

Piano school folds, CEO disappears

Thousands of Xingkong customers suffer losses as 60 centers are closed

Thousands of parents suffered losses as Xingkong, a well-known piano training institute, closed all its 60 centers across China on Sept 2. Its CEO, Zhou Kaicheng, disappeared on Wednesday.

In late August, a mother in Beijing surnamed Xie paid 40,000 yuan (\$6,000) for a two-year course of piano lessons and rental of a piano for her daughter. However, the piano failed to materialize and the 6-year-old didn't get any lessons.

"Xingkong's centers in Beijing are all located in high-end shopping malls such as Wanda and CapitaLand Mall. I did not hesitate for a second to choose a nationwide training company in such credible malls," Xie said.

Like Xie, thousands of parents have approached the police or courts for help. Some of them paid 12,000 yuan for a year of lessons, and some paid around 50,000 yuan to buy or rent a piano and receive free lessons.

Established in 2012, Xingkong was a rising star among educational startups. In December 2015, its gross earnings were 50 million yuan, according to its financial report. However, rapid expansion and investments in other industries resulted in financial pressure.

"Because we expanded our business blindly, we have fallen into a financial crisis and have to close our centers," the company said in a statement on Wednesday.

In addition to parents, teachers employed by Xingkong said they have been affected by the company's difficulties.

"We are victims, just like the parents. Our wages have been delayed for months," one teacher told Beijing News.

In an email sent to the public before he disappeared, Zhou, the CEO, said, "It is hard to give up my career, and I feel really sorry for what staff members and parents have experienced. But I can do nothing but leave. Maybe in the future, I will stage a comeback and compensate you all."

Xie was not impressed.

"Zhou took a gamble with our money to fulfill his ambitions. Even if he has some kind of remorse, he is to blame for lacking social responsibility."

In its statement, Xingkong said it is sparing no effort to raise money to compensate parents and teachers – "as long as there is a gleam of hope".