Presco's Appeal: The Limits of Interim Court Orders in Corporate Disputes

Introduction:

On 21 August 2026, the Court of Appeal, Benin Judicial Division, allowed Presco Plc's appeal against a Federal High Court ruling that had affected the company's 2025 Annual General Meeting (AGM), rights issue and related corporate actions.

The Court of Appeal set aside the ruling and discharged the interim orders. The decision provides useful guidance on the use of interim court orders in corporate disputes, particularly where the actions a party seeks to prevent have already taken place or where the orders sought could effectively determine aspects of the dispute before the case itself is concluded.

Background

The dispute arose from the transfer of a 60% shareholding in Presco from SIAT SA/Saroafrica International Limited to Oak & Saffron Limited. Persons claiming to represent shareholders holding approximately 40% of Presco challenged the transfer, alleging that their right of first refusal — the right to be offered the shares before they were transferred to another buyer — had not been respected.

While the dispute was ongoing, Presco held its AGM on 19 August 2025, at which resolutions relating to a rights issue were passed. The shareholders subsequently sought interim orders affecting the AGM and the implementation of those resolutions.

In December 2025, the Federal High Court made orders

affecting the AGM, the rights issue and the recognition of Presco's corporate actions by the relevant regulators. Presco appealed the ruling.

Key Highlights

- **The Court of Appeal set the orders aside:**

The interim orders were discharged. The August 2025 AGM and its resolutions remain valid, while the rights issue and resulting share allotments are unaffected.

- **Interim orders should preserve, rather than decide, a dispute:**

The Court of Appeal found that the requirements for granting the interim orders had not been properly applied. It also faulted the Federal High Court for granting remedies that had not been requested.

- **A court cannot prevent what has already happened:**

By the time the relevant orders were made, the AGM had taken place, the rights issue had closed and shares had been allotted. The decision therefore outlines the importance of seeking urgent protection before, not after, the disputed corporate action is completed.

What This Means for Stakeholders

- Companies and boards should identify potential shareholder disputes before significant corporate actions are implemented. Clear records of approvals and decision-making may become particularly important where an AGM, capital raise or share allotment is later challenged.

- Shareholders seeking to prevent a proposed corporate action should act promptly. Delay may mean that the relevant action is completed before the court can intervene, changing the type of relief that may be available.

- Investors and transaction parties should consider pending shareholder litigation when assessing ownership, corporate approvals and capital structures. These issues may affect transaction timelines, due diligence, and the allocation of risk between parties.

The Road Forward

The Presco decision is a reminder that in corporate disputes, timing and procedure are not technicalities; they decide outcomes. Where urgent court intervention is required, the relief sought should match the stage of the transaction or corporate action and should not go beyond what is necessary to protect the parties while the dispute is being determined.

For businesses and shareholders, early assessment of potential disputes can help preserve legal rights while limiting unnecessary disruption to corporate activity.

For guidance on corporate and shareholder disputes, interim court orders and transaction-related litigation, contact info@scp-law.com or visit www.scp-law.com.