

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Hypertension Diagnostics Inc.

550 Highway 7 Unit 316
Ontario, ONT L4B3Z4 Canada
407-449-6151

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SIC:3844

Quarterly Report For the Period Ending: March 31, 2022 (the "Reporting Period")

As of March 31, 2022, the number of shares outstanding of our Common Stock was: 284,781,623

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 213,087,960

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 149,182,060

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☒ No: ☐

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐ No: ☒

1) Name and address(es) of the issuer and its predecessors (if any)

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Hypertension Diagnostics, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

MN 7-19-88 Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

550 Highway 7 Unit 316
Ontario, ONT L4B324 Canada

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

2) Security Information

Trading symbol:	<u>HDII</u>
Exact title and class of securities outstanding:	Common
CUSIP:	<u>44914V104</u>
Par or stated value:	<u>.00001</u>

Total shares authorized:	<u>1,000,000,000</u>	as of date: March 31, 2022
Total shares outstanding:	<u>284,781,623</u>	as of date: March 31, 2022

Number of shares in the Public Float²: 149,035,736 as of date: March 31, 2022
Total number of shareholders of record: 171 as of date: March 31, 2022

All additional class(es) of publicly traded securities (if any):

Trading symbol: HDII
Exact title and class of securities outstanding: Preferred A
CUSIP:
Par or stated value: .001
Total shares authorized: 3,000,000 as of date: March 31, 2022
Total shares outstanding: 3,000,000 as of date: March 31, 2022

Transfer Agent

Name: Action Stock Transfer Inc.
Phone: 801-274-1088
Email: Justeene.Blankenship.jb@actionstocktransfer.com
Address: 2469 E. Fort Union Boulevard, Suite 214, Salt Lake City, UT 84121

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12-31-20</u> Common: <u>165,375,723</u> Preferred: <u>0</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation,	Number of Shares	Class of Securities	Value of shares issued (\$/per	Were the shares issued at a discount	Individual/ Entity Shares were issued to (entities must	Reason for share issuance (e.g. for cash or debt conversion)	Restricted or Unrestricted	Exemption or

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

	shares returned to treasury)	Issued (or cancelled)		share) at Issuance	to market price at the time of issuance? (Yes/No)	have individual with voting / investment control disclosed).	-OR- Nature of Services Provided	as of this filing.	Registration Type.
<u>4-8-21</u>	<u>New</u>	<u>176,400</u>	<u>Common</u>	<u>.001</u>	No	<u>Barb Weber</u>	<u>Debt</u> <u>Settlement</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-1-21</u>	<u>New</u>	<u>264,750</u>	<u>common</u>	<u>.001</u>	No	<u>Jeffrey</u> <u>Neilson</u>	<u>Debt</u> <u>Settlement</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-1-21</u>	<u>New</u>	<u>264,750</u>	<u>Common</u>	<u>.001</u>	No	<u>Ted Neilson</u>	<u>Debt</u> <u>Settlement</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>20,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Hailun</u> <u>Huang</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>6,400,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Yiqing Yang</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>7,200,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Lei Liu</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>9,600,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Zhe Wang</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>4,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Yixuan Ma</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>4,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Shidi Lei</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>2,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Gang Wu</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>6,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Shuying Yin</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>2,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Xu-Mei</u> <u>Zheng</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>6-28-21</u>	<u>New</u>	<u>2,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Xi Luo</u>	<u>Cash</u>	<u>Restricted</u>	<u>4a1</u>
<u>01-27-22</u>	<u>New</u>	<u>8,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Chan Luo</u>	<u>Services</u>	<u>Restricted</u>	<u>4a1</u>
<u>01-27-22</u>	<u>New</u>	<u>10,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Meihua Xu</u>	<u>Services</u>	<u>Restricted</u>	<u>4a1</u>
<u>01-27-22</u>	<u>New</u>	<u>10,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Liangjian</u> <u>Peng</u>	<u>Services</u>	<u>Restricted</u>	<u>4a1</u>

<u>01-27-22</u>	<u>New</u>	<u>10,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Eugene Yijun Peng</u>	<u>Services</u>	<u>Restricted</u>	<u>4a1</u>							
<u>01-27-22</u>	<u>New</u>	<u>10,000,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Dehua Yin</u>	<u>Services</u>	<u>Restricted</u>	<u>4a1</u>							
<u>01-27-22</u>	<u>New</u>	<u>7,500,000</u>	<u>Common</u>	<u>.001</u>	No	<u>Guangjing Zhang</u>	<u>Services</u>	<u>Restricted</u>	<u>4a1</u>							
Shares Outstanding on Date of This Report:																
	<u>Ending</u>	<u>Balance</u>														
<u>Ending Balance:</u>																
Date 3-31-22 Common: 284,781,623 Preferred: <u>3,000,000</u>																

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Liangjian Peng
Title: Chairman
Relationship to Issuer: Chairman

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance Sheet;
- D. Statement of Income;
- E. Statement of Cash Flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

No operations

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

B. Please list any subsidiaries, parents, or affiliated companies.

None

C. Describe the issuers' principal products or services.

As a holding company, China Specialty International Limited focuses on brand licensing, distribution authorization and investment related to these registered brands and trademarks in provincial-level, city-level, country-level administrative regions in China.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Month to month-

550 Highway 7 Unit 316
Ontario, ONT L4B324 Canada

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Liangjian Peng</u>	<u>Chairman</u>	<u>Ontario, ONT</u> <u>Canada</u>				<u> </u>
<u>Bo Long</u>	<u>Officer</u>	<u>Ontario, ONT</u> <u>Canada</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

<u>Jiaojiao Lin</u>	<u>Officer</u>	<u>Ontario, ONT</u> <u>Canada</u>	<u>3,000,000</u>	<u>Preferred</u>	<u>100</u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: TBD
Firm:

Address 1:
Address 2:
Phone:
Email:

Accountant or Auditor

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Liangjian Peng certify that:

1. I have reviewed this Quarterly report of HDII;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 11, 2022 [Date]

/s/ Liangjian Peng [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Liangjian Peng certify that:

- 1. I have reviewed this Quarterly report of HDII;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 11, 2022 [Date]

/s/ Liangjian Peng [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Hypertension Diagnostics, Inc.
Balance Sheet Prev Year Comparison
As of March 31, 2022

	Mar 31, 22	Mar 31, 21
ASSETS		
Current Assets		
Checking/Savings	0.00	86,392.00
Accounts Receivable	0.00	187,595.00
Other Current Assets	0.00	235,636.00
Total Current Assets	0.00	509,623.00
Fixed Assets	0.00	509,527.00
Other Assets		
Other Assets	0.00	62,598.00
Total Other Assets	0.00	62,598.00
TOTAL ASSETS	0.00	1,081,748.00
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	0.00	445,644.00
Other Current Liabilities	122,395.83	898,492.00
Total Current Liabilities	122,395.83	1,344,136.00
Long Term Liabilities	0.00	651,319.00
Total Liabilities	122,395.83	1,995,455.00
Equity		
A - Series A Preferred Sto...	30,000.00	30,000.00
B - Common Stock	2,847,816.00	1,491,820.00
C - Additional Paid in Ca...	28,708,631.00	28,462,631.00
Retained Earnings	-30,991,405.83	-30,898,158.00
Net Income	-717,437.00	0.00
Total Equity	-122,395.83	-913,707.00
TOTAL LIABILITIES & EQUITY	0.00	1,081,748.00

1:46 PM

05/11/22

Accrual Basis

Hypertension Diagnostics, Inc.
Profit & Loss Prev Year Comparison
January through March 2022

	Jan - Mar 22	Jan - Mar 21
Ordinary Income/Expense		
Income	0.00	0.00
Expense		
Advertising and Promotion	0.00	0.00
Automobile Expense	0.00	0.00
Bank Service Charges	0.00	0.00
Business Licenses and Permits	0.00	0.00
Computer and Internet Expen...	0.00	0.00
Continuing Education	0.00	0.00
Depreciation Expense	0.00	0.00
Dues and Subscriptions	0.00	0.00
Insurance Expense	0.00	0.00
Interest Expense	0.00	0.00
Janitorial Expense	0.00	0.00
Laboratory Fees	0.00	0.00
Meals and Entertainment	0.00	0.00
Medical Records and Supplies	0.00	0.00
Office Supplies	0.00	0.00
Payroll Expenses	0.00	0.00
Professional Fees	500.00	0.00
Reference Materials	0.00	0.00
Rent Expense	0.00	0.00
Repairs and Maintenance	0.00	0.00
Shares issued in lieu of Comp	716,937.00	0.00
Small Medical Equipment	0.00	0.00
Telephone Expense	0.00	0.00
Travel Expense	0.00	0.00
Uniforms	0.00	0.00
Utilities	0.00	0.00
Vaccines and Medicines	0.00	0.00
Total Expense	717,437.00	0.00
Net Ordinary Income	-717,437.00	0.00
Other Income/Expense	0.00	0.00
Net Income	-717,437.00	0.00

Hypertension Diagnostics, Inc.

Statement of Cash Flows

January through March 2022

	Jan - Mar ...
OPERATING ACTIVITIES	
Net Income	-717,437.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	0.00
Accrued Royalties Receivable	0.00
Inventory - Net	0.00
Notes - Receivable - Related	0.00
Prepays & Other Current Assets	0.00
Accounts Payable	0.00
Accrued Payroll & Taxes	0.00
Due to Related Party	500.00
Other Accrued Expenses	0.00
Payroll Liabilities	0.00
Salaries Payable	0.00
Net cash provided by Operating Activities	-716,937.00
INVESTING ACTIVITIES	
Computer & Electronics	0.00
Furniture & Equipment	0.00
Leasehold Improvements	0.00
Medical Equipment	0.00
Property & Equipment	0.00
Property & Equipment: Accumulated Deprecia...	0.00
Other Assets	0.00
Security Deposits Asset	0.00
Net cash provided by Investing Activities	0.00
FINANCING ACTIVITIES	
Notes Payable	0.00
A - Series A Preferred Stock	0.00
B - Common Stock	716,937.00
C - Additional Paid in Capital	0.00
Capital Stock	0.00
Dividends Paid	0.00
Opening Balance Equity	0.00
Retained Earnings	0.00
Net cash provided by Financing Activities	716,937.00
Net cash increase for period	0.00
Cash at beginning of period	0.00
Cash at end of period	<u><u>0.00</u></u>

Hypertension Diagnostics, Inc.
Statements of Shareholders' Equity (Deficit)

	Preferred Shares	Amount	Common Stock Shares	Amount	Additional Paid- in Capital	Accumulated Deficit	Total
Balance at DECEMBER 31, 2017	611,390	\$ 6,144	52,388,761	\$ 523,887	\$ 28,462,631	(33,744,438)	(4,751,776)
Net Loss			45,386,400	453,864		(453,764)	
Balance at DECEMBER 31, 2018	611,390	6,144	97,775,161	977,751	28,462,631	(34,198,202)	(4,751,776)
Net Loss	2,388,610	23,856	39,038,760	390,388		3,300,044	3,714,388
Balance at DECEMBER 31, 2019	3,000,000	\$ 30,000	136,813,921	1,368,139	28,462,631	(30,898,158)	(1,037,388)
Net Loss			12,368,139	123,681			123,681
Balance at DECEMBER 31, 2020	3,000,000	\$ 30,000	149,182,060	1,491,820	28,462,631	(30,898,158)	(913,707)
Net Loss							
Balance at MARCH 31, 2021	3,000,000	30,000	149,182,060	1,491,820	28,462,631	(30,898,158)	(913,707)
Net Loss			63,905,900	639,059	246,000	(60,597)	824,462
Balance at June 30, 2021	3,000,000	30,000	\$213,087,960	\$2,130,879	\$28,708,631	(30,958,755)	(89,245)
Net Loss						(32,651)	(32,651)
Balance at September 30, 2021	3,000,000	30,000	213,087,960	2,130,879	28,708,631	-30,991,406	-121,896
Net Loss							
Balance at December 31, 2021	3,000,000	30,000	213,087,960	2,130,879	28,708,631	-30,991,406	-121,896
Net Loss			71,693,663	716,937		(717,437)	(500)
Balance at MARCH 31, 2022	3,000,000	30,000	284,781,623	2,847,816	28,708,631	(31,708,843)	(122,396)

Hypertension Diagnostics, Inc.
Notes to the Consolidated Financial Statements
Period ended March 31, 2022

Note 1. Organization and Significant Accounting Policies

Description of Business

We were incorporated under the laws of the State of Minnesota on July 19, 1988. We were previously engaged in the medical device business. In mid-2011, HDI's board of directors determined to pursue a change in strategic direction. In August 2011, we sold our medical device inventory, subleased our office and manufacturing facility, and entered into a limited license agreement with a company owned by Jay Cohn, a founder and a director of the Company. In September 2011, we formed HDI Plastics Inc. ("HDIP"), a wholly owned-subsidiary, entered into a new lease agreement, purchased selected manufacturing assets from Compass Bank and Cycled Plastics and began engaging in the business of plastics reprocessing in Austin, TX. Demand for reprocessed plastic is growing, and HDIP has the systems and infrastructure for collecting and processing post-consumer and post-industrial plastic waste into pellets to be resold to domestic manufacturing companies. In April 2021, HDI entered into an agreement with China Specialty International Limited. As a holding company, China Specialty International Limited focuses on brand licensing, distribution authorization and investment related to these registered brands and trademarks in provincial-level, city-level, country-level administrative regions in China.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary (China Specialty International Limited), after elimination of all intercompany accounts, transactions, and profits.

Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents. The Company maintains cash in financial institutions. The balances, at times, may exceed federally insured limits.

Accounts Receivable

The company has no receivables as of March 31, 2022.

Inventory

None

Property and Equipment

Property and equipment are stated at cost. Improvements are capitalized, while repair and maintenance costs are charged to operations when incurred. Depreciation is computed principally using the straight-line method. Estimated useful lives for leasehold improvements are the shorter of the lease term or estimated useful life and 3 to 5 years for furniture and processing equipment, and computer equipment.

Fair Value of Financial Instruments

The Company's financial instruments are recorded on its balance sheet. The carrying amounts for cash, accounts receivable, note receivable, accounts payable, and accrued expenses approximate fair value due to the immediate or short-term maturity of these financial instruments. The lease obligation and subordinated debt approximates fair value since this debt was recently obtained.

Impairment of Long-Lived Assets

The Company will record impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows estimated to be generated by those assets are less than the assets' carrying amount. To date, no such losses have been recognized.

Income Taxes

The Company accounts for income taxes by following an asset and liability approach to financial accounting and reporting for income taxes. Accordingly, deferred tax assets and liabilities arise from the difference between the tax basis of an asset or liability and its reported amount in the financial statements. Deferred tax amounts are determined using the tax rates expected to be in effect when the taxes will actually be paid or refunds received, as provided under currently enacted tax law. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense or benefit is the tax payable or refundable, respectively, for the period plus or minus the change in deferred tax assets and liabilities during the period. In accordance with the guidance, the Company has adopted a policy under which, if required to be recognized in the future, interest related to the underpayment of income taxes will be classified as a component of interest expense and any related penalties will be classified in operating expenses in the consolidated statement of operations.

The Company recognizes a financial statement benefit of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Net Income (Loss) Per Share

Basic net income (loss) per share is computed using the weighted average number of common shares outstanding during each period. Diluted net income (loss) per share includes the dilutive effect of common shares potentially issuable upon the exercise of stock options, warrants, or the conversion of preferred stock.

Stock-Based Compensation

The Company regularly grants options to individuals under various plans. The Company measures and recognizes compensation expense for all stock-based payment awards made to employees and directors on a straight-line basis over the respective vesting period of the awards. The compensation expense for the Company's stock-based payments is based on estimated fair values determined at the time of the grant of the portion of stock-based payment awards that are ultimately expected to vest.

The Company estimates the fair value of stock-based payment awards on the date of grant using the Black-Scholes option pricing model. This option pricing model involves a number of assumptions, including the expected term of the stock options, the volatility of the public market price for the Company's common stock and interest rates.

Comprehensive Income (Loss)

Comprehensive income (loss) includes net income (loss) and items defined as other comprehensive income (loss). Items defined as other comprehensive income (loss) include items such as foreign currency translation adjustments and unrealized gains and losses on certain marketable securities. For the nine month period ended September 30, 2021, there were no adjustments to net income (loss) to arrive at comprehensive income (loss).

Recent Accounting Pronouncements

There were no new accounting standards issued or effective during the period ended September 30, 2021 that had, or are expected to have a material impact on the Company's results of operations, financial condition or cash flows.

Note 2. Going Concern

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Our ability to continue as a going concern is dependent on our ability to raise the required additional capital or debt financing to meet short-term needs to relocate our plastics processing facility to a new site and then restart the facility which would include hiring production works.

Note 3. Inventory

None

Note 4. Subsequent Events

None