Muwema & Co.
Advocates and Solicitors
Experienced | Driven | Effective
Plot 40 Nakasero Rd, Kampala, Tel: +256 414 257 661 / +256 414 670 251, info@madvocates.com, www.madvocates.com

CAVEAT EMPTOR CAVEAT VENDITOR

We act for Dei Industries International Ltd, Dei BioPharma Ltd (formerly Dei Natural Products International Ltd), and Dr. Matthias Magoola, whose attention has been drawn to the Notice of Intended Sale by public auction/private treaty published in the New vision Newspaper of 5th November, 2026 in respect of our clients' properties comprised in;

- **Kyadondo Block 82 Plots 985,3325,3326 at Matugga,**
- **Kyadondo Block 82 Plots 3238, 4778 and 4779 at Kyamuli-Kungu,**
- **LRV 3893 Folio 8 Plot 2A Sixth Link Road-Luzira,**
- **LRV 3839 Folio 19 Plot 22A sixth Link Road Luzira,**
- **Kibuga Block 6 Plot 451 at Katwe,**
- **Kyadondo Block 244 Plot 1112 at Muyenga Kisugu,**
- **Busiro Block 383 Plots 5641 & 5642 at Kitende,**
- **Kyadondo Block 266 Plot 149 Property Land at Seguku.**

The said notice was taken out by Jald (U) Ltd, auctioneers appointed by Equity Bank (U) Ltd and Equity Bank (K) Ltd (the Equity Bank Group), to purportedly recover outstanding loan balances, interest plus fees from our clients.

We are instructed to challenge and respond to the said notice which was published with active malice and utmost bad faith. We relay below the current position of the loan dispute between our clients and the banks to enable the concerned stakeholders and the general public to discern the truth for themselves.

1. CONCISE OVERVIEW OF OUR RESPONSE.

i. The loan dispute between our clients and the Banks is subject of an audit and reconciliation process ordered by the High Court, whose report is yet to be received, accepted and adopted by the court.

ii. There are pending legal proceedings in the High Court and Court of Appeal touching the said audit process, which at their conclusion, shall finally lead to a determination of the outstanding loan balance and interest to be paid to the Banks (if any).

iii. The Notice of Intended Sale of our clients' properties to recover so-called "outstanding loan balances, interest and fees" is an attempt by the Equity Bank Group to illegally thwart and pre-empt the independent and transparent loan audit process which they have consistently undermined and resisted.

iv. There is, at the moment, no legitimate outstanding loan balance or interest ultimately established in this matter, which can validly be recovered under any advertisement of intended sale of our clients' properties.

v . The purported intended sale under the impugned notice is therefore issued in contempt of the Audit process ordered to determine the actual outstanding loan balance or interest (if any), and it cannot pass any good title to any intending buyer.

2. DETAILED RESPONSE AND BACKGROUND.

i. Our clients filed HCCS No. 929/2024 in August 2024, challenging the Bank's demand for UGX 82bn and US$ 43m, which they maintain was borne out of predatory lending practices interalia, inflating principal and interest balances and deductions, making irregular/inflated loan consolidations during restructures, all under a fraudulent false accounting scheme.

ii. During the hearing of an application to compel the production of our clients' loan statements, the Banks' lawyer, Sim Katende of Katende & Ssempebwa & Co. Advocates, proposed that the loan should be subjected to an audit and reconciliation to determine the debt due.

iii. In the spirit of amicable settlement of the dispute, our clients agreed to a consent order dated 10th December 2024 with the Banks, to appoint the audit firm of KPMG, which they proposed to conduct a comprehensive loan audit and reconciliation to resolve the money suit.

Compromised Audit process.

iv. However, at the time of the consent, the Banks had concealed their ongoing business relationship with KPMG, which stood them in a conflict of interest position. This led to our filing of HCMA No. 2694/2024 pursuant to which KPMG's appointment was revoked and replaced with ICPAU to nominate an independent audit firm to conduct the required comprehensive Audit.

v. In the meantime, before the ruling in HCMA No. 2694/2024 could be delivered, the Banks deceived and lured our clients to pay UGX 120bn (equivalent to US$ 30m) in December 2024, promising to bring the dispute to an end, by refinancing our clients' pharmaceutical project at Matugga, which they did not honour.

vi. But when the ICPAU Audit process began in April 2025, it was immediately compromised by the Banks, who secretly engaged the ICPAU to the exclusion of our clients, leading to the appointment of Clayton & co, to conduct the comprehensive audit.

vii. Whereas we objected in writing to the suspect and questionable appointment of the above auditor and the ICPAU under the Banks' influence and requested to be involved in a transparent process causing the appointment of the Auditor, we were roundly ignored.

viii. This again threw the Audit process in dispute, prompting our clients to file HCMA No. 1121/2025 on the 22nd May 2025, interalia challenging the integrity, objectivity and independence of the ICPAU audit process. We therefore sought an order to review and cancel the appointment of the ICPAU to nominate an independent audit firm to conduct the comprehensive audit.

ix. Despite the pending hearing of HCMA No. 1121/2025, the disputed Auditor was influenced to issue its impugned audit report, claiming that our clients' indebtedness to the Banks stood at US$ 39,911,245 by the 28th of June 2025, whereas not.

x. More than a year later on the 29th July 2026, the High Court issued its ruling in HCMA No. 1121/2025, dismissing the application whilst disregarding the banks' influence peddling and setting the suit down for hearing on the 13th November 2026.

xi. Our clients being dissatisfied with the above ruling, instructed us to file a Notice of Appeal and a letter requesting for a certified copy of typed proceedings to facilitate the intended appeal.

xii. We also filed CACA No. 0971/2026 in the Court of Appeal seeking an order of stay of proceedings in HCCCS No. 929/2024 pending in the High Court and restraining the Banks from relying on the impugned audit report pending determination of the appeal.

xiii. On 9th September 2026, the Court of Appeal delivered its ruling in the above application and issued an order staying all proceedings before the High Court until final determination of our clients' appeal challenging the dismissal of their objection to the compromised Audit report.

3. CONCLUSION

i. The Notice of Intended Sale of our clients' properties is neither justified nor lawful. It is a continuation of the Equity Bank Group's predatory and unethical behaviour calculated to circumvent the judicial process and take advantage of our clients, through the use of ungainly shortcuts.

ii. We are proceeding to seek the appropriate legal sanctions against the Banks and their agents for their misconduct.

iii. The public is therefore advised that any participation in the purported auction of our clients' advertised properties shall be at their own grave risk.