



15 January 2010

PHILIPPINE STOCK EXCHANGE, INC

Philippine Stock Exchange Centre
Exchange Road, Ortigas Centre,
Pasig City 1605, Metro Manila

Attention : **ATTY. FRANCIS ED. LIM**
President and CEO

Subject : **Disclosure of the Proposed Amendments to the
Articles of Incorporation and By-Laws of
AgriNurture, Inc.**

Gentlemen:

We write in response to your letter dated 12 January 2010, a copy of which was received via email on 14 January 2010 at 10:23 a.m., in connection with the above-captioned matter.

In the letter dated 12 January 2010, the Company was directed to “explain in writing **within twenty-four (24) hours from receipt hereof** why nondisclosure of the approval by the Corporation’s Board of the proposed amendments to its Articles of Incorporation and By-Laws do not constitute a violation of the above-mentioned provisions of the Rules”.

It is respectfully submitted that the Company complied with Revised Disclosure Rules of the Philippine Stock Exchange (the “PSE Disclosure Rules”) in connection with the proposed amendment of its Articles of Incorporation and By-Laws. As stated in your letter dated 12 January 2010, the basic principle underlying the PSE Disclosure Rules is the “full, fair, timely and accurate disclosure of material information from all listed companies”.

As will be discussed in detail below, the disclosures made by the Company in connection with the proposed amendment of its Articles of Incorporation and By-Laws are full, fair, timely and accurate.

Under Section 16 and 48 of the Corporation Code, any amendment to the Articles of Incorporation and By-Laws of a corporation can only be done by (i) the majority vote of the board of directors; **AND** (ii) the vote or written

assent of the stockholders representing at least two-thirds (2/3) (or majority in the case of By-Laws) of the outstanding capital stock. Moreover, under said provisions of law, the proposed amendments of the Articles of Incorporation and/or By-Laws shall only take effect after their approval by the Securities and Exchange Commission (SEC). Thus, any proposed amendment to the Articles of Incorporation and By-Laws of the Company would require the approval of **BOTH** the board of directors and the stockholders, and thereafter, the approval of the SEC.

Based on the foregoing, it is clear that the term “proposed amendment” referred to in Section 4.4(aa) of the PSE Disclosure Rules pertains to proposed amendments of a corporation’s Articles of Incorporation and/or By-Laws that were already approved by **BOTH** the board of directors and the stockholders of the corporation but are still subject to approval by the SEC.

Section 4.4(u), on the other hand, pertains to definite and binding material acts or transactions. In the instant case, it bears emphasis to state that the approval of the proposed amendments to the Articles of Incorporation and By-Laws solely by the Company’s Board of Directors on 11 September 2009 is not yet definite and binding as the same, by express provision of law, requires the corresponding vote of the Company’s stockholders.


Clearly, therefore it is only when the proposed amendment of the Company’s Articles of Incorporation and By-Laws are approved by **BOTH** the Board of Directors and the stockholders representing at least two-thirds (2/3) (or majority in the case of By-Laws) shall they be considered ripe for disclosure to the public. In this regard, as aptly noted in the letter dated 12 January 2010, the Company disclosed the proposed amendments of its Articles of Incorporation and By-Laws immediately after said proposals were approved in the Company’s Annual Stockholders’ Meeting held last 16 December 2009.

Parenthetically, it should be noted that as early as 30 October 2009, the Company, through its Preliminary Information Statement, reported to the PSE the approval by its Board of Directors of the proposed amendments to its Articles of Incorporation and By-Laws and that said proposed amendments are part of agenda in the Annual Stockholders’ Meeting.

We understand that it is your good office's duty to ensure that listed companies comply and adhere to the PSE Disclosure Rules; and that any infraction thereof shall be penalized accordingly. However, in this particular instance, it is clear that the Company had no intent to violate the PSE Disclosure Rules and not disclose any material information.

In view of the foregoing, we respectfully beg for your indulgence. We look forward to your favorable response on the matter.

Very truly yours,



KENNETH S. TAN
CIO/CFO/Treasurer