



IN THE COMPANIES TRIBUNAL OF THE REPUBLIC OF SOUTH AFRICA

Case No: CT02697ADJ2026

In the ex parte application of:

**SOUTH AFRICAN FORESTRY
COMPANY SOC LIMITED**

APPLICANT

Registration number: 1992/005427/30

DECISION (REASONS AND ORDER)

A. INTRODUCTION

- [1] This is an *ex parte* application by South African Forestry Company SOC Limited (SAFCOL or the Applicant) for an extension of time within which to convene and hold its annual general meeting (AGM) for the financial year ended 31 March 2025.
- [2] The application is brought in terms of section 61(7)(b) of the Companies Act 71 of 2008 (the Companies Act). The Applicant also seeks condonation for the fact that the AGM could not be convened within the prescribed period.
- [3] The Applicant's previous AGM was held on 9 December 2024. On the Applicant's own computation, the statutory deadline for the next AGM was 9 March 2026. The Applicant seeks an extension until 30 May 2026.

- [4] The initial papers placed before the Tribunal did not sufficiently particularise the cause of the delay. The explanation was framed broadly by reference to delays in finalising the annual financial statements (AFS), the ongoing audit process and the Auditor-General of South Africa (AGSA). The Tribunal was not satisfied that the initial formulation adequately distinguished between delays attributable to the Applicant, delays attributable to subsidiary audit dependencies, and delays attributable to AGSA.
- [5] On 29 April 2026 the Tribunal issued a directive requiring the Applicant to supplement its papers. The directive required, among other matters, a detailed chronology, particulars of the ERP-related delay, information concerning subsidiary audits, the role of AGSA, Board and Audit Committee oversight, shareholder engagement and the Applicant's readiness to convene the AGM.
- [6] The Applicant thereafter filed a second supplementary affidavit deposed to by its Acting Chief Executive Officer, Mr. Sibalo Odecious Dlamini, together with confirmatory affidavits by Mr. John Maruma, the Acting Chief Financial Officer, and Ms. Lerato Letsoalo, the Company Secretary. The Applicant also placed before the Tribunal the AGSA audit report dated 22 April 2026.

B. THE PARTIES

- [7] The Applicant is South African Forestry Company SOC Limited, registration number 1992/005427/30, a state-owned company incorporated in terms of the laws of the Republic of South Africa.
- [8] The Applicant is the company required to convene the AGM contemplated in this application. The application is ex parte because the relief sought concerns the extension of the statutory period within which the Applicant must hold its AGM.
- [9] The deponent to the founding, first supplementary and second supplementary affidavits is Mr. Sibalo Odecious Dlamini, the Applicant's Acting Chief Executive Officer and Executive Director. His authority to depose to affidavits and to lodge the application is supported

C. RELIEF SOUGHT

- [10] The Applicant seeks an order allowing an extended period within which to convene and hold its AGM for the financial year ended 31 March 2025.

[11] The Applicant asks that the extension run until 30 May 2026.

[12] The practical basis for the relief is that the AGM could not be properly convened before the audit process had been concluded and the audited AFS and associated AGM materials were available to be presented to the shareholders.

D. STATUTORY FRAMEWORK

[13] Section 61(7)(b) of the Companies Act provides that a public company must convene an AGM of its shareholders once in every calendar year, but no more than 15 months after the date of the previous AGM, or within an extended time allowed by the Companies Tribunal on good cause shown. [Companies Act 71 of 2008, s 61(7)(b)].

[14] The Tribunal accepts, as has been the approach in matters of this nature, that the AGM obligation applies to state-owned companies, subject to the modified application of the Companies Act to state-owned companies.

[15] The statutory significance of an AGM is not procedural only. Section 61(8) of the Companies Act requires an AGM, at a minimum, to provide for particular business to be transacted, including the presentation of the directors' report, audited financial statements, audit committee report, election or appointment issues where applicable, appointment of an auditor and appointment of an audit committee. [Companies Act 71 of 2008, s 61(8)].

[16] The Applicant's Memorandum of Incorporation (MOI) reinforces this statutory position. Clause 13.1.1 of the MOI requires the Board to convene an AGM at least once a year but no later than 15 months after the date of the previous AGM, or within an extended time allowed by the Companies Tribunal, on good cause shown. The MOI also identifies the minimum business to be transacted at the AGM, including presentation of the directors' report, report of the external auditors, audited financial statements, audit committee report, social and ethics committee report and integrated report. [SAFCOL MOI, clause 13.1.1].

[17] The Applicant is also subject to the Public Finance Management Act 1 of 1999 (PFMA). Section 55(1)(c)(i) of the PFMA requires the accounting authority for a public entity to submit financial statements within two months after the end of the financial year to the auditors of the public entity for auditing. [Public Finance Management Act (PFMA) 1 of 1999, section 55(1)(c)(i)].

- [18] The Tribunal's task under section 61(7)(b) is narrow. The Tribunal must determine whether good cause has been shown for an extension of the AGM period. The Tribunal does not sit as AGSA, National Treasury, CIPC, the shareholder representative, or a court exercising general supervisory jurisdiction over the Applicant's public finance compliance. However, where the reasons advanced for an AGM extension disclose governance or compliance failures, those matters are relevant to the assessment of good cause and to the terms in which the Tribunal frames its decision.

E. CASE LAW ON GOOD CAUSE AND CONDONATION

- [19] Although section 61(7)(b) of the Companies Act is a specific statutory provision, the phrase "good cause" is a familiar standard in South African procedural law. The Tribunal may therefore be guided by the principles developed by the courts when considering condonation and extensions of time.
- [20] In *Brummer v Gorfil Brothers Investments (Pty) Ltd and Others*, the Constitutional Court held that condonation should be granted if it is in the interests of justice and refused if it is not. At paragraph 3, the Court explained that the interests of justice are determined with reference to all relevant factors, including the nature of the relief sought, the extent and cause of the delay, the effect on the administration of justice, prejudice, and the reasonableness of the explanation. [*Brummer v Gorfil Brothers Investments (Pty) Ltd and Others* 2000 (2) SA 837 (CC) para 3].
- [21] In *Van Wyk v Unitas Hospital and Another*, the Constitutional Court held at paragraph 20 that the standard for condonation is the interests of justice and that relevant factors include the nature of the relief sought, the extent and cause of the delay, the effect of the delay on the administration of justice and other litigants, the reasonableness of the explanation, the importance of the issue and prospects of success. [*Van Wyk v Unitas Hospital and Another* 2008 (2) SA 472 (CC) para 20].
- [22] Van Wyk further held at paragraph 22 that an applicant for condonation must give a full explanation for the delay, that the explanation must cover the entire period of delay, and that the explanation must be reasonable. [*Van Wyk v Unitas Hospital and Another* 2008 (2) SA 472 (CC) para 22].
- [23] In *Grootboom v National Prosecuting Authority and Another*, the Constitutional Court stated at paragraph 22 that the interests-of-justice enquiry is elastic and that the relevant factors are not necessarily limited to those ordinarily mentioned. At paragraph 23, the Court emphasised that condonation cannot be had for the mere asking; a party seeking condonation must make out a case for the indulgence and must show sufficient cause through a full and reasonable

explanation. [Grootboom v National Prosecuting Authority and Another 2014 (2) SA 68 (CC) paras 22-23].

[24] At paragraph 35 of Grootboom, the Constitutional Court made clear that the grant or refusal of condonation is a discretion involving a value judgment based on the particular facts of the case. [Grootboom v National Prosecuting Authority and Another 2014 (2) SA 68 (CC) para 35].

[25] In Madinda v Minister of Safety and Security, the Supreme Court of Appeal explained at paragraph 10 that good cause looks at all factors bearing on the fairness of granting the relief between the parties and as affecting the proper administration of justice. These factors may include the prospects of success, the reasons for the delay, the sufficiency of the explanation, the bona fides of the applicant, and any contribution by other persons to the delay. [Madinda v Minister of Safety and Security 2008 (4) SA 312 (SCA) para 10].

[26] The relevant principles may therefore be summarised as follows. An applicant must do more than assert difficulty or inconvenience. It must provide a candid, specific and reasonable explanation for the relevant period; show why the indulgence is necessary; demonstrate that the extension will not undermine the statutory purpose; and satisfy the Tribunal that granting the extension is fair, proportionate and consistent with the proper administration of the Companies Act.

F. EVIDENCE INITIALLY PLACED BEFORE THE TRIBUNAL

[27] The founding affidavit stated that the Applicant was unable to convene the AGM by the statutory deadline because the AFS for the 2024/25 financial year had not been finalised.

[28] The affidavit attributed the delay to an ongoing audit process and stated that, as a state-owned entity, the Applicant's financial statements are subject to audit by AGSA.

[29] The affidavit further referred to delays encountered during the implementation of a new Enterprise Resource Planning (ERP) system, complex year-end processes including biological asset valuations and IFRS 16 lease adjustments, internal review processes, the date of submission of the AFS to AGSA, a shortage of available audit teams after late submission and the December closure period, and subsidiary audit requirements, including IFLOMA.

- [30] Annexure A3, the Board round-robin resolution, recorded that the primary reason for the delay was the ongoing audit process attributable to challenges in finalising the AFS during implementation of the new ERP system. It further recorded that there had been significant progress with the audit and that the anticipated date for conclusion of the audit was mid-April 2026.
- [31] The Tribunal considered that those facts gave some context, but not enough detail. In particular, the Tribunal required clarity on why the AFS had been submitted late, what caused the delay, what was within the Applicant's control, what role AGSA played, and whether the Board and Audit Committee exercised appropriate oversight.

G. RESPONSE TO THE TRIBUNAL DIRECTIVE

- [32] The second supplementary affidavit is comparatively brief. It explains that the Acting CEO was not able to respond directly to each technical matter raised in the directive and that the Acting CFO and the Company Secretary would address the relevant financial, audit, governance, and procedural matters through confirmatory affidavits.
- [33] The Acting CFO's confirmatory affidavit provides the substantive financial-reporting explanation. It records that the Applicant migrated from the legacy JD Edwards system to Sage X3 and that the ERP transition affected system stabilisation, data migration, financial reporting, production costing, inventory processing and consolidation.
- [34] The Acting CFO explains that the financial close process for the 2024/25 reporting period began after year-end on 31 March 2025, but was dependent on stabilisation of the ERP environment. The affidavit states that from April to September 2025, it was necessary to test, validate and reconcile migrated financial data before proceeding with preparation of the AFS.
- [35] The Acting CFO confirms that the Applicant did not comply with the PFMA deadline for submission of the AFS. He states that the AFS were required to be prepared and submitted for audit on or before 31 May 2025, but that they were submitted to AGSA on 30 September 2025.
- [36] The Acting CFO further explains that the Applicant's year-end processes were complex because of the nature of its forestry business. These included the valuation of biological

assets, weighted average cost of capital assumptions, inventory valuation and other processes dependent on reliable system-generated data.

- [37] The Acting CFO also explains that the Applicant's consolidated AFS were dependent on subsidiary financial statements and subsidiary audits, including the audit of IFLOMA, a Mozambique-based subsidiary. He states that IFLOMA's audit was ultimately concluded and signed on 31 March 2026 and that the subsidiary audit directly affected the timing of the group consolidation and AGSA audit.

- [38] In relation to AGSA, the Acting CFO states that no delay before the submission of the AFS to AGSA can be attributed to AGSA. After submission, however, the audit timetable had to align with AGSA's audit programme, AGSA resourcing, external confirmations and the completion of subsidiary audit information.

- [39] The Acting CFO states that the audit was completed in full and that AGSA issued its audit report on 22 April 2026. He also states that there were no outstanding audit queries and that all audit procedures had been concluded.

- [40] The Company Secretary's confirmatory affidavit addresses governance oversight and shareholder engagement. She states that the current Board assumed office on 1 April 2025 in a complex operational and financial-reporting environment following the transition from JD Edwards to Sage X3.

- [41] The Company Secretary states that system and financial reporting challenges were tabled before the previous Board and Board committees in February 2025, and that the current Board and its Audit Committee thereafter exercised oversight over the financial reporting and audit process.

- [42] According to the Company Secretary, management tabled the delay in the preparation and submission of the AFS at a joint Audit and Risk Committee and Finance, Investment and Transactions Committee meeting held on 27 May 2025 and at a Board meeting held on 29 May 2025.

- [43] She further states that subsequent oversight occurred through Board engagements and communications with the Chairperson of the Board, the Chairperson of the Audit and Risk Committee and the Chairperson of the Finance, Investment and Transactions Committee. A joint committee meeting was convened on 20 April 2026 to review the final AFS and key

audit findings, followed by a Board meeting on 22 April 2026 at which the audited AFS and audit report were presented for consideration and approval.

- [44] The Company Secretary states that the shareholder was informed of the delay and received updates on 30 May 2025, 2 October 2025, 13 October 2025, 12 March 2026, 25 March 2026 and 24 April 2026.
- [45] She further confirms that the audit process has been concluded, that the AFS have been formally approved and signed by the Board, and that the Applicant is ready and able to convene and hold the AGM subject to final administrative processes and alignment with the shareholder on an appropriate date.

H. AGSA AUDIT REPORT

- [46] The AGSA report dated 22 April 2026 is an important document in this matter. AGSA expressed an unqualified opinion, stating that the consolidated and separate financial statements present fairly, in all material respects, the financial position of SAFCOL as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with IFRS and the requirements of the PFMA and the Companies Act. [AGSA report dated 22 April 2026, paras 1-7].
- [47] The unqualified audit opinion supports the Applicant's contention that the audit process has now been completed and that the audited AFS are available for AGM purposes.
- [48] The AGSA report, however, does not exonerate the Applicant from the compliance issues that caused or accompanied the delay. Under the heading "Annual financial statement and annual report", AGSA records that the financial statements were not submitted for auditing within the prescribed period after the end of the financial year, as required by section 55(1)(c)(i) of the PFMA. AGSA also records that the financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA, and that material misstatements were corrected, resulting in the unqualified opinion. [AGSA report dated 22 April 2026, paras 25-29].
- [49] AGSA further records compliance findings concerning consequence management and oversight and governance, including inability to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure

and fruitless and wasteful expenditure, and that approved audited financial statements were not filed with the annual return within the prescribed period.

- [50] AGSA also records internal-control deficiencies, including that management did not exercise its oversight responsibility over financial and performance reporting and compliance controls by ensuring timely submission of the AFS and compilation of the annual performance report; that management did not prepare regular, accurate and complete financial reports supported by reliable information; that monitoring processes relating to consequence management were inadequate; and that management did not ensure annual-report filing within the prescribed period. [AGSA report dated 22 April 2026, paras 35-38].
- [51] These findings are material to the Tribunal's assessment. They mean that the extension cannot be granted on the basis that the delay was wholly external, unavoidable or attributable to AGSA. The Applicant has now accepted that the AFS were submitted late and has provided an explanation for that delay. That explanation is relevant to good cause, but it does not erase the underlying compliance findings.

I. ASSESSMENT OF GOOD CAUSE

- [52] The Tribunal assesses good cause holistically. The factors considered include the length of the delay, the cause of the delay, the sufficiency and candour of the explanation, the importance of the AGM, prejudice, the Applicant's conduct, and the public-interest dimension inherent in a state-owned company seeking an extension of statutory accountability timelines.
- [53] The delay is not insignificant. The AGM was due by 9 March 2026. The extension sought is until 30 May 2026. In an ordinary commercial setting a delay of this length may appear modest, but in the context of a state-owned company subject to the Companies Act, PFMA and shareholder oversight, the period is material because the AGM is a core accountability mechanism.
- [54] The explanation initially advanced was too broad. Had the Tribunal been required to decide the application only on the founding affidavit and the Board resolution, it would have been difficult to conclude that the Applicant had fully discharged the burden contemplated in Van Wyk and Grootboom.
- [55] The position changed after the directive. The Applicant has now provided a more candid and detailed account. It no longer relies on an undifferentiated assertion of "AGSA delay". The

Acting CFO accepts that the AFS were not submitted within the PFMA period, identifies the ERP transition and financial-data validation as central causes, explains the role of complex forestry accounting and subsidiary audit dependencies, and confirms the date of submission to AGSA and completion of the audit.

- [56] The Tribunal accepts that the migration from JD Edwards to Sage X3, the stabilisation of financial reporting data, biological asset and inventory valuation issues, subsidiary audit dependencies, and external audit scheduling constraints cumulatively created a materially complex environment. These facts do not excuse the failure to meet the PFMA deadline, but they do provide a factual explanation for the Applicant's inability to convene a meaningful AGM by 9 March 2026.

- [57] The Tribunal also accepts that an AGM held without the audited AFS, audit report, audit committee report, and related statutory documentation would have undermined the very purpose of the AGM. The AGM is not a formal gathering to satisfy a date on a calendar. It is the statutory forum at which the shareholder is to receive and consider financial, audit, governance, and accountability information.

- [58] The prejudice factor also supports granting the extension. The Applicant is a state-owned company with a sole shareholder represented by the Minister. The Company Secretary states that the shareholder was informed of the delay and received updates. There is no indication on the papers that the shareholder opposed the extension or that any identifiable stakeholder would suffer prejudice if the extension is granted to 30 May 2026.

- [59] Conversely, refusing the extension at this stage, after AGSA issued the audit report on 22 April 2026 and after the Applicant states that it is ready to convene the AGM, would not advance accountability. It would leave the Applicant outside the statutory timetable without facilitating the actual holding of the AGM. The better course is to grant a limited extension while recording firmly that the extension does not regularise or excuse the underlying PFMA and governance failures.

- [60] The Tribunal is nevertheless concerned by the AGSA findings. It is especially concerning that the AFS were not submitted for audit within the prescribed PFMA period and that the submitted financial statements were not fully prepared in accordance with the prescribed reporting framework. It is also concerning that AGSA recorded significant internal-control deficiencies and issues concerning consequence management.

- [61] The Tribunal therefore rejects any suggestion that the delay reflects no governance deficiency. The evidence demonstrates that the Applicant experienced governance, financial-reporting and internal-control challenges. The fact that the audit ultimately resulted in an unqualified opinion does not neutralise the AGSA compliance and internal-control findings.
- [62] The Tribunal also takes seriously that the Applicant previously approached the Tribunal for an AGM extension in 2021. Each application must be decided on its own facts. However, repeated resort to section 61(7)(b) by a state-owned company should not become a substitute for timely financial reporting, audit readiness, and disciplined AGM planning.
- [63] The Tribunal accordingly finds that good cause has been shown, but only after the Applicant supplemented its papers. The extension is granted because the Applicant has now provided sufficient facts explaining the delay and because the audited AFS and audit report have now been finalised, making it possible to convene a meaningful AGM within a short-extended period.

J. FIRM QUALIFICATION TO THE EXTENSION

- [64] The Tribunal emphasises that this decision must not be read as condoning non-compliance with the PFMA, the Companies Act, the Applicant's MOI, Treasury prescripts, AGSA requirements, CIPC filing requirements, or any shareholder oversight obligations.
- [65] The Tribunal's power in this matter is confined to allowing an extended time for the AGM on good cause shown. It is not a power to excuse PFMA non-compliance, erase AGSA findings, validate late annual returns, or determine whether disciplinary or consequence-management steps are required.
- [66] Nothing in this decision prevents AGSA, CIPC, National Treasury, the shareholder representative, Parliament, or any other competent authority from taking such steps as may lawfully be available arising from the matters recorded in the AGSA report or in the Applicant's own affidavits.
- [67] The Applicant is expected to ensure that the corrective and preventive measures referred to by the Acting CFO are implemented with urgency and that future AGM compliance is planned against the PFMA and Companies Act reporting timetable rather than after slippage has already occurred.

- [68] The Tribunal further expects that when the AGM is convened, the shareholder will be placed in possession of all required documents and will be able to consider fully the AGSA findings, the internal-control deficiencies, the Board and Audit Committee oversight actions, and management's corrective measures.

K. CONCLUSION

- [69] On a conspectus of all the evidence, the Tribunal is satisfied that the Applicant has established good cause for an extension under section 61(7)(b) of the Companies Act.
- [70] The decisive considerations are that the audited AFS and audit report are central to the AGM; the delay has now been explained through a detailed chronology; the audit report has been issued; the Applicant states that it is ready to convene the AGM; and the extension sought is limited to 30 May 2026.
- [71] However, the Tribunal grants the extension with a firm reservation that the relief does not absolve the Applicant from the compliance and governance failures identified by AGSA and does not shield the Applicant, its Board, accounting authority, management or responsible officials from any lawful oversight, accountability or consequence-management processes.

L. ORDER

- [72] The application for an extension of time within which to convene and hold the Applicant's AGM for the financial year ended 31 March 2025 is granted.
- [73] To the extent necessary for purposes of section 61(7)(b) of the Companies Act, the Applicant's failure to convene the AGM by 9 March 2026 is condoned.
- [74] The Applicant is granted an extension until 30 May 2026 within which to convene and hold the AGM for the financial year ended 31 March 2025.
- [75] The AGM must be convened in compliance with the Companies Act, the Applicant's MOI and any applicable governance prescripts, and must include all statutory and MOI-required business, including presentation of the directors' report, audited financial statements, external auditor's report, audit committee report, social and ethics committee report, integrated report and any other business required by law or the MOI.

[76] This order does not condone, excuse, regularise or otherwise absolve the Applicant from any non-compliance with the PFMA, the Companies Act, the Applicant's MOI, CIPC filing requirements, Treasury requirements, AGSA findings, or any applicable governance obligation.

[77] This order does not preclude any competent authority from taking any lawful step arising from the AGSA report, the Applicant's late submission of AFS, internal-control deficiencies, consequence-management findings, annual-return filing deficiencies, or any other matter falling within that authority's mandate.

[78] There is no order as to costs.


DR. MINAH TONG-MONGALO

Companies Tribunal

Date: 11 May 2026