

**Rider University Chapter
American Association of University Professors**

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**Report: Chinese Company Pursuing Purchase of Legendary Music School
Projects another Poor Year and Faces an Uncertain Future**

***New Data Reveals For-Profit Kaiwen Education Will Conclude the Year with Another Loss;
Company Announces yet another Change in Business Strategy in an Effort to Remain a
Going Concern***

Princeton, NJ, February 12, 2019: A new analysis prepared by the Rider University Chapter of the American Association of University Professors (AAUP) reveals that Kaiwen Education, the secretive corporation seeking to purchase Westminster Choir College (WCC), remains a company in precarious financial condition. Applying [criteria](#) developed by Rider University's President and Board of Trustees to guide the selection of a future owner of the renowned college of music, Kaiwen remains a most unsuitable choice.

The new report comes at a time when Rider University is facing intensive challenges to its effort to off-load WCC, including two lawsuits, an arbitration proceeding with the AAUP, and widespread concern about the Chinese government's role in the company and the threat that may present to academic freedom. Since 2016 Rider has been seeking to sell WCC over the objections of the Union and a wide array of other stakeholders concerned with preserving the college, considered the world's foremost educational institute of choral singing.

According to the Union's assessment, the [company](#) and [financial analysts](#) in China predict for-profit Kaiwen Education will end 2018 with another net loss. It has recorded a net loss in each of the [first three quarters](#) of 2018 and a cumulative net loss through September 30, 2018 of 71.4 million Yuan on revenues of 153.1 million Yuan - a remarkable loss of 47%. Since it acquired its first of its two schools in 2016 Kaiwen has failed to generate a profit from its educational operations. Projections of student enrollment in both of Kaiwen's schools and profit have continually failed to [materialize](#), and rightly reduce the credibility of current projections of future enrollments, revenue, and profits.

[Chinese government agencies](#) continue to question the validity of Kaiwen's projections.

“By all measures and by its own admission, Kaiwen education is a start-up organization in a crowded and competitive international education field in China whose future is uncertain. By no stretch of the imagination are they an appropriate steward for Westminster,” said the AAUP's Jeffrey Halpern.

In addition, the report details how Kaiwen has, for the third time in little more than a year, changed their business strategy in an express effort to achieve elusive profitability. Instead of being in the business of building and operating a string of K-12 schools in major cities in China, their limited financial resources have caused them to abandon that strategy. The focus now is creating training centers in six China locations that will provide extracurricular, non-compulsory, after-school, weekend, and summer classes for 4-18 year olds. “Kaiwen’s constant shifting of purpose is hardly indicative of a stable company,” said Halpern. “WCC is a non-profit institution with a highly specialized mission. Kaiwen Education, on the other hand, has gone from being a steel fabrication company to a for-profit operator of K-12 schools to an educational consultancy, all in the span of a year. This is not a recipe for success.” “Kaiwen”, he added, “is a company in desperate search of a profit.”

In the coming weeks, an arbitrator is expected to rule on the validity of the layoff notices the University issued to all WCC faculty earlier this year. The ruling could have significant impact on the viability of the proposed sale.

Attached is a copy of the full report or you can see it here. (<https://www.rideraaup.net/2019-report-on-kaiwen.html>). For further information on the struggle to save Westminster Choir College go to <https://www.rideraaup.net/saving-wcc.html>.