

C05710-2015

# 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)

Oct 22, 2015

2. SEC Identification Number

A199908874

3. BIR Tax Identification No.

2020955796000

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

NA

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	241,284,732

11. Indicate the item numbers reported herein

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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 4-15 - Creation and Issuance of New Equity Security**  
**References: SRC Rule 17 (SEC Form 17-C) and**  
**Section 4.4 of the Revised Disclosure Rules**

**Subject of the Disclosure**

Issuance of Preferred Shares to Qualified Institutional Buyers

**Background/Description of the Disclosure**

Ladies and Gentlemen:

Please be informed that the Board of Directors of DFNN, Inc. approved at the Board meeting held today, October 22, 2015, the issuance of preferred shares to qualified institutional buyers.

Thank you.

This has been amended to show additional information as indicated on "Other Information" section below.

**Date of approval by Board of Directors of the creation and/or issuance of a new security**

Oct 22, 2015

**Rationale for the creation and/or issuance**

For capital expenditure and working capital.

**Features of the new security**

**If convertible**

**If convertible**

<b>Conversion or entitlement ratio</b>	NA
<b>Corresponding number of underlying shares with percentage to total outstanding shares</b>	NA
<b>Conversion price or exercise price</b>	NA
<b>Provisions for adjustment(s) in conversion ratio and/or conversion period</b>	NA

**If redeemable**

<b>Redemption price</b>	TBA
<b>Redemption period</b>	At the option of the Corporation

**Method and/or procedures in redemption**

I. Optional Redemption - DFNN has the option, but not the obligation, to redeem the perpetual preferred shares in whole or in part on the 5th year anniversary from issue date ("Optional Redemption Date") or on any Dividend Payment Date thereafter at the redemption price equal to the issue price of the perpetual preferred shares plus cumulated and unpaid cash dividend, if any, for all dividend periods up to the date of actual redemption by DFNN.

II. Early Redemption Due to Changes in Accounting Treatment - If an Accounting Event occurs that will result in a change in the accounting treatment of the Perpetual Preferred Shares, DFNN may redeem the Perpetual Preferred Shares at the issue price plus all cumulated and unpaid cash dividends, if any.

**Terms and conditions of the issuance**

<b>Number of shares to be issued</b>	100,000,000
<b>Corresponding percentage to total outstanding shares</b>	41.44
<b>Issue price per share</b>	P2.50 per share
<b>Aggregate value of consideration</b>	P250,000,000

**Source of shares available for issuance**

Unissued preferred shares from authorized capital stock

**Basis upon which the issue value was determined**

By dividing gross proceeds by the amount of Offer Shares allocated for the offer

**Terms of payment**

Must be paid in full upon submission of Subscription Contract

#### Timetable and manner of issuance

Offer period shall commence upon approval by the Securities and Exchange Commission.

The Preferred Shares will be offered as a private placement and will be available only to qualified buyers. The number of qualified buyers will not exceed the buyer limit of nineteen (19).

#### Effect(s) on the ownership structure, including the list of principal shareholders with their corresponding shareholdings and percentage ownership to total outstanding shares before and after the transaction

Principal Shareholders	Before		After	
	Number of shares	%	Number of shares	%
TBA	0	0	0	0

#### Effect(s) on the capital structure

##### Issued Shares

Type of Security/Stock Symbol	Before	After
Common	241,284,732	241,284,732
Preferred	0	100,000,000

##### Outstanding Shares

Type of Security/Stock Symbol	Before	After
Common	241,284,732	241,284,732
Preferred	0	100,000,000

##### Treasury Shares

Type of Security/Stock Symbol	Before	After
NA	0	0

##### Listed Shares

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

Effect(s) on the public float, if any	TBA
Effect(s) on foreign ownership level, if any	TBA

#### Other Relevant Information

A nil-paid, detachable warrant will be issued to the investor/s for every twenty (20) Preferred Shares purchased. Each warrant will entitle the Investor/s to purchase (1) DFNN common share. The strike price is the lower of either Php

12.50 per share; or the average of the past three months of trading less 10% discount. The warrants are exercisable on the 5th anniversary of the Perpetual Preferred Shares until the 8th anniversary.

**Filed on behalf by:**

<b>Name</b>	Maria Patricia De Las Cagigas
<b>Designation</b>	Compliance Officer