



VITARICH

03 June 2010

THE PHILIPPINE STOCK EXCHANGE, INC.
4th Floor Philippine Stock Exchange Center
Exchange Road, Ortigas Center, Pasig City

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Subject: **Issuance Of 90,030,236 Common Shares**

Madam:

This is in response to your letter dated 20 May 2010 regarding the above-mentioned subject requiring Vitarich Corporation (the "Company") to submit within five (5) trading days a detailed Comprehensive Corporate Disclosure on the transaction.

The issuance of 90,030,236 shares of the Company is but one of the three (3) strategies adopted by the Board during its last meeting to reduce the debt of the Company (the first is the sale of its non-core assets and the third is to increase its authorized capital stock by another P500M, the consideration of which is also the conversion of debt into equity). What the Board and the Rehabilitation Receiver of the Company have in mind is to issue these shares to the creditors of the Company who are willing to convert the debts of the Company into equity. These shares will be offered to the creditors for their consideration and evaluation but as of the date hereof, there are no creditors yet that have firmly agreed to the plan. However, since the conversion of debt into equity and the listing of the shares to be issued as a result thereof will need stockholders' approval as per the documentary requirements of the Philippines Stock Exchange ("PSE"), and since the annual stockholders' meeting has been scheduled on June 25, 2010, the Board of Directors of the Company had deemed it fit and very timely to approve the issuance of the shares to be offered to the creditors by way of a conversion of debt into equity so that this matter may be included in the agenda of the annual stockholders' meeting. In this way, the Company need not call for a special stockholders' meeting.

After the stockholders approve the conversion of debt into equity and the listing of the additional shares with the PSE during the forthcoming stockholders' meeting, the same will be submitted to the rehabilitation court for approval. After all these approvals, the Management and the Rehabilitation Receiver will negotiate with specific creditors who may agree to convert their loans into equity. This plan is expected to be implemented

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within one year after the said approval by the rehabilitation court. If implemented successfully, this plan will also provide the Company with more relief and time to build up its resources and eventually pay off a substantial portion of its debt.

For the above reasons, we cannot furnish you at this time with agreements with the Company's creditors. Likewise, we cannot, as yet, give you definite answers on the other information requested in your letter.

Rest assured, if and when the requested information becomes available, we will make the appropriate and timely disclosures to the PSE of the progress of the above-mentioned conversion of debt into equity, including the names of the creditors who will agree to the debt-to-equity conversion.

Thank you very much for your consideration.

Very truly yours,

VITARICH CORPORATION

By :


PEDRO T. DABU JR.

Assistant Corporate Secretary /
Corporate Information Officer

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