



November 19, 2008

Philippine Stock Exchange
Disclosure Department
Listing and Disclosure Group
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

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

Gentlemen:

Please be informed that at the just concluded special meeting of the Board of Directors of Bacnotan Consolidated Industries Inc. (BCII) held today, 19 November 2008, the BCII Board approved and adopted a resolution to invest, in the total amount of US \$ 6.734 million, in the shares of stock of One Animate Limited ("One Animate"), a limited liability company incorporated in Hong Kong engaged in business process outsourcing for animation services. The investment will constitute eighty percent (80%) equity interest in One Animate.

One Animate owns ninety five percent (95%) interest in Toon City Animations Inc. ("Toon City"), a corporation organized and existing under Philippine law. Toon City is a fifteen (15) year old animation studio providing services to clients like Walt Disney and Universal Studios, among others. Toon City provides 2D, Flash and 3D CGI Animation services for various TV, Direct to Video and Theater Feature release production.

The investment is BCII's first venture in the business process outsourcing space.

Very truly yours,


JUAN J. DIAZ
Corporate Secretary