



## Ministry of Education Report Reveals Strong Growth and Interest in Adult Continuing Education, Vocational Training and Master's Programs

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BEIJING, June 11, 2020 /PRNewswire/ -- Sunlands Technology Group (NYSE: STG) ("Sunlands" or the "Company"), a leader in China's online post-secondary and professional education, today commented on the May 2020 publication of the China Ministry of Education's National Statistical Report of Education Development in 2019 (the "Education Report"). The Education Report revealed strong growth in post-secondary enrollment in China, including the continuing multi-year recovery in adult continuing education, driven by various government policies to encourage and promote higher education.

According to the Education Report, in 2019, adult post-secondary enrollment in China exceeded 3 million for the first time, growing 10.6% year-over-year. Additionally, the number of registrations for Self-Taught Higher Education Examinations ("STE"), which are state-administered exams in China for learners pursuing associate diplomas or bachelor's degrees, grew 9.6% to almost 6 million, following strong growth in 2018 that reversed the trend of sharp declines in 2016 and 2017.

In general, due to busy work schedule and lack of an appropriate learning environment for many STE students, in addition to more than ten mandatory examinations required to graduate, the overall student pass rate for self-taught examinations is historically quite low. Between 2012 and 2016, the average passing rates for STE exams achieved by self-taught students and students enrolled in private schools were 43.4% and 35.6%, respectively<sup>[1]</sup>. In comparison, Sunlands' students' average pass rate for STE exams was significantly higher, achieving 61.1% in 2019, and demonstrating the effectiveness of the Company's online STE courses and teaching paradigm. Equipped with a deep understanding of effective techniques for adult learning and exam preparedness, especially as it relates to self-taught learners, the Company has been capturing opportunities in the field of self-examination, and becoming a leader in this market.

Also indicated in the Education Report was a 2019 rise in secondary vocational school enrollment for the first time in the past eight years, with enrollment reaching 6 million. Enrollment in post-secondary vocational school also grew significantly by 31% to 4.8 million, surpassing university enrollment by 12.1%. This was driven by the Chinese government's vigorous promotion of, and emphasis on, vocational education.

For students and graduates of vocational schools, Sunlands offers a series of vocational and professional certificate training courses covering various industries and professions, including accounting, human resources, teaching and finance. Sunlands' online one-to-many streaming model helps students learn anytime and anywhere, providing a perfect solution to vocational education's need for simultaneous learning and practicing. In addition, Sunlands' STE and master-degree oriented offerings are ideal for those vocational school graduates pursuing further degree advancement.

Another notable trend that we inferred from the Education Report was the growing number of people that have become increasingly dissatisfied with ending their educational pursuits once they have achieved their undergraduate degree. Of note, the size of postgraduate student enrollment has continued to increase over the past eight years. In 2019, the number of enrolled master's student reached over 800,000, growing 6.4% compared with 2018. In 2020, enrollment is expected to expand to over 1 million, as the Ministry of Education increases admission quotas in an effort to ease job vacancies and ensure better and applicable training for job openings in the market. At the same time, the number of students applying for postgraduate programs has also been recording historical highs, with the number expected to reach 3.4 million in 2020<sup>[2]</sup>. In order to capture this growth opportunity, Sunlands has launched numerous online training services for postgraduate entrance examinations, including domestic MBA training, part-time master's and international master's programs. In the first quarter of 2020, Sunlands' gross billings from its master's degree-oriented programs accounted for 22.5% of its total gross billings, increasing significantly from 12.1% in 2019.

Mr. Tongbo Liu, Chief Executive Officer of Sunlands, commented, "the Education Report further demonstrates the tremendous market opportunity when it comes to post-secondary and professional education in China. To support our students with the most effective education techniques as they navigate learning within their already busy schedules, we have developed a unique system combining teachers, mentors and artificial intelligence that offers not only community-based interactive online lectures, but also after-school supervision and student care that help our students better manage the balance between work and study. With a research and development team of nearly a thousand personnel and through the use of advanced technologies such as big data analytics and artificial intelligence, we are able to help our students improve both learning efficiencies and their examination pass rate. We are committed to continuing broadening our online course offerings by including additional content and subjects for STE, master's degree-oriented and professional certificates programs, in order to meet a diverse set of continuing educational needs, keep up with the latest trends and capture growth opportunities."

[1] according to a report prepared by iResearch

[2] according to an educational industry information platform, China Education Online

### **About Sunlands**

Sunlands Technology Group (NYSE: STG) ("Sunlands" or the "Company"), formerly known as Sunlands Online Education Group, is the leader in China's online post-secondary and professional education. With a one to many, live streaming platform, Sunlands offers various degree and diploma-oriented post-secondary courses as well as online professional courses and educational content, to help students prepare for professional certification exams and attain professional skills. Students can access its services either through PC or mobile applications. The Company's online platform cultivates a personalized, interactive learning environment by featuring a virtual learning community and a vast library of educational content offerings that adapt to the learning habits of its students. Sunlands offers a unique approach to education research and development that organizes subject content into Learning Outcome Trees, the Company's proprietary knowledge management system. Sunlands has a deep understanding of the educational needs of its prospective students and offers solutions that help them achieve their goals.

### **Safe Harbor Statement**

This press release contains forward-looking statements made under the "safe harbor" provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Sunlands may also make written or oral forward-looking statements in its reports filed with or furnished to the U.S. Securities and Exchange Commission, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Any statements that are not historical facts, including statements about Sunlands' beliefs and expectations, are forward-looking statements that involve factors, risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Such factors and risks include, but not limited to the following: Sunlands' goals and strategies; its expectations regarding demand for and market acceptance of its brand and services; its ability to retain and increase student enrollments; its ability to offer new courses and educational content; its ability to improve teaching quality and students' learning results; its ability to improve sales and marketing efficiency and effectiveness; its ability to engage, train and retain new faculty members; its future business development, results of operations and financial condition; its ability to maintain and improve technology infrastructure necessary to operate its business; competition in the online education industry in China; relevant government policies and regulations relating to Sunlands' corporate structure, business and industry; and general economic and business condition in China. Further information regarding these and other risks, uncertainties or factors is included in the Sunlands' filings with the U.S. Securities and Exchange Commission. All information provided in this press release is current as of the date of the press release, and Sunlands does not undertake any obligation to update such information, except as required under applicable law.

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