

MEDIA RELEASE

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High Court Rejects Attempt by Nail Palace Managing Director to Replace Jail Sentence with a Fine

- 1. The Competition and Consumer Commission of Singapore ("CCCS") has today successfully defended the District Court's earlier order for a jail sentence for the managing director of Nail Palace Entities¹, Kaiden Cheng Kai Teng ("Kaiden Cheng"). Justice Audrey Lim however reduced the duration of jail to 3 months instead on account of the Appellants' compliance with the publication orders just before Chinese New Year this year.
- 2. Two Nail Palace Entities had appealed against the jail sentence earlier meted out by the District Court against Kaiden Cheng.² In today's hearing, Justice Audrey Lim held that Kaiden Cheng must be imprisoned for 3 months for failing to ensure that the Nail Palace Entities complied with court orders obtained by CCCS under the Consumer Protection (Fair Trading) Act 2003 ("CPFTA"). The High Court stressed that a jail sentence was warranted in view of Kaiden Cheng's and the Nail Palace Entities' "continuing, egregious, and persistent" disregard of court orders, and the "substantial and irremediable prejudice" caused by their failure to inform consumers of the unfair trade practices that the Nail Palace Entities had engaged in.
- 3. In an earlier decision on 28 July 2023, the High Court had on the application of the CCCS, upheld the District Court's previous orders requiring the publication of details of declarations and injunctions in four major Singapore newspapers, and for the Nail Palace Entities to notify consumers and obtain their written acknowledgements of the court orders before entering into sales contracts with them³. When the Nail Palace Entities failed to do so, CCCS commenced contempt proceedings against the Nail Palace Entities and Kaiden Cheng, in his capacity as their managing director.
- 4. "The High Court's judgement today sends a strong and clear message that businesses and managers, who disregard court orders designed to protect consumer interests, will face serious consequences," CCCS's Chief Executive, Mr. Alvin Koh said. "This case demonstrates CCCS's firm resolve to enforce the CPFTA, and hold businesses and individuals accountable when they deliberately flout their legal obligations," he added.

¹ This refers to two business entities of Nail Palace, namely Nail Palace (BPP) Pte. Ltd. and Nail Palace (SM) Pte. Ltd.

² For more information on the court orders and the judgement of the District Court, refer to <a href="https://www.cccs.gov.sg/-/media/custom/ccs/files/media-and-publications/media-releases/nail-palace-guilty-of-contempt-of-court-sept-2024/media-releasenp-bpp-np-sm-and-md-guilty-of-contempt-of-court-10-sept-24.ashx

³ See footnote 2.

About the Competition and Consumer Commission of Singapore

The Competition and Consumer Commission of Singapore ("CCCS") is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency for the Consumer Protection (Fair Trading) Act 2003 or ("CPFTA") which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

For media clarifications, please contact:

Ms. Ashley Tuen
Senior Executive (Communications)
Competition and Consumer Commission of Singapore
Email: ashley_tuen@cccs.gov.sg

DID: 6991 7059

Ms. Shamsiah Jemain Senior Executive (Communications) Competition and Consumer Commission of Singapore

Email: shamsiah_jemain@cccs.gov.sg

DID: 6325 8206