IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

DAC-914272-2021 and 2 others

Public Prosecutor

Against

Teo Teng Beng

BRIEF ORAL GROUNDS FOR SENTENCE

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1 These brief oral grounds for sentence may be supplemented by full written grounds in due course, if the need arises.

2 The accused was convicted of 3 charges under s 197(1)(b) punishable under s 204(1) SFA. Two of the charges involved the accused instigating a third party to do his bidding.

3 In deciding on the appropriate sentence, I considered the very comprehensive and useful submissions of parties, for which I am grateful.

4 I am particularly guided by:

(a) the observation by Justice Tay Yong Kwang in *Ng Geok Eng v PP* that the courts should not be reluctant to impose custodial sentences where warranted, for instance if the offence is committed in a severe and calculated manner;

(b) the sentencing factors expounded by Justice See Kee Oon in *Lau Wan Heng v PP*; and

(c) the reported and unreported precedents.

5 I should add that despite the limited utility of unreported precedents, they do provide a useful reference point for sentencing in the absence of more definitive guidance.

6 One of the key features of the present case that differentiates it from *PP v Tan Kheng Yeow*, *PP v Ho Hui Min* and *PP v Koh Hai Yang* is that there is no wash trading. Wash trading is an egregious form of market manipulation as it creates artificial

trading volume and misleads the market as to the value of the stock even though the risk exposure of the protagonists remains largely *status quo*.

7 While it is not clear from the evidence why the accused persons in *PP v Ho Hui Min* and *PP v Koh Hai Yong* adopted a different methodology from the accused in the present case in rigging the share price of RUHL, I accept the DPP's observation that the two timeframes were different. The accused persons in *PP v Ho Hui Min* and *PP v Koh Hai Yang* were seeking to achieve minimum trading price requirement of $0.20 ("**MTP Requirement**") instead of the market capitalisation requirement of $40,000,000. For the accused to meet the market capitalisation requirement of $40,000,000, he only had to achieve an average daily closing price of $0.1709 for RUHL shares. However, it was purely fortuitous that the rules were changed, just as it was fortuitous that SGX eventually lifted the MTP requirement.

8 Regardless, the fact remains that the scale of the accused's actions in the present was significantly lower than the scale involved in *PP v Ho Hui Min's* and *PP v Koh Hai Yang's* where the accused persons engaged in wash trading which entailed a higher degree of coordination with other parties. On the contrary, the accused's actions were mostly *ad hoc* and less than systematic in the present case.

9 There is no evidence that the accused had directly profiteered from price fluctuations engendered by his actions or through any other means. The accused had primarily bought and not sold RUHL shares during the relevant periods with a singular objective of RUHL meeting the market capitalisation requirements.

10 Next, I agree with the DPP that the accused's share purchases in the first charge were to soak up as much as possible the supply of shares in the market and this facilitated his more successful attempts in the second and third charges to lift the share price of RUHL to meet the minimum average daily closing price of $0.1709. However,

this concomitantly demonstrates the lack of liquidity in RUHL shares which also limited the impact on RUHL stock and the market in general.

11 Notwithstanding the above, rules do matter and even though the MTP rule was eventually lifted by the SGX, the accused's breach of the rule when it was in force is a very serious matter, especially since the MTP rule was put in place after the 2013 penny-stock crash involving Blumont, Asiasons and LionGold specifically to mitigate the risks to investors of penny-stocks.

12 Therefore, deterrence features as a dominant sentencing consideration in the present case. In this regard, deterrence comprises two limbs – specific and general deterrence. I do not see the need to dwell on the need for general deterrence as it is already well-recognised by parties as a key sentencing consideration here. As for specific deterrence, I find that the need for specific deterrence is somewhat attenuated for two main reasons. First, the accused's actions targeted circumventing the MTP rules which are no longer in place. Second, the accused is already advanced in age and is likely to withdraw from active participation in the business in due course.

13 I have also considered the factors set out by See Kee Oon J in *Lau Wan Heng v PP* but I do not propose reiterating what parties have already set out in their respective submissions in some detail. A number of particularly aggravating factors do not feature in the present case.

14 In conclusion, the need for deterrence does not necessarily call for a custodial sentence. On the facts of this case, I am satisfied that the custodial threshold is not crossed although the fines imposed will reflect the seriousness of the offence, appropriate level of deterrence and the courts' disapprobation of such conduct in the stock market.

15 Accordingly, I impose the following sentences on the accused:

(a) DAC-914272-2021: Fine of $250,000 i/d 12 months' imprisonment.

(b) DAC-914273-2021: Fine of $80,000 i/d 3 months' imprisonment.

(c) DAC-914274-2021: Fine of $100,000 i/d 4 months' imprisonment.

Total fine: $430,000 id/d 19 months' imprisonment.

Terence Tay
District Judge

14 Apr 2026