

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Hypertension Diagnostics Inc.

550 Highway 7 Unit 316
Ontario, ONT L4B324 Canada
407-449-6151
Liangjianpeng2018@gmail.com
SIC:3844

Quarterly Report

For the period ending **March 31, 2023**
(the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

284,781,623 as of March 31, 2023

284,781,623 as of December 31, 2022

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 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: ☒

Change in Control

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)

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):

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

MN 7-19-88 Active

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 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?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

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

Publicly Quoted or Traded Securities:

Trading symbol:	HDII
Exact title and class of securities outstanding:	Common
CUSIP:	44914V104
Par or stated value :	.00001
Total shares authorized:	1,000,000,000 as of date: March 31, 2023
Total shares outstanding:	284,781,623 as of date: March 31, 2023
Total number of shareholders of record:	171 as of date: March 31, 2023

Other classes of authorized or outstanding equity securities:

Trading symbol: N/A
Exact title and class of securities outstanding: Preferred A
CUSIP: N/A
Par or stated value: .001
Total shares authorized: 3,000,000 as of date: March 31, 2023
Total shares outstanding: 3,000,000 as of date: March 31, 2023

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Dividends eligible when declared; 1 vote per share

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

Not declared

3. Describe any other material rights of common or preferred stockholders.

NONE

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

NONE

3) Issuance History

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/20 Common: 165,375,723 Preferred: 3,000,000			*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 Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per	Were the shares issued at a discount	Individual/ Entity Shares were issued to.	Reason for share issuance (e.g. for cash or debt conversion) -	Restricted or Unrestricted	Exemption or

	shares returned to treasury)			share) at Issuance	to market price at the time of issuance? (Yes/No)	*You must disclose the control person(s) for any entities listed.	OR- Nature of Services Provided	as of this filing.	Registration Type.
4/08/21	New	176,400	Common	.001	No	Barb Weber	Debt Settlement	Restricted	4a1
6/01/21	New	264,750	Common	.001	No	Jeffrey Neilson	Debt Settlement	Restricted	4a1
06/01/21	New	264,750	Common	.001	No	Ted Neilson	Debt Settlement	Restricted	4a1
06/28/21	New	20,000,000	Common	.001	No	Hailun Huang	Cash	Restricted	4a1
06/28/21	New	6,400,000	Common	.001	No	Yiqing Yang	Cash	Restricted	4a1
06/28/21	New	7,200,000	Common	.001	No	Lei Liu	Cash	Restricted	4a1
06/28/21	New	9,600,000	Common	.001	No	Zhe Wang	Cash	Restricted	4a1
06/28/21	New	4,000,000	Common	.001	No	Yixuan Ma	Cash	Restricted	4a1
06/28/21	New	4,000,000	Common	.001	No	Shidi Lei	Cash	Restricted	4a1
06/28/21	New	2,000,000	Common	.001	No	Gang Wu	Cash	Restricted	4a1
06/28/21	New	6,000,000	Common	.001	No	Shying Yin	Cash	Restricted	4a1
06/28/21	New	2,000,000	Common	.001	No	Xu-Mei Zhang	Services	Restricted	4a1
06/28/21	New	2,000,000	Common	.001	No	Xi Luo	Services	Restricted	4a1
1/27/22	New	8,000,000	Common	.001	No	Chan Luo	Services	Restricted	4a1
1/27/22	New	10,000,000	Common	.001	No	Meihua Xu	Services	Restricted	4a1
1/27/22	New	10,000,000	Common	.001	No	Liangjian Peng	Services	Restricted	4a1
1/27/22	New	10,000,000	Common	.001	No	Eugene Yijun Peng	Services	Restricted	4a1
1/27/22	New	10,000,000	Common	.001	No	Dehua Yin	Services	Restricted	4a1
1/27/22	New	7,500,000	Common	.001	No	Guangjing Zhang	Services	Restricted	4a1

Shares Outstanding on Date of This Report:	
Ending Balance:	
Date 03/31/23	
Common: 284,781,623	
Preferred 3,000,000	

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

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. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

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

No current operations

B. List any subsidiaries, parent company, 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

5) Issuer's Facilities

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

*Month to month lease
550 Highway 7 Unit 316
Ontario, ONT L4B324 Canada*

6) Officers, Directors, and Control Persons

Names of All Officers, Directors and Control Persons	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	Names of control person(s) if a corporate entity
Liangjian Peng	Chairman	Ontario, ONT Canada				
Bo Long	Officer	Ontario, ONT Canada				
Jiaojioa Lin	Officer	Ontario, ONT Canada	3,000,000	Preferred	100%	

7) Legal/Disciplinary History

A. 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

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

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

Accountant or Auditor

Name: Tyrus C Young
Firm: Factsco, LLC
Address 1: 1771 Holly Springs Rd NE
Address 2: Marietta, GA 30062
Phone: 727 470 8684
Email: factsco@gmail.com

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), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

NONE

9) Financial Statements

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

☐ IFRS
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)²:

Name: **Tyrus C Young**
Title: **Consultant**
Relationship to Issuer: **Consultant/Vemdor**

Describe the qualifications of the person or persons who prepared the financial statements:

Over 40 years as CPA/Consultant; Over 17 years preparing financials for OTC/SEC clients

The following financial statements for the year ended March 31, 2023, includes the following:

- a. Balance Sheet; as of March 31, 2023 and 2022
- b. Statement of Income; for the Three months ended March 31, 2023 and 2022
- c. Statement of Cash Flows; for the Three months ended March 31, 2023 and 2022
- d. Statement of Changes in Stockholders' Equity for the period December 31, 2020 through March 31, 2023
- e. Notes to the Financial Statements

10) Issuer Certification

Principal Executive 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 10, 2023

/s/ Liangjian Peng
Liangjian Peng, CEO

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 10, 2023

/s/ Liangjian Peng
Liangjian Peng, CFO

Hypertension Diagnostics, Inc.
Balance Sheet

	March 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
ASSETS		
Current assets		
Cash	\$ -	\$ -
Accounts Receivables	-	-
Total current assets	-	-
Other assets	-	-
Total Assets	\$ -	\$ -
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	\$ -	\$ -
Other current liabilities	122,396	122,396
Total current liabilities	122,396	122,396
Notes payable to shareholder	-	-
Total Liabilities	122,396	122,396
Stockholders' equity (deficit)		
Preferred Stock - Series A, Par Value \$0.001; 3,000,000 shares authorized, 3,000,000 shares issued at March 31, 2023 and 3,000,000 at December 31, 2022, respectively	30,000	30,000
Common stock, \$0.001 par value; , 500,000,000 shares authorized, 284,781,625 and 213,087,960 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	2,847,816	2,847,816
Additional paid-in capital	28,708,631	28,708,631
Accumulated deficit	(32,333,032)	(32,333,032)
Total stockholders' (deficit)	(746,585)	(746,585)
Total Liabilities and Stockholders' Equity	\$ (624,189)	\$ (624,189)

The accompanying shares are an integral part of these financial statements.

Hypertension Diagnostics, Inc.
Statements of Income
(Unaudited)

	For the Three Months Ended	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Consulting Revenues	\$ <u>-</u>	\$ <u>-</u>
Operating Expenses		
General & Administrative	<u>-</u>	<u>717,437</u>
Total Operating Expenses	<u>-</u>	<u>717,437</u>
Net Operating Income	-	(717,437)
Other Income (Expense)		
Gain on cancellation of debt	-	-
	<u>-</u>	<u>-</u>
Total Other Income (Expense)	<u>-</u>	<u>-</u>
NET INCOME	\$ <u><u>-</u></u>	\$ <u><u>(717,437)</u></u>

The accompanying shares are an integral part of these financial statements.

Hypertension Diagnostics, Inc.**Cash Flows****(Unaudited)**

	For the Three Months Ended	
	March 31, 2023	March 31, 2022
Cash flows from operations		
Net (loss)	\$ -	\$ (717,437)
Shares issued for compensation		716,937
Adjustments to reconcile net loss to net cash		
Due to Related Party	-	500
	<u>-</u>	<u>-</u>
Net cash provided by(used) operating activities	<u>-</u>	<u>-</u>
Cash flows from investing activities		
Property & Equipment - Accum Depreciation		-
Other Assets	-	-
	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Notes Payable		-
Proceeds from Common Stock sales		-
Advances from shareholder	-	-
	<u>-</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in cash	-	-
Cash, Beginning of Period	<u>-</u>	<u>-</u>
Cash, End of Period	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

The accompanying shares are an integral part of these financial statements.

Hypertension Diagnostics, Inc.
Statement of Shareholder's Equity

	Common Stock		Preferred Stock		Additional	Accumulated	Total
	Shares	Par Value	Shares	Par Value	Paid in Capital	Deficit	Stockholder's Equity
Balance - December 31, 2020	<u>149,182,060</u>	<u>\$ 1,491,820</u>	<u>3,000,000</u>	<u>\$ 30,000</u>	<u>\$ 28,462,631</u>	<u>\$ (30,898,158)</u>	<u>\$ (913,707)</u>
Issuance of Shares	63,905,900	639,059			246,000	-	885,059
Net Profit or Loss						(717,437)	(717,437)
Balance - December 31, 2021	<u>213,087,960</u>	<u>\$ 2,130,879</u>	<u>3,000,000</u>	<u>\$ 30,000</u>	<u>\$ 28,708,631</u>	<u>\$ (31,615,595)</u>	<u>\$ (746,085)</u>
Stock issued	71,693,663	716,937				(717,437)	(500)
Net Profit or Loss						-	-
Balance - December 31, 2022	<u>284,781,623</u>	<u>\$ 2,847,816</u>	<u>3,000,000</u>	<u>\$ 30,000</u>	<u>\$ 28,708,631</u>	<u>\$ (32,333,032)</u>	<u>\$ (746,585)</u>
Net Profit or Loss						-	-
Balance - March 31, 2023	<u>284,781,623</u>	<u>\$ 2,847,816</u>	<u>3,000,000</u>	<u>\$ 30,000</u>	<u>\$ 28,708,631</u>	<u>\$ (32,333,032)</u>	<u>\$ (746,585)</u>

The accompanying shares are an integral part of these financial statements.

Hypertension Diagnostics, Inc.
Notes to the Consolidated Financial Statements
Period ended March 31, 2023

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 September 30, 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. Subsequent Events

Management has evaluated subsequent events through the date of filing the consolidated financial statements with OTC Markets, the date the consolidated financial statements were available to be issued. Management is not aware of any significant events that occurred subsequent to the balance sheet date that would have a material effect on the consolidated financial statements thereby requiring adjustment or disclosure.