

----- Supplemental OTC Filing-----

----SPORTS QUEST, INC. (OTC: SPQS) – China Based Tech Entertainment Merger Candidate

WEST PALM BEACH, FLORIDA, – February 23, 2023 (OTC MARKETS) – Sports Quest (OTC Markets: SPQS), a Delaware corporation (the “Company” or “SPQS”), www.sports-quest.com management is of the opinion that this is a material event which requires a public announcement. The merger candidate is a mainland China based Tech Entertainment entity. Under China laws the China Company must format a special purpose vehicle (SPV) for the purpose of a merger with a USA based SPQS parent holding Company. This SPV filing will identify SPQS as a targeted merger candidate to many followers of the China based entity in the local language of the SPV native domain including China but not to the USA based followers. The purpose of this OTC filing is to make the Company USA followers aware of the same.

China based targeted Business: Shenzhen Huayi Excellent Cinemas Co.,Ltd. (Huayi)

Huayi is a cultural and high-tech enterprise that leads the operation of cinema chains, with advanced AI system technology at the core. We accurately manage the resources and data traffic of chain cinemas through the self-developed mega-model in many mainland China Cities and Cinemas. We shape a uniquely influential cinema chain brand, integrating advanced AI technology and Big Data intelligence, extending from the industry chains cinema business to the intelligent management of cinema data traffic, comprehensively covering the film industry chain, bringing unique innovation and transformative power to the industry.

1. The company name is **Shenzhen Huayi Excellent Cinemas Co.,Ltd.**
2. \$100,000,000 Capitalization in China
3. Huayi business owner is Mr. Zhang, approx. 50 years old having over 20 years many years’ experience in movies and culture development projects.
4. China Company has a very strong AI system to real time monitor all of theaters income revenue and many different cinema type of data.



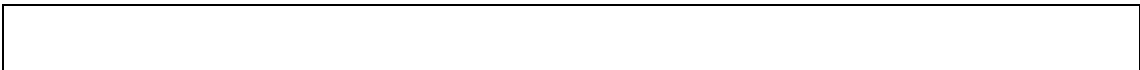
consultant Rose

Mr. Zhang, business owner and founder with



Rose and Mr. Zhang team

Office - Shenzhen Huayi Excellent Cinemas Co.,Ltd. Head Office



Before the emergence of the pandemic, China had been neck and neck with Hollywood, collecting over nine billion U.S. dollars in box office with a strong market demand. In both 2020 and 2021, the country rose to be the largest cinema market in the world. In terms of production, the country was only second to India's Bollywood, and is eager to make Chinese blockbuster hits. Nonetheless, recent consumer surveys have shown a clear preference shift from cinema experience to online video alternatives, which was expected to stay in the aftermath of the pandemic.



Huayi theater & Concession Lobby Area Beijing



For more information about this report visit <https://www.researchandmarkets.com/r/twslua>

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China Movie Market Report 2023-2028: A \$4.65 Billion Market in 2022 - Domestic Chinese Movies will Capture More Revenues

Analyzed April 24, 2023 09:08 ET|

Source: [Research and Markets](#)

China Movie Market is expected to reach US\$ 8.11 Billion by 2028 from US\$ 4.65 Billion in 2022

China's film industry has witnessed a golden period, with growing cinema screens, film admissions, and box office. China is the world's second-largest economy and the oldest documented continuous civilization on the planet. It is also home to the largest and most dynamic global film industries.

Mainland films began to sprout in the early 20th century, and foreign filmmakers increased their involvement in the Chinese movie industry by working with Chinese studios. Factors driving China's film industry growth is the government's focus on promoting and supporting the development, which includes measures such as providing tax breaks for film production and investing in modern film studios and equipment.

China Cinema Market is projected to grow with a staggering CAGR of 9.71% from 2022 to 2028

Ticket prices will be low due to the offer and discounts by E-commerce ticketing platforms. Such rapid growth is attributable to the following factors: The pursuit of lifestyle change by the younger generation, fast expansion of shopping malls, acceleration of

urbanization, increased penetration of film broadcasting into lower-tier regions, and online ticketing platforms offering low prices and convenience.

Millions of Movie and Hundreds of New Screens will come in Upcoming Years

The China cinema screens have increased almost 20-fold since 2007. The rise of 3D film showings has also increased the number of digital 3D cinema screens. The number of cinema screens increased to 82,248 in 2021 from 60,079 in 2018. Also, in 2021, about 1.17 billion tickets were sold at movie theaters in China. Hollywood blockbusters found it hard to compete with Chinese domestically produced films.

Domestic Chinese Movies will Capture more Revenue in Forecast Period

The China movies industry is further bifurcated based into domestic and imported. With more exposure to Hollywood big-budget films, Chinese audiences had an increasing appetite for fast-paced, exciting entertainment. The local Chinese industry started producing successful blockbusters to meet such consumer demand.

Chinese movies outperformed the US as the world's largest theatrical film market. The Chinese domestic film industry is infrastructural expansion relatively young and has witnessed a massive over the past two decades. With an increasingly capable China film industry that has churned out high-quality films one after another in recent years, filmmakers are able and willing to tell China's stories. Chinese people's now also expect to see more stories that represent them.

Furthermore, China is quietly allowing more foreign films to be imported to enable greater access to the world's fastest-growing film market has stalled. China is trying to keep the market growing, and there are not enough domestic films being produced to meet audience demand. Revenue-sharing films helped drive the upgrade of film distribution infrastructure in China.

In 2001, the Chinese government enacted regulations requiring theaters to meet specific criteria to exhibit revenue-sharing titles. In recent years, the Chinese market for imported films has flourished so much that Chinese movie consumer demand is already affecting the content of Hollywood's creative output.

5 Tiers Cities will rise in Upcoming Years

China has been consistently upholding cultural diversity, openness, and inclusiveness in importing good movies that reflect the splendid achievements of civilizations from across the world. China's smaller cities' consumption could triple by 2030, thanks to favorable government policies, a population boom, higher household income, and a more robust spending appetite.

Another factor boosting the population in smaller (4-5 Tiers) cities is a greater willingness to have a second child compared with Tier-1 towns. The Shandong province is dominated by more miniature cities and has the highest birth rate in the nation.

Rising disposable incomes among the growing Chinese middle class also boost the movie industry in 1 and 2 tiers Cities. The increasing number of cinema screen expansions and the rising ticket prices has been instrumental in this growth for China's 1 and 2 tiers.

China, which will eventually surpass the North American movie market at this growth rate, has become a significant market for global movie producers looking to pump up their box office collections. The country has become a target market for many big-budget Hollywood movies despite the country's limited quota for imported films and strict censorship.

Key Attributes:

Report Attribute	Details
No. of Pages	115
Forecast Period	2022 - 2028
Estimated Market Value (USD) in 2022	\$4.65 Billion
Forecasted Market Value (USD) by 2028	\$8.11 Billion
Compound Annual Growth Rate	9.7%
Regions Covered	China

Insights:

- IMAX China Holding
- Alibaba Pictures Group Limited
- Huayi Tencent Entertainment Company Limited
- Perfect World
- China Film Company Ltd
- Beijing Enlight Media
- Wanda Film Holding Co Ltd

China Movie Market covered from 2 viewpoints:

- Domestic (Chinese) Movies
- Imported Movies

China Movie Industry Analysis covered from 2 viewpoints:

- Movie Screens in China
- Movie Admission in China

Tier City - China Movie Ticket Pricing Analysis covered from 5 viewpoints:

- 1st Tier Cities
- 2nd Tier Cities
- 3rd Tier Cities
- 4th Tier Cities
- 5th Tier Cities

More details will follow on this SPQS material event.

Disclosure:

Information in this news release may contain statements about future expectations, plans, prospects or performance of SPQS that constitute forward-looking statements for purposes of the Safe Harbor Provisions under the Private Securities Litigation Reform Act of 1995. The words or phrases "can be", "expects", "may affect", "believed", "estimate", "project" and similar words and phrases are intended to identify such forward-looking statements. SPQS caution you that any forward-looking

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