



**BACNOTAN CONSOLIDATED INDUSTRIES, INC.**  
A PHINMA Company

February 25, 2009

**PHILIPPINE STOCK EXCHANGE, INC.**

Philippine Stock Exchange Center  
Exchange Road, Pasig

Attention : Atty. Pete M. Malabanan  
Head, Disclosure Department

Gentlemen:

This is in reply to your letter requesting additional information on the investment of Bacnotan Consolidated Ind. Inc. (BCII) in University of Pangasinan, Inc. Below are additional information relevant to the transaction.

- a) Date and manner of acquisition. The transaction involves the acquisition by BCII of a total of 524,351 shares, of which 519,750 shares were acquired by BCII from Telequip, Inc. and 4,601 shares were acquired from Cesar T. Duque.
- b) Terms of payment and source of funds. The acquisition is payable in cash. BCII used its existing funds for this investment.
- c) Nature of any material relationship between the Corporation and University of Pangasinan (UPang), its directors/officers, or any of its affiliates. None.
- d) Detailed background of University of Pangasinan, Inc.:

d.1 Date of incorporation : March 28, 1962

d. 2 Discussion of major projects and investments.

UPang is located in Dagupan City, one of the fastest-growing cities in the Philippines. It is the largest educational institution in Pangasinan, offering elementary, secondary and tertiary education, with a total student base of approximately 9,300. Upang offers courses in Nursing, Engineering, and Accountancy, among others.

UPang owns 50.30% of Pangasinan Medical Center, Inc, also located in Dagupan City.

d.3. Capital structure before and after the investment:

Authorized capital stock	Php 80 million
Par value	Php 100 per share
Issued and outstanding shares	749,999

d.4. Ownership structure:

Shareholder	Before Investment			After Investment		
	Par P'000	No. of shares	%	Par P'000	No. of shares	%
Bacnotan Consolidated Ind. Inc.				52,435.1	524,351	69.91
Silverman Holdings, Inc.				14,981.4	149,814	19.98
JIH Prime Management and Development Corp.				7,490.7	74,907	9.99
Telequip, Inc.	74,250.0	742,500	99.00			0.00
Cesar Duque	476.2	4,762	0.63			0.00
Joyce Ma Duque	181.0	1,810	0.24			0.00
Gonzalo Duque	.1	1	0.00	.1	1	0.00
Juan LL. Amor	.1	1	0.00	.1	1	0.00
Teresita Vistro	30.2	302	0.04	30.2	302	0.04
Dominador R. Rayos, Jr.	30.2	302	0.04	30.2	302	0.04
Andres Jacinto	22.2	222	0.03	22.2	222	0.03
Lourdes Jacinto	9.9	99	0.01	9.9	99	0.01
<b>Total</b>	<b>74,999.9</b>	<b>749,999</b>	<b>100.00</b>	<b>74,999.9</b>	<b>749,999</b>	<b>100.00</b>

d. 5. Subsidiary and affiliates: Pangasinan Medical Center Inc. ( 50.30%).

d. 6. Board of directors and officers prior to the investment:

Cesar T. Duque	Chairman
Dr. Catalino Rivera	Director and President
Joyce Ma Duque	Director and Treasurer
Jose Vicente Bengzon	Director
Dominador R. Rayos	Director
Hermogenes Decano	Corporate Secretary

e) Statement as to the steps to be taken, if any, to safeguard the interest of any independent shareholder.

The above acquisition does not adversely affect the rights of other shareholders.

Very truly yours,

  
**JUAN J. DIAZ**  
 Corporate Secretary