

COVER SHEET for QUARTERLY REPORT

SEC Registration Number

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COMPANY NAME

V	I	T	A	R	I	C	H		C	O	R	P	O	R	A	T	I	O	N		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S		(
A		S	u	b	s	i	d	i	a	r	y		o	f		K	o	r	m	a	s	i	n	c	,		I	n	c	.)										

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

M	a	r	i	l	a	o	-	S	a	n		J	o	s	e		R	o	a	d	,		S	t	a	.		R	o	s	a		I	,		M	a	r			
i	l	a	o	,		B	u	l	a	c	a	n																													

Form Type

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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

agd@vitarich.com

Company's Telephone Number/s

(044) 843-3033

Mobile Number

(0918) 848 2200

No. of Stockholders

4,196

Annual Meeting (Month / Day)

June 28

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Ms. Stephanie Nicole S. Garcia

Email Address

nsg@vitarich.com

Telephone Number/s

(044) 843-3033

Mobile Number

(0918) 8482258

CONTACT PERSON'S ADDRESS

Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended September 30, 2017
2. Commission identification number 21134 3. BIR Tax Identification No. 000-234-398
4. Exact name of issuer as specified in its charter VITARICH CORPORATION
5. Province, country or other jurisdiction of incorporation or organization BULACAN

6. Industry Classification Code: (SEC Use Only)

MARILAO-SAN JOSE ROAD, STA. ROSA I, MARILAO, BULACAN 3019

7. Address of issuer's principal office Postal Code

843-3033 connecting to all departments

8. Issuer's telephone number, including area code

N/A

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
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<u>Common Stock</u>	<u>2,786,497,901</u>
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11. Are any or all of the securities listed on a Stock Exchange?

Yes [] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange, Inc. Common

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [] No []

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [] No []

Annex A

SEC Number 21134

File Number

VITARICH CORPORATION AND SUBSIDIARIES

(Company's Full Name)

Marilao- San Jose Road, Sta. Rosa. I. Marilao, Bulacan

(Company's Address)

843-30-33 connecting to all departments

(Telephone Number)

(Year Ending)

(Month & day)

Quarterly Consolidated
Unaudited Financial Statements

Form Type

Amendment Designation (If Applicable)

September 30, 2017

Period Ended Date

(Secondary License Type and File Number)

PART I – FINANCIAL INFORMATION

Item 1 - Financial Statements

The unaudited financial statements of Vitarich Corporation and its subsidiaries as at and for the period ended September 30, 2017 (with comparative figures as of December 31, 2016) and for the period ended September 30, 2016 and Selected Notes to Consolidated Financial Statements are filed as part of this form 17-Q as Annex "A"

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by Part III, Paragraph (A) (2) (B) of "Annex C" is attached hereto as Annex "B".

PART II – OTHER INFORMATION

Vitarich Corporation and its subsidiaries may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C, which would otherwise be required to be filed with respect to such information, or in a subsequent report on Form 17-Q.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant – **VITARICH CORPORATION**

By:



STEPHANIE NICOLE S. GARCIA
EVP, Corporate Service Management
Director and Treasurer



ATTY. MARY CHRISTINE DABU-PEPITO
Assistant Corporate Secretary, Corporate
Information Officer and Compliance Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

During 2013, the creditor banks and the SPAV Companies transferred their interest in the restructured loan to Kormasinc, Inc. (Kormasinc). On October 16, 2013, the Securities and Exchange Commission (SEC) approved the debt to equity conversion of the loans aggregating ₱2.4 billion to Kormasinc pursuant to a debt to equity agreement between Kormasinc and the Company on September 20, 2013 and the Company's filing for an increase in authorized capital stock from ₱0.5 billion to ₱3.5 billion.

The Board of Directors (BOD) and Stockholders have approved the increase in authorized capital stock on various dates from ₱0.5 billion to ₱3.5 billion: (1) 1.0 billion shares of stock with a par value of ₱1.00 for a total of ₱1.0 billion on May 27, 2010; (2) 1.5 billion shares of stock with a par value of ₱1.00 for a total of ₱1.5 billion on June 1, 2012; and (3) 3.5 billion shares of stock with a par value of ₱1.00 for a total of ₱3.5 billion on August 28, 2012.

On September 20, 2013, the BOD approved the conversion of part of the Company's debts to Kormasinc amounting to ₱2,376,528,137 into equity at a ratio of 1:1 or 1 share of common stock for every ₱1.00 debt in which ₱90,030,236 shall be applied as payment for the issuance of the 90,030,236 shares out of the existing unissued shares, while ₱2,286,497,901 shall be applied as payment for the additional shares of stock which shall be issued out of the increase in the authorized capital stock. On October 16, 2013, the SEC approved the debt to equity conversion and the Company's increase in authorized capital stock. Consequently, Kormasinc acquired 85.29% ownership of the Company. In 2014, Kormasinc reduced its equity interest in the Company from 85.29% to 69.67%.

In 2014, the Company's BOD approved the disposal of its major feed mill and the land where it is located at Marilao, Bulacan and several noncore assets with an aggregate carrying value of ₱1,288.7 million for ₱659.4 million. The proceeds were used to further reduce outstanding liabilities and generate needed working capital. Loss on the sale of assets amounted to ₱629.3 million.

Consequently, the Company started outsourcing its manufacturing capability and leasing warehouse facilities in Guiguinto, Bulacan and Valenzuela City for its feed milling requirements for its Luzon operation. In addition, the Company is currently occupying its new office building in Marilao, Bulacan.

On September 16, 2016, the Rehabilitation Court granted the Company's motion for successful exit from the Corporate Rehabilitation Plan (Plan).

On May 25, 2017, the Company's BOD approved the Company's plan to undergo Quasi-reorganization which was subsequently approved by the Company's stockholders on June 30, 2017. The Company will fully execute the said plan in 2018.

Results of Operations:

For the three quarters of 2017, Vitarich Corporation and its subsidiaries generated consolidated sale of goods of ₱4,652 million, higher by 27% from ₱3,652 million of the same period last year. Top line growth was supported by the strong performance of the poultry and feed business driven by higher chicken prices.

The Company will continue with its aggressive marketing campaigns, to further expand its sales and distribution network, strengthen market visibility of Company products, and likewise find and identify its niche in the market. Similarly, the Company will continue to pursue improvement of margins through optimum size distribution and efficient supply chain and enhancing efficiency and productivity.

The Company generated gross profit of ₱521 million for the nine months period ended September 30, 2017, 12% higher versus same period last year of ₱465 million. Higher gross profit performance can be attributed to the robust performance of its poultry and animal feed business. In addition, input costs were better due to the enriched efficiencies of the poultry operations and lower prices of raw materials.

For the three quarters of 2017, consolidated operating expenses increased by 11% from ₱357 million from the same period of the previous year to ₱396 million.

Other operating income for the three quarters of 2017 has decreased by 58% against the other operating income for the same period last year.

The Company achieved an operating profit of ₱144 million or a decrease of 6% versus same period of last year.

Other charges amounted to ₱32 million in the three quarters of 2017 or a decrease of 77% as compared to the same period last year. This has resulted to a consolidated net income for the three quarters of ₱107 million as against last year's net income of ₱5 million.

Corporate Action Plan:

Despite the turbulent external environment that continues to beset it, notably a global increase in prices of ingredients used in feed manufacturing, the Company has demonstrated its agility and tenacity to maintain its leadership. As in the past, it has always managed to survive, get back to its feet and grow in new related endeavors that continue to be profitable notwithstanding price upheavals. It continues to be pioneering because of its strong leadership in cutting-edge feed technology.

The Company has lined up the following programs that will help achieve its revenue and net income targets for 2017:

1. Expanding the poultry business by increasing breeder capacity;
2. Intensifying technical service assistance to partners by deploying technically equipped field personnel;
3. Increasing contract growing base by recruiting contract growers with tunnel vent facilities;
4. Expanding the market network by tapping distributors and dealers with stable good profit margins;
5. Continuous monitoring of dressing plant compliance with good manufacturing practices to assure attainment of high recovery and good meat quality;
6. Continuously provide superior technical assistance, after-sales services and aggressive product value promotions, direct farm selling, and extensive distribution coverage to its customers, dealers, and distributors to increase volume and profit.

Subsidiaries:

Gromax, Inc. is a wholly owned subsidiary of the Company which started commercial operation in January 1996. Previously, Gromax was a division of the Company, which was spun off to a separate entity. Gromax was registered with SEC on November 10, 1995.

Gromax was engaged in the manufacture of animal health and nutritional products for commercial sales as well as for use of the Company (Vitarich) in its contract breeding and contract growing operations.

Gromax manufactures, prepares, processes, mixes, distributes and sells innovative and high quality animal health and nutritional products, feed additives and commodities for poultry and livestock to contract growers, contract breeders, poultry and swine farms, feed mills, distributors, cooperatives, and poultry integrators throughout the country.

Aside from catering to its internal breeders and growers, it had expanded its animal health products to include hog and dairy products from cattle, goat and carabao.

On March 17, 2015, the Company's BOD decided to transfer Gromax business and its employees to the Company effective April 1, 2015. The Company's BOD has likewise decided to continue its corporate entity without any active operations, except handling collection of its receivables and pursuing legal cases against delinquent customers and employees until the BOD has decided to end its corporate life.

Gromax has recognized impairment losses on its remaining assets and has continued to recognize its liabilities.

Accordingly, Gromax continues to present its financial statements on a going concern basis, which contemplates the realization of the assets and the satisfaction of liabilities in the normal course of business.

The registered office of Gromax is located at the Vitarich compound, Sta. Rosa I, Marilao, Bulacan. The registered office of its parent Company is also the same with the registered office of the said Company.

Philippine's Favorite Chicken Inc. (PFCI), one of the subsidiaries of the Company, entered into distribution agreements in 1995 with America's Favorite Chicken Company (AFC), a company that operates the Texas Chicken and Popeye's Chicken restaurants in the United States. Under these distribution agreements, PFCI will distribute the paper goods, restaurant supplies, equipment, and food products to Texas Manok Atbp. Inc. (TMA). The latter corporation, which is owned by the Sarmiento family, in turn, entered into a development and franchise agreement with AFC. Under the development agreement between TMA and AFC, PFCI was granted the exclusive right to develop an aggregate of fifty (50) Texas Chicken and fifty (50) Popeye's Chicken restaurants in the Philippines in consideration for territorial and franchise fees payable to AFC as stipulated in the agreements. In addition, a 5% percent royalty fee based on sales is assessed for each franchised restaurant. This royalty is being paid by TMA, the operator of the restaurant.

The franchise agreement allows the PFCI to use the Texas Chicken and Popeye's Chicken trade names, service marks, logos, food formulae and recipes, and other exclusive rights to the proprietary Texas and Popeye's Chicken System.

The development of the restaurants is scheduled over a period of seven years starting in 1995 for Texas Chicken and 1996 for Popeye's. The franchise agreement shall be for a period of ten (10) years for each restaurant unit, renewable for four additional periods of five years each, at the option of the franchisee. However, PFCI, in 2000, lost its right to develop Popeye's Chicken in the Philippines.

On October 1, 1998, the BOD of PFCI approved the conversion into equity of the advances of Vitarich Corporation to PFCI amounting to ₱165 million to be applied to its unpaid subscriptions and for additional shares of stock of PFCI. Out of the ₱165 million advances to be converted into equity, ₱25 million was applied to Vitarich's unpaid subscription while the remaining ₱140 million was shown under Deposit on Future Stock Subscriptions account pending the approval from the SEC of the conversion.

In 2003, PFCI reverted the investment in shares of stock in PFCI to Advances to subsidiaries amounting to ₱140 million, as the BOD of PFCI decided not to pursue its application with the SEC to convert into equity the advances received from Vitarich. PFCI initially recorded the transaction as an increase in investment in shares of stock in PFCI and a decrease in advances to subsidiaries when the BOD of PFCI approved the proposed conversion in 1998.

AFC unilaterally terminated its development and franchise agreements with PFCI in 2001. As a result, in August 2001, PFCI and TMA filed a case against AFC and some of AFC's officers, such as Tom Johnson, Anthony Pavese and Loreta Sassen, among others, for undue termination of the development and franchise agreements with the Regional Trial Court of Pasig City, docketed as Civil Case No. 68583. The case called for injunction, specific performance, sum of money, and damages against AFC and some of its officers.

In connection with such legal action, in 2001, PFCI recognized as claims receivable, as of December 31, 2001, certain losses arising from the closure of certain Texas Chicken restaurants and legal fees incurred relating to the case filed against AFC. Losses recognized as claims receivable include, among others, the loss on write-off of leasehold and building improvements relating to the closed stores. The total amount recognized as claims receivable (presented as part of Other Non-current Assets account in the condensed interim consolidated balance sheets) totaled ₱23.2 million as of December 31, 2001.

The Regional Trial Court of Pasig City, in a decision dated April 3, 2002, approved the issuance of a preliminary writ of attachment on the properties of AFC in the Philippines upon posting of PFCI and TMA of a bond amounting to ₱100 million. Management believed that this case would be settled in favor of PFCI and TMA.

On September 24, 2003, the trial court granted the Motion to Dismiss filed by two of the defendants. PFCI, in turn, filed a Motion for Partial Reconsideration of the order. Moreover, AFC has filed a Petition for Certiorari before the Court of Appeals assailing the validity of the trial court previously issued writ of attachment.

On December 22, 2004, the parties have entered into a compromise agreement for the settlement of the case of which the parties have filed a joint motion to dismiss before the Regional Trial Court of Pasig City, Branch 152.

On March 4, 2005, the Regional Trial Court of Pasig City, Branch 152 had approved the Joint Motion to Dismiss filed by the parties based on the Compromise Agreement entered into by them, thus, putting an end to the case.

In 2005, PFCI discontinued operations of its Texas Manok's Restaurants. Accordingly, it terminated all its employees and provided full valuation allowances on all its remaining assets.

Although the BOD and stockholders have not yet formally adopted a plan, the Company intends to shorten the corporate life of PFCI and starting 2017, PFCI will not be consolidated to the Company's financial statements.

Financial Condition

Unaudited balance sheet as at September 30, 2017 vs. audited December 31, 2016

The Company's consolidated total assets as at September 30, 2017 stood at ₱2,989 million, higher than December 31, 2016 level of ₱2,860 million. Total current assets increased from ₱1,827 million as at December 31, 2016 to ₱1,910 million as at September 30, 2017.

Cash balance increased to ₱290 million as at September 30, 2017 from ₱117 million as at December 31, 2016. The increase in cash was attributed to net cash inflows generated from operating activities and availment of loans during the period.

Trade and other receivables account decreased by 12% as a result of collection efficiency.

Inventories amounting to ₱540 million as at September 30, 2017 increased from ₱482 million as at December 31, 2016.

Other current assets amounted to ₱36 million and ₱44 million as at September 30, 2017 and December 31, 2016, respectively. Other non-current assets decreased by ₱1 million as compared to its balance as at December 31, 2016.

Total current liabilities as at September 30, 2017 amounted to ₱1,880 million, higher by ₱18 million as compared to its balance as at December 31, 2016.

Stockholders' equity increased from ₱870 million to ₱997 million, due to net income posted for the first three quarters of 2017.

The Corporation's top five (5) key performance indicators are described as follows:

	Unaudited Sept 2017	Unaudited Sept 2016
Revenue (₱ million)	₱4,652	₱3,652
Cost Contribution (₱ million)	4,130	3,187
Gross Profit Rate (%)	11%	13%
Operating Income (₱ million)	144	154

1) Sales Volume, Price, and Revenue Growth

Consolidated revenue composed of feeds, day old chicks, chicken, animal health products, and dory fish sales amounted to ₱4,652 million, higher than the same period last year of ₱3,652 million, mainly because of higher sales volume of animal feeds and dressed chicken.

2) Cost Contribution

This measures the cost efficiency of the products and trend of raw materials prices, particularly importations wherein there are foreign exchange exposures. Costs are analyzed on a regular basis for management's better strategic decisions in cost reduction and efficiency measures.

3) Gross Profit Rate

The review is done on a regular basis to check if the targets are being met based on the forecasted gross profit rate. This is being done on a regular basis for proper and immediate action.

4) Operating Margin

This is the result after operating expenses are deducted. Review of operating expenses is performed on a regular basis. These are being analyzed and compared against budget, last month and previous years, to ensure that cost reduction measures are being met and implemented.

**VITARICH CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2017 AND DECEMBER 31, 2016

(In Thousand Pesos)

	September 2017 (Unaudited)	December 2016 (Audited)
ASSETS		
Current Assets		
Cash	P289,912	P116,540
Trade and other receivables	1,043,378	1,184,472
Inventories	540,030	481,585
Other current assets	36,646	44,432
Total Current Assets	1,909,966	1,827,029
Noncurrent Assets		
Property, plant and equipment	563,798	516,625
Investment properties	495,650	495,216
Other noncurrent assets	19,907	21,154
Total Noncurrent Assets	1,079,355	1,032,995
	P2,989,321	P2,860,024
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P1,422,935	P1,452,602
Payable to stockholder	407,111	407,111
Loans payable	27,891	-
Current portion of finance lease liabilities	22,519	2,814
Total Current Liabilities	1,880,456	1,862,527
Noncurrent Liabilities		
Net retirement liability	85,197	82,155
Cash bond deposits	31,227	23,360
Finance lease liabilities - net of current portion	13,829	13,829
Net deferred tax liabilities	1,470	8,141
Total Noncurrent Liabilities	131,723	127,485
Equity		
Capital stock	2,786,498	2,786,498
Additional paid-in capital	224,547	224,547
Deficit	(2,304,607)	(2,417,045)
Other comprehensive income	270,704	276,012
Total Equity	977,142	870,012
	P2,989,321	P2,860,024

See accompanying Notes to Consolidated Financial Statements.



VITARICH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(With Comparative Figures for 2016)
(In Thousand Pesos)

	UNAUDITED		UNAUDITED	
	JAN-SEPT 2017	JAN-SEPT 2016	JUL-SEPT 2017	JUL-SEPT 2016
SALE OF GOODS	₱4,651,790	₱3,651,729	₱1,545,374	₱1,324,876
COST OF GOODS SOLD	4,130,417	3,187,196	1,407,846	1,154,013
GROSS PROFIT	521,373	464,533	137,528	170,863
OTHER OPERATING INCOME (EXPENSES)				
Operating expenses	(396,459)	(356,931)	(119,791)	(122,634)
Operating income	19,337	46,042	17,101	9,381
	(377,122)	(310,889)	(102,690)	(113,253)
OPERATING PROFIT	144,251	153,644	34,838	57,610
OTHER INCOME (CHARGES)				
Interest expense	(33,078)	(6,752)	(20,363)	(2,031)
Interest income	1,102	632	303	270
Provision for probable losses	–	(52,729)	–	–
Fair value gain on investment properties	–	7,048	–	–
Tax compromise settlement	–	(89,250)	–	(89,250)
	(31,976)	(141,051)	(20,060)	(91,011)
INCOME (LOSS) BEFORE INCOME TAX	112,275	12,593	14,778	(33,401)
INCOME TAX EXPENSE (BENEFIT)	5,145	7,558	950	(2,402)
NET INCOME (LOSS)	107,130	5,035	13,828	(35,803)
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE INCOME (LOSS)	₱107,130	₱5,035	₱13,828	(₱35,803)
EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED	₱0.04	₱0.00	₱0.00	(₱0.01)

See accompanying Notes to Consolidated Financial Statements.



VITARICH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
AND THE YEAR ENDED DECEMBER 31, 2016
(In Thousand Pesos)

	UNAUDITED		AUDITED 2016
	2017 SEPT	2016 SEPT	
CAPITAL STOCK	₱2,786,498	₱2,786,498	₱2,786,498
ADDITIONAL PAID-IN CAPITAL	224,547	224,547	224,547
OTHER COMPREHENSIVE INCOME			
Balance at beginning of year/quarter	276,012	190,475	190,475
Transfer to deficit of revaluation reserve realized through depreciation, net of tax	(5,308)	(2,219)	(2,934)
Revaluation increase on property, plant and equipment, net of tax	-	-	88,471
Balance at end of year/quarter	270,704	188,256	276,012
DEFICIT			
Balance at beginning of year/quarter	(2,417,045)	(2,437,488)	(2,437,488)
Transfer to deficit of revaluation reserve realized through depreciation, net of tax	5,308	2,219	2,934
Net income	107,130	5,035	17,509
Balance at end of year/quarter	(2,304,607)	(2,430,234)	(2,417,045)
TOTAL EQUITY	₱977,142	₱769,067	₱870,012

See accompanying Notes to Consolidated Financial Statements.



VITARICH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
AND THE YEAR ENDED DECEMBER 31, 2016
(In Thousand Pesos)

	UNAUDITED		AUDITED
	SEPT 2017	SEPT 2016	DEC 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before tax	₱112,275	₱12,593	₱25,980
Adjustments for:			
Depreciation and amortization	35,053	21,176	33,580
Interest expense	33,078	6,752	12,642
Impairment loss on trade and other receivables	3,806	9,264	12,286
Retirement benefit cost	3,043	2,530	7,065
Interest income	(1,102)	(632)	(929)
Provision for probable loss	-	-	25,236
Impairment loss on property, plant and equipment	-	-	489
Gain on fair value changes of investment properties	-	(7,048)	(7,048)
Recovery of written-off accounts	-	-	(12,648)
Operating profit before working capital changes	186,153	44,635	96,653
Decrease (increase) in:			
Trade and other receivables	137,288	23,968	(307,162)
Inventories	(58,446)	(77,221)	(148,333)
Other current assets	7,786	11,515	30,342
Other noncurrent assets	(1,608)	4,021	1,167
Increase (decrease) in:			
Trade and other payables	(29,667)	93,996	320,337
Cash bond deposits	7,867	887	3,352
Net cash generated from (used for) operations	249,373	101,801	(3,644)
Interest paid	(33,078)	(6,752)	(12,642)
Income taxes paid	(11,816)	(10,211)	(13,567)
Interest received	1,102	632	929
Net cash provided by (used in) operating activities	205,581	85,470	(28,924)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment	(59,666)	(23,746)	(30,415)
Investment properties	(434)	(16,929)	(11,274)
Proceeds from sale of investment properties	-	1,702	1,702
Net cash used in investing activities	(60,100)	(38,973)	(39,987)
CASH FLOWS FROM A FINANCING ACTIVITY			
Availment of loans	27,891	-	-
NET INCREASE (DECREASE) IN CASH	173,372	46,497	(68,911)
CASH AT BEGINNING OF PERIOD	116,540	185,451	185,451
CASH AT END OF PERIOD	₱289,912	₱231,948	₱116,540
NONCASH FINANCIAL INFORMATION			
Acquisition of property, plant and equipment through finance lease	₱19,705	₱-	₱16,643
Reclassification of property, plant and equipment to investment properties	-	-	37,508
Recovery of accounts written-off	-	-	12,648

See accompanying Notes to Consolidated Financial Statements.



VITARICH CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017

1. Corporate Information and Status of Operations

Vitarich Corporation (singly and collectively referred to as the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on July 31, 1962 to engage primarily in manufacturing and selling of feeds. On March 30, 2012, the SEC approved the extension of its corporate life for another 50 years. The Company's shares of stock were registered with the Philippine Stock Exchange on February 8, 1995.

The subsidiaries of the Company are as follows:

	Line of Business	Percentage of Ownership
Gromax, Inc. (Gromax)*	Manufacturing	100.00
Philippines Favorite Chicken, Inc. (PFCI)**	Distributor	100.00

*Ceased its operations in 2015.

**Ceased its operations in 2005.

On October 16, 2013, the SEC approved the conversion of Company debts amounting to ₱2.4 billion to Kormasinc into equity at 1 share of common stock for every ₱1.00 debt in which ₱90.0 billion was applied as payment for 90,030,236 shares from unissued shares and ₱2.3 billion was applied as payment for additional shares from an increase in authorized capital stock. On the same date, the SEC approved the Company's increase in authorized capital stock to ₱3.5 billion.

On September 16, 2016, with the debt to equity conversion and significant improvement in the Company's operations, the Regional Trial Court of Malolos, Bulacan (the Rehabilitation Court) approved the motion for the Company's successful exit from Corporate Rehabilitation .

On June 30, 2017, the Company's Stockholders approved the Company's plan to undergo Quasi-reorganization. The Company, however, has yet to submit the necessary requirements to the SEC.

The registered principal place of business of the Company is located at Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan. The Company has operating offices in Luzon, Iloilo and Davao, and maintains satellite offices in Southern Philippines.

Status of Operations

The Company has significantly increased sales for the period ended September 30, 2017 to ₱4,652 million from ₱3,652 million for the period ended September 30, 2016 resulting from intensive marketing, introduction of more food products, improved formulation technology for its feeds products and tolling operational partnerships. As previously discussed, Kormasinc (stockholder) acquired all the restructured debt and entered into a debt to equity conversion with the Company in 2013. Moreover, the Company disposed off its major feed mill in 2014 to further reduce debt and to generate the necessary working capital.

The debt presented in the financial statements as payable to stockholder was ₱407.1 million in 2017 and 2016, including interest of ₱200.0 million in both years.

The Company is focusing towards establishing operational partnerships, strengthening its core products by improving quality standards, continuing its cost reduction program and revisiting customer and supplier terms to increase sales and to improve operating results. As a result of the implementation of these programs, the Company generated operating income of ₱144.3 million for the period ended September 30, 2017.

With these corporate initiatives, the Company has continued to generate the necessary cash flow to sustain its operations and settle its remaining liabilities.

2. Basis of Preparation and Statement of Compliance

The unaudited interim consolidated financial statements of the Company have been prepared on the historical cost basis of accounting, except for property, plant and equipment and investment properties which are stated at fair value, and are presented in Philippine Peso, the Company's functional and presentation currency. All values represent absolute amounts except when otherwise stated.

The unaudited interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at December 31, 2016.

The unaudited interim consolidated financial statements of the Company as at and for the nine-month period ended September 30, 2017 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*, and in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council (FRSC) and adopted by the SEC. This financial reporting framework includes PFRS, PAS, Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) and SEC provisions.

3. Summary of Changes in PFRS

Adoption of New and Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2017:

- Amendments to PAS 7, *Statement of Cash Flows - Disclosure Initiative* – The amendments require entities to provide information that enable the users of financial statements to evaluate changes in liabilities arising from their financing activities.

- Amendments to PAS 12, *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses* – The amendments clarify the accounting for deferred tax assets related to unrealized losses on debt instruments measured at fair value, to address diversity in practice.

The adoption of the foregoing new and amended PFRS did not have any material effect on the unaudited consolidated financial statements.

New and Amended PFRS Not Yet Adopted

Relevant new and amended PFRS which are not yet effective for the nine-month period ended September 30, 2017 and have not been applied in preparing the financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2018 -

- PFRS 9, *Financial Instruments* – This standard will replace PAS 39, *Financial Instruments: Recognition and Measurement* (and all the previous versions of PFRS 9). It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition.

PFRS 9 requires all recognized financial assets to be subsequently measured at amortized cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.

For financial liabilities, the most significant effect of PFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

For the impairment of financial assets, PFRS 9 introduces an “expected credit loss” model based on the concept of providing for expected losses at inception of a contract; it will no longer be necessary for there to be objective evidence of impairment before a credit loss is recognized.

For hedge accounting, PFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures.

The derecognition provisions are carried over almost unchanged from PAS 39.

- Amendments to PFRS 2, *Share-based Payment - Classification and Measurement of Share-based Payment Transactions* – The amendments clarify the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, the accounting for share-based payment transactions with a net settlement feature for withholding tax obligations, and the effect of a modification to the terms and condition of a share-based payment that changes the classification of the transaction from cash-settled to equity settled.
- PFRS 15, *Revenue from Contract with Customers* – The new standard replaces PAS 11, *Construction Contracts*, PAS 18, *Revenue* and related interpretations. It establishes a single comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g. the point at which revenue is recognized, accounting for variable considerations, costs of fulfilling and obtaining a contract, etc.).

- Amendment to PFRS 15, *Revenue from Contract with Customers* - Clarification to PFRS 15 – The amendments provide clarifications on the following topics: (a) identifying performance obligations; (b) principal versus agent considerations; and (c) licensing. The amendments also provide some transition relief for modified contracts and completed contracts.
- Amendments to PAS 40, *Investment Property - Transfers of Investment Property* – The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of change in use. A mere change in management’s intentions for the use of the property does not provide evidence of a change in use.

Effective for annual periods beginning on or after January 1, 2019 -

- PFRS 16, *Leases* – Significant change introduced by the new standard is that almost all leases will be brought onto lessees’ balance sheets under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance lease is retained.
- Philippine Interpretation IFRIC 23, *Uncertainty Over Income Tax Treatments* – The interpretation provides requirements in addition to those set in PAS 12, *Income Taxes* by specifying how to determine the accounting tax position when there is uncertainty over tax treatments. It requires an entity to (a) determine whether uncertain tax positions are assessed separately or as a group, and (b) assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. Otherwise, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the financial statements of the Company except for PFRS 9 and PFRS 16.

The Company anticipates that the application of PFRS 9 and 16 might have a significant effect on amounts reported in respect of the Company’s financial assets and financial liabilities and leases. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

4. Trade and Other Receivables

This account consists of (*in thousand Pesos*):

	Unaudited Sept 2017	Audited Dec 2016
Trade	₱974,048	₱1,105,524
Nontrade	225,797	146,413
Insurance claims receivable	157,513	157,513
Advances to:		
Suppliers	140,452	102,370
Officers and employees	7,533	6,034
Due from related parties	5,465	146,174
Retention receivable	–	2,189
Others	37,833	19,712
	1,548,641	1,685,929
Less allowance for impairment losses	(505,263)	(501,457)
	₱1,043,378	₱1,184,472

Trade receivables are usually due within 30 to 90 days and are noninterest-bearing.

Nontrade receivables comprise mainly of receivables arising from incidental income of the Company such as tolling, rentals, hatching, hauling and laboratory analysis charges. These are settled within 30-60 days and are noninterest-bearing.

The Company has an outstanding claim for settlement for typhoon damages from Charter Ping An Insurance Corporation. Pursuant to the Insurance Code, the Company is entitled to interest on its claim at a rate twice the ceiling prescribed by the Monetary Board beginning March 12, 2010, 90 days from the date the Company has filed the claim. On August 17, 2016, the Company received ₱58.9 million as partial settlement. The Company, however, has continued to legally pursue the remaining outstanding balance of ₱157.5 million as at September 30, 2017. Management and its legal counsel believe that the ongoing litigation on the remaining claims will not result in any significant adverse impact on the Company's financial condition and results of operations.

Advances to suppliers pertain to advance payments on purchases of goods and services to be purchased in the Company's normal course of business. These goods and services are expected to be delivered within a year.

Advances to officers and employees are unsecured, noninterest-bearing and subject to salary deduction or liquidation for a specified period of time of about one year.

Retention receivable pertains to a portion of the Company's short-term loan from a local bank which bears interest of 5% per annum and is secured by trade receivables. The retention receivable will be released to the Company upon full collection of the trade receivables. The loan was fully settled in 2016. Interest related to the loan amounted to ₱12.4 million in 2016.

Other receivables comprise mainly of unsecured and non-interest bearing short term deposits and claims from Philippine Social Security System.

AGING OF RECEIVABLES

	As at SEPTEMBER 30, 2017 – Unaudited (in thousand Pesos)						
	TOTAL	CURRENT	1-30	31-60	61-90	91-120	OVER 120
Feeds	₱716,138	₱324,572	₱84,594	₱11,844	₱3,538	₱2,279	₱289,311
Foods	32,617	6,062	12,973	3,462	1,659	–	8,461
Farms	225,293	45,966	24,922	1,099	247	296	152,763
Total Trade Receivables	974,048	376,600	122,489	16,405	5,444	2,575	450,535
Nontrade	225,797	14,258	3,687	2,457	2,367	35,683	167,345
Advances	147,985	7,533	–	–	–	–	140,452
Insurance claims receivable	157,513	–	–	–	–	–	157,513
Due from related parties	5,465	–	–	–	–	–	5,465
Others	37,833	37,833	–	–	–	–	–
Total Trade and Nontrade Receivables	1,548,641	436,224	126,176	18,862	7,811	38,258	921,310
Less: Allowance for Impairment	505,263	–	–	–	–	–	505,263
NET RECEIVABLES	₱1,043,378	₱436,224	₱126,176	₱18,862	₱7,811	₱38,258	₱416,047

5. Inventories

This account consists of (*in thousand Pesos*):

	Unaudited Sept 2017	Audited Dec 2016
Raw materials and feeds supplement	₱157,120	₱209,502
Livestock	170,341	72,457
Finished goods	153,775	141,378
Supplies and animal health products	58,475	57,609
Factory stocks and supplies	319	639
	₱540,030	₱481,585

As at September 30, 2017 and December 31, 2016, inventories are stated at cost.

6. Other Current and Noncurrent Assets

Other Current Assets (*in thousand Pesos*):

	Unaudited Sept 2017	Audited Dec 2016
Creditable withholding tax	₱25,674	₱29,377
Prepayments	10,972	15,055
Input value-added tax	4,498	4,498
	41,144	48,930
Allowance for impairment losses	(4,498)	(4,498)
	₱36,646	₱44,432

Other Noncurrent Assets (in thousand Pesos):

	Unaudited Sept 2017	Audited Dec 2016
Project development costs	P31,368	P31,368
Deposits	13,037	13,537
Computer software	6,870	7,617
Other assets	53,344	53,344
	104,619	105,866
Allowance for impairment:		
Project development costs	31,368	31,368
Other assets	53,344	53,344
	84,712	84,712
	P19,907	P21,154

Prepayments mainly pertain to insurance and bond premiums which are amortized over one year.

Project development costs represent expenses incurred on the Company's aqua feeds and aqua culture projects. Based on management's evaluation, these costs may no longer be recoverable. Accordingly, the project development cost was provided with full valuation allowance.

Deposits represent payments made in relation to the lease agreements entered into by the Company.

Movements of computer software follow:

	Note	Sept 2017	Audited Dec 2016
Cost			
Balance at beginning of period		P11,423	P11,420
Additions		2,108	3
Balance at end of period		13,531	11,423
Accumulated Amortization			
Balance at beginning of period		3,806	-
Depreciation and amortization	7	2,855	3,806
Balance at end of period		6,661	3,806
Net carrying amount		P6,870	P7,617

Other assets mainly pertain to the impaired assets of PFCI with full valuation allowance.

7. Property, Plant and Equipment

Movements in this account are as follows (in thousand Pesos):

	September 30, 2017 (Unaudited)						Total	
	At Appraised Values			At cost				
	Land	Machinery and Equipment	Buildings	Leasehold and Land Improvements	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction in Progress	
Cost								
Balance at beginning of period	P325,134	P197,517	P89,309	P14,768	P78,139	P167,784	P215	P872,866
Additions	-	10,170	2,059	-	5,513	36,047	25,582	79,371
Reclassification	-	215	-	-	-	-	(215)	-
Balance at end of period	P325,134	P207,902	P91,368	P14,768	P83,652	P203,831	P25,582	P952,237
Accumulated Depreciation and Impairment								
Balance at beginning of period	-	120,742	30,375	10,050	69,745	125,329	-	356,241
Depreciation and amortization	-	11,144	5,545	800	4,231	10,478	-	32,198
Balance at end of period	-	131,886	35,920	10,850	73,976	135,807	-	388,439
Carrying amount	P325,134	P76,016	P55,448	P3,918	P9,676	P68,024	P25,582	P563,798

2016 (Audited)								
	At Appraised Values				At cost			
	Land	Machinery and Equipment	Buildings	Leasehold and Land Improvements	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱255,841	₱174,149	₱70,014	₱31,416	₱72,898	₱144,045	₱3,839	₱752,202
Additions	–	9,186	3,894	4,590	5,434	23,739	215	47,058
Revaluations	93,820	20,396	11,562	–	610	–	–	126,388
Reclassifications	(24,527)	(6,214)	3,839	(21,238)	(803)	–	(3,839)	(52,782)
Balance at end of year	325,134	197,517	89,309	14,768	78,139	167,784	215	872,866
Accumulated Depreciation and Impairment								
Balance at beginning of year	–	109,959	26,295	21,543	66,464	116,991	–	341,252
Depreciation and amortization	–	11,811	4,067	1,541	4,017	8,338	–	29,774
Impairment	–	418	13	–	58	–	–	489
Reclassifications	–	(1,446)	–	(13,034)	(794)	–	–	(15,274)
Balance at end of year	–	120,742	30,375	10,050	69,745	125,329	–	356,241
Carrying amount	₱325,134	₱76,775	₱58,934	₱4,718	₱8,394	₱42,455	₱215	₱516,625

In 2016, property, plant, and equipment with a net book value of ₱37.5 million were reclassified to investment properties. Corresponding revaluation reserve and deferred tax liabilities of the reclassified property, plant and equipment amounted to ₱17.7 million and ₱5.3 million, respectively, as at September 30, 2017 and December 31, 2016.

If the property, plant and equipment were measured at cost model, the carrying amounts would be as follows (*in thousand Pesos*):

September 30, 2017 (Unaudited)								
	At Appraised Values				At cost			
	Land	Machinery and Equipment	Buildings	Leasehold and Land Improvements	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱13,611	₱152,078	₱67,517	₱8,195	₱30,848	₱194,007	₱25,582	491,838
Accumulated Depreciation and Impairment	–	104,385	28,751	4,276	21,077	125,834	–	284,323
Carrying amount	₱13,611	₱47,693	₱38,766	₱3,919	₱9,771	₱68,173	₱25,582	₱207,515
December 31, 2016 (Audited)								
	At Appraised Values				At cost			
	Land	Machinery and Equipment	Buildings	Leasehold and Land Improvements	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction in Progress	Total
Cost								
Balance at beginning of year	₱13,611	₱155,022	₱64,558	₱12,112	₱27,110	₱167,784	₱215	₱440,412
Accumulated Depreciation and Impairment	–	110,894	26,119	7,393	19,393	125,329	–	289,128
Carrying amount	₱13,611	₱44,129	₱38,439	₱4,719	₱7,717	₱42,455	₱215	₱151,284

Depreciation and amortization expense follows:

	Note	Unaudited Sep 2017	Audited Dec 2016
Property, plant and equipment		₱32,198	₱29,774
Computer software	6	2,855	3,806
		₱35,053	₱33,580

Fair Value Measurement

The Company's property, plant and equipment (except for transportation equipment) were appraised by an independent firm of appraisers. The latest appraisal report is at December 31, 2016. The fair value measurement for property, plant and equipment has been categorized as level 3 (significant unobservable inputs).

Description of valuation techniques used and key inputs used in the valuation of property, plant and equipment follows:

	Valuation Technique	Significant Unobservable Inputs	Range
Land	Sales Comparison Approach	Price per square meter Value adjustments	₱1,493--₱1,857 35%-48%
	Valuation Technique	Significant unobservable Inputs	Range (weighted average)
Machinery and Equipment	Cost of Reproduction Approach	Replacement cost less accrued depreciation	3 - 5 years remaining useful life
Buildings	Cost of Reproduction Approach	Replacement cost less accrued depreciation	5 - 10 years remaining useful life
Land Improvements	Cost of Reproduction Approach	Replacement cost less accrued depreciation	2 - 4 years remaining useful life
Office Furniture, Fixtures and Equipment	Cost of Reproduction Approach	Replacement cost less accrued depreciation	2 - 4 years remaining useful life
Leasehold Improvements	Cost of Reproduction Approach	Replacement cost less accrued depreciation	2 - 4 years remaining useful life

The significant unobservable inputs to fair valuation are as follows:

Price per square meter: estimated value prevailing in the real estate market depending on the location, area, shape and time element.

Value adjustments: adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size, architectural features and etc.

Sales comparison approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

8. Investment Properties

Investment properties comprise of the Company's hatchery buildings, dressing and rendering plants that are held to earn rentals and parcels of land foreclosed by the Company to settle customers' liabilities. These foreclosed parcels of land are being held for capital appreciation only.

Movements in this account are summarized below (*in thousand Pesos*):

	Unaudited Sept 2017	Audited Dec 2016
Balance at beginning of year	₱495,216	₱428,440
Additions	434	23,922
Reclassifications	—	37,508
Fair value gain	—	7,048
Disposals	—	(1,702)
Balance at end of year	₱495,650	₱495,216

Fair Value Measurement

Investment properties are revalued periodically at fair values as determined by an independent firm of appraisers. The latest appraisal report is at December 31, 2016. The fair value measurement for investment properties has been categorized as level 3 (significant unobservable inputs).

Description of valuation techniques used and key inputs to valuation on investment properties follows:

	Valuation Technique	Significant Unobservable Inputs	Range
Land	Sales Comparison Approach	Price per square meter Value adjustments	₱875--₱1,200 5%-45%
	Valuation Technique	Significant unobservable Inputs	Range (weighted average)
Building	Cost of Reproduction Approach	Replacement cost less accumulated depreciation	5 - 10 years remaining useful life

The significant unobservable inputs to fair valuation are as follows:

Price per square meter: estimated value prevailing in the real estate market depending on the location, area, shape and time element.

Value adjustments: adjustments are made to bring the comparative values in approximation to the investment property taking into account the location, size, architectural features and etc.

Sales comparison approach involves the comparison of the land to those that are more or less located within the vicinity of the appraised property and are subject of recent sales and offerings. Adjustments were made to arrive at the market value by considering the location, size, shape, utility, desirability and time element.

9. Trade and Other Payables

This account consists of (*in thousand Pesos*):

	Unaudited Sept 2017	Audited Dec 2016
Trade	₱943,264	₱994,735
Accrued expenses	216,951	173,622
Nontrade	157,300	130,560
Customers' deposits	61,166	94,623
Provisions	25,813	51,048
Other	18,441	8,014
	₱1,422,935	₱1,452,602

Trade payables primarily consist of liabilities arising from purchases of raw materials related to the normal course of business. These are noninterest-bearing and are generally on a 90-day credit term.

Accrued expenses are normally settled within one year. Accrued expenses mainly pertain to salaries and wages, freight and handling, outside services, rebates, taxes and licenses, commission, plant and office supplies.

Nontrade payables are liabilities arising from purchases of goods, other than raw materials, and various services giving rise to expenses such as trucking fees, utilities, security services and inspection fees, among others. These are settled within one year.

Customers' deposits are amounts received from animal and aqua feeds' customers. These serve as collateral for any unpaid balances.

Provisions pertain to probable claims from third parties. It includes an estimated liability of ₱25.8 million of PFCI arising from a legal case for non-payment of rentals as at June 30, 2017 and December 31, 2016. PFCI ceased operations in 2005. The PFCI case is still pending decision before the Court of Appeals. This also includes provision for probable claims against third party amounting to ₱25.2 million in 2016. The information required by *PAS 37, Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed as it may prejudice the Company's position on the matter.

Other payables consist of advances from officers and employees, social security premiums payable and other statutory liabilities. These are normally settled within a year.

10. Payable to Stockholder

Settlement of Restructured Debt. The remaining balance of payable to a stockholder resulted mainly from the acquisition by Kormasinc of the Company's restructured debt from creditors. ₱2.4 billion of the restructured debt of ₱3.2 billion acquired by Kormasinc was converted to equity.

Summarized below are the outstanding accounts, arising from the foregoing transactions (*in thousand Pesos*):

Relationship	Nature of Transactions	Sept 2017 (Unaudited)		Dec 2016 (Audited)	
		Amount of Transactions	Outstanding Balances	Amount of Transactions	Outstanding Balances
Kormasinc	Parent Company				
	Restructured debt acquired	–	₱175,027	–	₱175,027
	Trade payables acquired	–	32,098	–	32,098
	Interest on restructured debt	–	199,986	–	199,986
			₱407,111		₱407,111

11. Loans Payable

The Company obtained Peso-denominated short-term loans from local banks to finance working capital requirements. The short-term loans from the banks bear interest rate of 5.25%.

The Company's outstanding loans payable amounted to ₱27.9 million and nil as at September 30, 2017 and December 31, 2016, respectively.

Interest expense recognized amounted to ₱3.0 million and nil in 2017 and 2016, respectively.

12. Cash Bond Deposits

Cash bond deposits amounting to ₱31.2 million and ₱23.4 million as at September 30, 2017 and December 31, 2016, respectively, substantially consist of surety bond deposits obtained from contract growers, contract breeders, customers and salesmen.

The carrying amounts of the cash bond deposits are at nominal values because the timing of the refund or settlement could not be reasonably estimated.

13. Equity

Capital Stock

The Company has authorized capital stock of 3.5 billion shares at ₱1 par value equivalent to ₱3.5 billion.

	Sept 2017	Dec 2016
Authorized	3,500,000	3,500,000
Issued and outstanding	2,786,498	2,786,498

The following summarizes the information on The Company's registration of securities under the Securities Regulation Code:

Date of SEC Approval	Authorized Shares	No. of Shares Issued
Oct. 16, 2013	3,000,000,000	2,286,497,901
Feb. 9, 1989	200,000,000	200,000,000
Aug 11, 1986	200,000,000	200,000,000
Dec. 5, 1982	33,000,000	33,000,000
Dec. 5, 1977	45,000,000	45,000,000
Oct. 31, 1974	7,000,000	7,000,000
May 2, 1973	10,000,000	10,000,000
Oct. 2, 1972	5,000,000	5,000,000

The shares were issued at a price ranging from a minimum of ₱8.00 to a maximum of ₱12.50 per share.

The following summarizes the information on the Company's issued and outstanding shares:

	Number of shares issued and outstanding	Percentage of shares
Issued and outstanding	2,786,498	100.00%
Listed shares:		
Owned by related parties	1,928,339	69.20%
Owned by public	792,270	28.43%
Owned by directors and officers	65,889	2.37%
Total	2,786,498	

Of the total shares owned by the public, 272.5 million shares are foreign-owned.

The total number of shareholders of the Company is 4,196 and 4,255 as at September 30, 2017 and December 31, 2016, respectively.

14. Earnings Per Share

Basic and diluted earnings per share were computed as follows (*in thousand Pesos*):

	Unaudited Sept 2017	Audited Dec 2016
Net income for the year	₱107,130	17,509
Divided by the weighted average number of outstanding shares	2,786,498	2,786,498
Earnings per share - basic and diluted	₱0.04	₱0.01

Diluted earnings per share is equal to the basic earnings per share because the Company does not have potential dilutive shares.

15. Segment Information

The Company's operating businesses and those of its subsidiaries are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

- a) The Food segment is engaged in the growing, production and distribution of chicken broilers, either as live or dressed. Its products are distributed to wet markets and supermarkets.
- b) The Feeds segment caters to the feed requirement of the poultry, livestock, and fish growers. It is engaged in the manufacture and distribution of animal and aqua feeds, animal health and nutritional products, and feed supplements.
- c) The Farms segment is involved in the production of day-old chicks and pullets.
- d) The Corporate and Others segment includes general and corporate income and expense items which are not specifically identifiable to a particular segment.

Segment assets and liabilities include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, net of allowance. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment liabilities do not include deferred tax liabilities.

The Company generally accounts for intersegment sales and transfers at cost.

The following table presents revenue and profit information regarding business segments for the nine-month period ended September 30, 2017, and certain asset and liability information regarding business segments as at September 30, 2017.

As at September 30, 2017 - Unaudited (in thousand Pesos)						
	Foods	Feeds	Farms	Corporate & Others	Eliminations	Consolidated
REVENUES						
Net Sales						
External Sales	₱1,924,562	₱2,427,052	₱300,176	₱–	₱–	₱4,651,790
COST AND OTHER OPERATING EXPENSES (INCOME)						
Cost of goods sold excluding depreciation	1,658,664	2,136,321	314,829	–	–	4,109,814
Operating expenses	65,776	153,385	–	162,848	–	382,009
Depreciation and amortization	3,183	24,731	–	7,139	–	35,053
Other operating income	(15,249)	(4,088)	–	–	–	(19,337)
	1,712,374	2,310,349	314,829	169,987	–	4,507,539
RESULTS						
Segment Results	₱212,188	₱116,703	₱14,653	(₱169,987)	₱–	₱144,251
Other charges - net						(31,976)
Income before tax						112,275
Tax Expense						(5,145)
Net Income						₱107,130
OTHER INFORMATION						
Segment assets	₱269,535	₱976,763	₱328,479	₱827,683	₱586,861	₱2,989,321
Segment liabilities	₱374,068	₱64,221	₱1,427	₱1,572,701	(₱238)	₱2,012,179

Currently, the Company's operation is only in the Philippines, hence it has no geographical segment. The Company, however, has manufacturing plants in different regions of the country.

16. Risk Management Objectives and Policies

The Company is exposed to a variety of financial risks which result from its operating, financing and investing activities. The Company's overall risk management program focuses on the unpredictability of the markets and seeks to minimize potential adverse effects on the Company's performance.

The Company does not engage in the trading of financial assets for speculative purposes nor does it write options. The financial risks, which the Company is exposed to, are described below:

Foreign Currency Sensitivity

To a certain extent, the Company has an exposure to foreign currency risks as some of its raw materials purchases are sourced outside the Philippines and are therefore denominated in foreign currencies. However, the Company has not yet experienced significant losses due to the effect of foreign currency fluctuations since purchases denominated in foreign currency are kept at a minimum.

Credit Risk

Generally, the maximum credit risk exposure of the financial assets is the carrying amount of the financial assets as shown on the face of the unaudited consolidated statements of financial position.

The Company continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

The Company's trade and other receivables are not exposed to a concentration of credit risk as the Company deals with a number of customers. The trade and other receivables are actively monitored and assessed, and where necessary an adequate level of provision is maintained. In addition, to minimize credit risk, the Company requires collateral, generally land and real estate, from its customers.

The Company's management considers that trade and other receivables that are not impaired nor past due for each reporting periods are of good credit quality.

Liquidity Risk

The Company manages its liquidity profile to be able to service its long-term debt as these fall due by maintaining sufficient cash from operations. The Company maintains cash to meet its liquidity requirements for up to 30-day periods.

Price Risk

The Company is exposed to commodity price risk as the raw materials of its main products are subject to price swings. The Company's management actively seeks means to minimize exposure to such risk.

VITARICH CORPORATION AND SUBSIDIARIES
FINANCIAL RATIOS
(In thousand Pesos)

Below is a schedule showing the financial soundness indicators of the Company for the period ended:

	Unaudited Sept 2017	Audited Dec 2016
Current / Liquidity Ratio	1.02	0.98
Current assets	1,909,966	1,827,029
Current liabilities	1,880,456	1,862,527
Solvency Ratio	0.07	0.03
Net income before depreciation	142,183	51,089
Total liabilities	2,012,179	1,990,012
Debt-to-Equity Ratio	2.06	2.29
Total liabilities	2,012,179	1,990,013
Total equity	977,142	870,012
Asset-to-Equity Ratio	3.06	3.29
Total assets	2,989,321	2,860,024
Total equity	977,142	870,012
Interest rate coverage Ratio	4.39	3.06
Pretax income before interest	145,353	38,623
Interest expense	33,078	12,642
Profitability Ratio	0.11	0.02
Net income	107,130	17,509
Total equity	977,142	870,012

OTHER MATTERS

- There are outstanding warranty and legal claims against the Company. The Company has accrued liability on those items where the Court has definitely ruled against the Company and where the amount can be reliably estimated. The Company and its legal counsel believe that the other pending claims will be settled favorably and will not result to a material loss or impairment, if any. None of these contingencies are discussed in the consolidated financial statements in detail so as not to seriously prejudice the Company's position in the related disputes.
- There were no material commitments for capital expenditures.
- There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

Any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation - None

Any significant element of income or loss that did not arise from the registrant's continuing operations -
There were no significant elements of income or loss arising from continuing operations.

VITARICH CORPORATION AND SUBSIDIARIES

**SUPPLEMENTARY SCHEDULE OF ADOPTION OF
EFFECTIVE ACCOUNTING STANDARDS AND INTERPRETATIONS
SEPTEMBER 30, 2017**

Title	Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements			
Conceptual Framework Phase A: Objectives and qualitative characteristics	✓		
PFRSs Practice Statement Management Commentary			✓

Philippine Financial Reporting Standards (PFRSs)

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
PFRS 2	Share-based Payment	✓		
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions	✓		
PFRS 3 (Revised)	Business Combinations			✓
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination			✓
	Amendment to PFRS 3: Scope Exceptions for Joint Ventures			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
	Amendment to PFRS 5: Changes in Methods of Disposal			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition			✓
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendment to PFRS 7: Servicing Contracts			✓
	Amendment to PFRS 7: Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓
PFRS 8	Operating Segments	✓		
	Amendments to PFRS 8: Aggregation of Operating Segments	✓		
	Amendments to PFRS 8: Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
PFRS 9	Financial Instruments: Classification and Measurement of Financial Assets		✓	
	Financial Instruments: Classification and Measurement of Financial Liabilities		✓	
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures		✓	
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Transition Guidance			✓
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities: Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
PFRS 12	Disclosure of Interests in Other Entities			✓
	Amendments to PFRS 12: Transition Guidance			✓

PFRS	Title	Adopted	Not Adopted	Not Applicable
	Amendments to PFRS 12: Investment Entities			✓
PFRS 13	Fair Value Measurement	✓		
	Amendment to PFRS 13: Short-term receivables and Payables	✓		
	Amendment to PFRS 13: Portfolio Exception	✓		
PFRS 14	Regulatory Deferral Accounts			✓

Philippine Accounting Standards (PASs)

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendment to PAS 1: Clarification of the Requirements for Comparative Presentation	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓
PAS 16	Property, Plant and Equipment	✓		
	Amendment to PAS 16: Classification of Servicing Equipment			✓
	Amendment to PAS 16: Property Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation	✓		
	Amendment to PAS 16: Property, Plant and Equipment - Clarification of Acceptable Methods of Depreciation and Amortization	✓		
	Amendment to PAS 16: Agriculture: Bearer Plants			✓

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendment to PAS 19: Defined Benefit Plans: Employee Contributions	✓		
	Amendment to PAS 19: Discount Rate: Regional Market Issue	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
	Amendment to PAS 24: Key Management Personnel	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓		
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28: Investment Entities: Applying the Consolidation Exception			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Financial Instruments: Presentation	✓		
	Amendments to PAS 32: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 32: Tax Effect of Distribution to Holders of Equity Instruments			✓
PAS 33	Earnings per Share	✓		

PAS	Title	Adopted	Not Adopted	Not Applicable
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendment to PAS 38: Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39: Financial Guarantee Contracts			✓
	Amendments to PAS 39: Reclassification of Financial Assets	✓		
	Amendments to PAS 39: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
PAS 40	Investment Property	✓		
	Amendment to PAS 40: Clarifying the Interrelationship between PFRS 3, Business Combination and PAS 40 when Classifying Property as Investment Property or Owner-occupied Property	✓		
PAS 41	Agriculture			✓
	Amendment to PAS 41: Agriculture: Bearer Plants			✓

Philippine Interpretations

Interpretations	Title	Adopted	Not Adopted	Not Applicable
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC-9: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers	✓		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	✓		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓

Philippine Interpretations - SIC

Interpretations	Title	Adopted	Not Adopted	Not Applicable
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases – Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

VITARICH CORPORATION

**SUPPLEMENTARY SCHEDULE OF PARENT COMPANY'S RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION**

SEPTEMBER 30, 2017

(In Thousand Pesos)

	Amount
Deficit as shown in the financial statements at beginning of year	(₱2,355,928)
Balance at beginning of year of:	
Cumulative gain on fair value changes of investment properties	(128,679)
Net deferred tax assets that flow through profit or loss	(101,970)
Cumulative revaluation reserve transferred to deficit, net of tax	14,948
Depreciation of revaluation reserve recognized in profit or loss	(4,192)
Deficit as adjusted to available for dividend declaration at beginning of year	(2,575,821)
Net income actually incurred during the year:	
Net income closed to deficit	107,647
Movement of deferred tax assets recognized in profit or loss	(41,092)
Depreciation of revaluation reserve, net of tax	5,309
	71,864
Total deficit available for dividend declaration at end of year	(₱2,503,957)

Reconciliation:

	Amount
Deficit as shown in the financial statements at end of year	(₱2,275,493)
Balance at end of year of:	
Cumulative gain on fair value changes of investment properties	(128,679)
Net deferred tax assets that flow through profit or loss	(104,847)
Cumulative revaluation reserve transferred to deficit, net of tax	12,645
Depreciation of revaluation reserve recognized in profit or loss	(7,583)
Total deficit available for dividend declaration at end of year	(₱2,503,957)

VITARICH CORPORATION AND SUBSIDIARIES
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF
SRC RULE 68, AS AMENDED
SEPTEMBER 30, 2017

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C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>3</u>
D	Intangible Assets - Other Assets	<u>N/A</u>
E	Long-Term Debt	<u>N/A</u>
F	Indebtedness to Related Parties	<u>4</u>
G	Guarantees of Securities of Other Issuers	<u>N/A</u>
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VITARICH CORPORATION AND SUBSIDIARIES

SCHEDULE A - FINANCIAL ASSETS

SEPTEMBER 30, 2017

(In Thousand Pesos)

Description	Carrying Value	Fair Value
Loans and receivables:		
Cash in banks	₱288,073	₱288,073
Trade and other receivables*	877,973	877,973
	₱1,166,046	₱1,166,046

**Excluding advances to suppliers, advances to contract growers and breeders, and advances to officers and employees amounting to ₱140.5 million, ₱17.4 million and ₱7.5 million, respectively, in 2017*

VITARICH CORPORATION AND SUBSIDIARIES
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES and PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

September 30, 2017
(In Thousand Pesos)

<u>Name and Designation of Debtor</u>	Balance at beginning of Year	Additions	Deductions		Ending Balance		Balance at end of year
			Collected	Written Off	Current	Noncurrent	
Advances to Officers and Employees:							
Mailyn Acero, Sales Manager	P560	-	-	-	560	-	560
Roel Galang, Sales Manager	495	-	-	-	495	-	495
Guillermo B. Miralles, Vice President and General Manager	409	-	33	-	376	-	376
Rey D. Ortega, Vice President and General Manager	361	402	367	-	397	-	397
Alfredo Espiritu Jr., District Sales Manager	106	-	13	-	93	-	93
Others*	4,435	4,457	3,280	-	5,612	-	5,612
	P6,366	P4,859	P3,693	P-	P7,533	P-	P7,533

*Represent advances to officers and employees with balances less than P100,000.

Note: All of the above receivables are current.

VITARICH CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION
OF FINANCIAL STATEMENTS
September 30, 2017
(In Thousand Pesos)

<u>Related Party</u>	Balance at beginning of period	Additions	Deductions			Ending Balance		Balance at end of period
			Collections	Write Off	Amounts written off	Current	Noncurrent	
Amounts Due from Related Parties								
Gromax, Inc.	P122,722	P13,661	P81,001	P-	P-	P55,382	P-	P55,382

VITARICH CORPORATION AND SUBSIDIARIES
SCHEDULE F - RECEIVABLE FROM (PAYABLE TO) RELATED PARTIES
September 30, 2017
(In Thousand Pesos)

<u>Related Party</u>	Balance at beginning of period	Additions	Deductions			Ending Balance		Balance at end of period
			Collections (Payments)	Discounting	Write Off	Current	Noncurrent	
Entity under common control	P148,930	P943	P144,400	P-	P-	P5,473	P-	P5,473

VITARICH CORPORATION AND SUBSIDIARIES
SCHEDULE H – CAPITAL STOCKHOLDER
September 30, 2017
(In Thousands)

<u>Title of Issue</u>	Number of shares authorized	Number of shares issued and outstanding as shown under the statement of financial position caption	Number of shares reserved for options, warrants, conversion & other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Public
Common stock - 1 par value per share						
Authorized - 3,500,000,000 shares	3,500,000	2,786,498	-	1,928,339	65,889	792,270

VITARICH CORPORATION AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE GROUP
SEPTEMBER 30, 2017

