement of active business pursuits and objectives which details the step undertaken and proposed to be undertaken by the Issuer in order to advance its business. Projected financial statements shall only be required should there be references made in the Statement to forecasts or targets

Subscriber, a newly formed holding company, is taking an interest as a new player in the technology and gaming industry. It aims for the Issuer to improve profitability by expanding its operational capability and software/game offerings for the Issuer's market. Being recently incorporated, the Subscriber does not have audited financial statements yet.

The interest which directors of the parties to the transaction have in the proposed transaction

NONE

Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders

The shareholders' approval for the issuance of the 74,877,694 shares will be covered in the agenda of the shareholders' meeting this 2017.

Any conditions precedent to closing of the transaction

NONE

Change(s) in the composition of the Board of Directors and Management

Subscriber has manifested its intention to nominate its directors. This will be taken up during the shareholders' meeting this 2017.

Effects on the following

Ownership structure

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
PCD NOMINEE CORPORATION (FILIPINO)	87,848,827	35.2	87,848,827	27.07
Excel Century Investment Limited	0	0	74,877,694	23.08
LEISURE & RESORTS WORLD CORPORATION	20,777,047	8.32	20,777,047	6.4
PCD Nominee Corporation (Non-Filipino)	19,921,826	7.98	19,921,826	6.14
Ramon C. Garcia Jr.	14,888,666	5.97	14,888,666	4.59
Jean Henri D. Lhuillier	14,213,257	5.69	14,213,257	4.38
Westdale Group Limited	10,349,936	5.64	14,074,913	4.34
Frederick Dy Go	9,693,733	4.16	10,394,936	3.2
Carl Magnus Wahlin	6,787,030	3.88	9,693,733	2.99
Regino Joel N. Tuano	5,304,166	2.72	6,787,030	2.09

Capital structure

Issued Shares

Type of Security /Stock Symbol	Before	After
Common Shares/DFNN	249,592,314	324,470,008

Outstanding Shares

Type of Security /Stock Symbol	Before	After
Common Shares/DFNN	249,592,314	324,470,008

Treasury Shares

Type of Security /Stock Symbol	Before	After
NONE	0	0

Listed Shares

Type of Security /Stock Symbol	Before	After
Common Shares/DFNN	107,381,000	107,381,000

Effect(s) on the public float, if any	62.71%
Effect(s) on foreign ownership level, if any	41.60%

Other Relevant Information

While this subscription will dilute their percentage of ownership, the principal shareholders will welcome the entry of the subscriber who will infuse additional capital for the company's business expansion plans. This subscription signifies that the company is a viable investment which will increase the value of their respective interests in the company.

Filed on behalf by:

Name	Maria Patricia De Las Cagigas
Designation	Compliance Officer