



11/F San Miguel Properties Centre,  
7 St. Francis St., Mandaluyong City 1550  
Metro Manila, Philippines

30 June 2023

**Philippine Dealing & Exchange Corp.**

37<sup>th</sup> Floor, Tower 1, The Enterprise Center  
6766 Ayala Avenue corner Paseo de Roxas  
Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**  
*Head - Issuer Compliance and Disclosure Department*

Re: SMC SLEX Inc. Php7.3 Billion Fixed Rate Bonds  
SEC Form 17 – C

Gentlemen:

In compliance with the Philippine Dealing & Exchange Corp. ("PDEX") guidelines, please find enclosed copy of our disclosure to Securities and Exchange Commission, in the form of SEC 17-C.

As agreed with you, we shall inform PDEx in case of any changes.

Very truly yours,

  
**RAOUL EDUARDO C. ROMULO**  
*Corporate Information Officer*

**Subject:** Re: SMC SLEX Inc. - SEC Form 17-C 30 June 2023  
**Date:** Friday, June 30, 2023 at 3:37:32 PM Philippine Standard Time  
**From:** ICTD Submission  
**To:** corsec.sbr

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thank you for reaching out to [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO  
COMPANIES -----

Please be informed of the reports that shall be filed only through [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph).

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) shall no longer be accepted. For further information, please access this link Notice for

guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at

<https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC\_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link –

<https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.

# COVER SHEET

A 2 0 0 0 1 0 6 2 2

S.E.C. Registration Number

S M C S L E X I N C .  
( F o r m e r l y S O U T H L U Z O N T O L L W A Y  
C O R P O R A T I O N )

(Company's Full Name)

I I / F S A N M I G U E L P R O P E R T I E S  
C E N T R E , 7 S T . F R A N C I S S T R E E T  
M A N D A L U Y O N G , C I T Y

( Business Address : No. Street City / Town / Province )

SHAINA ANELLA B. RAMIREZ

Contact Person

+639178130910

Company Telephone Number

1 2 3 1  
Month Day  
Fiscal Year

1 7 - C  
FORM TYPE

0 5 1 1  
Month Day  
Annual Meeting  
(2<sup>nd</sup> Thurs of May)

FIA

Secondary License Type, If Applicable

Dept. Requiring This Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 30 June 2023  
Date of Report (Date of earliest event reported)
2. SEC Identification Number A200010622 3. BIR Tax Identification No. 207-247-094
4. SMC SLEX INC.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines 6.  (SEC Use Only)  
Province, country or other jurisdiction of Industry Classification Code:  
incorporation
7. 11/F San Miguel Properties Centre, 7 St. Francis Street, Mandaluyong City 1550  
Address of principal office Postal  
Code
8. (02) 8584-4655  
Issuer's telephone number, including area code
9. (N/A)  
Former name or former address, if changed since last report

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

Title of Each Class

Number of Shares of Common Stock  
Outstanding and Amount of Debt Outstanding

	<u>Amount</u>	<u>Interest Rate</u>	
<u>Series C</u>	<u>P2.5 Billion</u>	<u>6.4872%</u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>

11. Indicate the item numbers reported herein: Item 9
- 
-

**Item 9. Other Events**

*SMC SLEX keeps Highest Rating*

On 30 June 2023, the Philippine Rating Services Corporation ("PhilRatings") published a report stating that PhilRatings maintained the Issue Credit Rating of PRS Aaa with a Stable Outlook for SMC SLEX Inc.'s outstanding P2.5-billion Fixed-rate bonds.

Obligations rated "PRS Aaa" are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings.

A copy of the PhilRatings press release is attached as Annex "A".

- nothing follows -

**SIGNATURES**

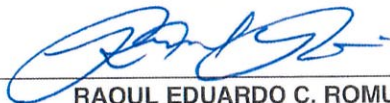
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SMC SLEX INC.**

Issuer

**30 June 2023**

Date



**RAOUL EDUARDO C. ROMULO**  
Chief Finance Officer and  
Corporate Information Officer



 <p><b>PhilRatings</b> PHILIPPINE RATING SERVICES CORPORATION <i>The Pioneer Domestic Credit Rating Agency</i></p>	<p><b>RATING NEWS</b></p> <p>June 30, 2023</p>
---	--

### SMC SLEX's P2.5 Billion Bonds Keeps Highest Rating

Philippine Rating Services Corporation (PhilRatings) maintained the Issue Credit Rating of **PRS Aaa**, with a **Stable** Outlook, for SMC SLEX, Inc.'s (SMC SLEX) outstanding P2.5-billion Fixed-rate bonds. SMC SLEX, which is part of the San Miguel Group, was incorporated primarily to engage in the rehabilitation, construction and expansion of the South Luzon Expressway (SLEX).

Obligations rated **PRS Aaa** are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is **extremely strong**. PRS Aaa is the highest rating assigned by PhilRatings.

A **Stable** Outlook, on the other hand, indicates that ratings are likely to be maintained or to remain unchanged in the next twelve (12) months.

The assigned rating takes into account the following considerations: (1) the Company's expansion of concession assets and continuing enhancement of toll operations; (2) the strong demand for its toll services, supported by greater mobility; (3) the Company's healthy liquidity, backed by strong cash flows from toll operations; and (4) the continued push of the government to improve the country's infrastructure environment.

PhilRatings' ratings are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments in relation to SMC SLEX and may change the ratings at any time, should circumstances warrant a change.

SMC SLEX is the concessionaire of the SLEX, a 36.1-kilometer (km) toll road that links major economic centers in Metro Manila to the southern provinces of Luzon. The SLEX is an integrated expressway composed of four toll roads, three of which are currently operational. Currently under construction is Toll Road 4 (TR 4), which is 66.7-km toll road expansion of the SLEX and consisting of a four-lane toll way extending from Sto. Tomas, Batangas to Lucena City, Quezon. TR 4 is expected to cut the travel time between Sto. Tomas and Lucena, from four hours to one hour.

In December 2022, the infrastructure arm of the San Miguel Group, SMC Infrastructure, executed the Seamless Project in its southern tollways. The project trimmed the usual five toll stops to only two toll stops, for both northbound and southbound travelers, cutting the overall transaction time spent in toll plazas for motorists. The project runs along the SLEX, Southern Tagalog Arterial Road (STAR), NAIA Expressway (NAIAX), and the entire Skyway System (Stages 1,2, and 3). According to San Miguel Corporation President Ramon Ang, this program is also part of the Group's preparation for the full integration of the Interoperability Project of the government which aims to achieve seamless travel across major expressways in Luzon.

The strong demand for the SLEX is reflected in its annual average daily traffic (AADT), which recorded double-digit increases in all vehicle classes in 2021. As economic activities steadily recovered, traffic volume continued to grow in 2022, notably exceeding 2019 pre-pandemic AADT by 2.8%. The official announcement on May 5, 2023 from the World Health Organization (WHO) declaring that the COVID-19 pandemic has ceased to be a global health emergency of international concern is expected to spur greater public mobility and promote traffic growth in the expressways, as restrictions are set at the lowest level.

In 2022, revenues from toll operations grew by 15.5% to P6.4 billion, driven by increased traffic volume. The uptrend was sustained in the first three months of 2023 (3M2023) due to strong demand.

Toll revenues grew by 13.3% to P1.7 billion in 3M2023. Net income for the period significantly rose by 36.4% to P964.0 million, backed by the growth in toll revenues, coupled with reduced costs and expenses.

The uptrend in AADT is projected to continue, as traffic volume normalizes in the expressway. SMC SLEX sees the recovering industrial and socio-economic activities in the CALABARZON region as supportive of the projected growth in average daily traffic volume. The gradual commencement of operations of the TR 4 is expected to similarly support higher traffic volume. Given these, revenues from toll operations are seen to post a healthy growth over the projected period.

Higher bottom line supported the Company's cash flows, which amply covered operations. Generated cash from operations was largely used for the Company's widening and enhancement projects, as well as project development costs of the TR 4 Project. In May 2022, SMC SLEX settled its Series B bonds amounting to P2.4 billion.

Current ratio as of end-2022 was more than satisfactory at 4.9x, and further improved to 5.6x as of end-March 2023. Cash and cash equivalents more than covered the Company's outstanding debt as it rose by 17.4% to P5.3 billion, as of end-March 2023. Cash flows from operations will continue to be healthy, and will be used mostly for the continued construction and enhancement projects along the SLEX. The TR 4 project will continue to primarily account for the Company's cash outflows, until its target completion in 2026.

The national government still continues to ramp up its efforts to enhance the infrastructure landscape of the country. The Marcos administration launched the "Build Better More" Program, of which 194 infrastructure flagship projects (IFPs) were approved with an estimated cost of P9 trillion. The IFPs include irrigation, water supply and flood management, digital connectivity, health, power and energy, agriculture, and other infrastructure. The development of many regions through these infrastructure projects will increase economic activity, particularly in provincial areas, and spur higher demand for connectivity and services of expressways.