



## DFNN GROUP OF COMPANIES

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Via ODiSy

December 15, 2009

**PHILIPPINE STOCK EXCHANGE, INC.**

Philippine Stock Exchange Centre  
Exchange Road, Ortigas Center  
Pasig City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure

Re: Conversion of Back Rentals  
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Madam:

Please be informed that during the special meeting of the Board of Directors of DFNN, Inc. (the "Corporation") held today, December 15, 2009, the Board passed the resolutions approving the settlement of the Corporation's forty-five (45) months back rentals from February 2006 to October 2009 to the Corporation's subsidiary, HatchAsia, Inc. ("HatchAsia") through an offsetting arrangement via the issuance of the Corporation's shares in favor of HatchAsia's creditor, Global City Innovative College ("GCIC") (the "conversion"). The President of the Corporation, Mr. Ramon Garcia, or any of the directors of the Corporation was also authorized to negotiate with HatchAsia and GCIC on the precise terms and conditions and formula of the conversion.

Moreover, during the said meeting, the Corporation was authorized to commission an independent party who shall issue a third party fairness opinion for the said conversion.

We trust you will find the foregoing disclosure in order.

**DFNN, INC.**

By:



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A handwritten signature in black ink, appearing to read 'Patricia De Las Cagigas', written over a light blue rectangular background.

Patricia De Las Cagigas  
Corporate Information Officer