

**Exlites Holdings International, Inc.**  
(A New Mexico Corporation)

**Annual Report**

(OTC: EXHI)

**As of JANUARY 31, 2016**

ISSUER INFORMATION AND DISCLOSURE STATEMENT  
PURSUANT TO RULE 15C2-11(A)(5) OF THE  
SECURITIES EXCHANGE ACT OF 1934

EXLITES HOLDINGS INTERNATIONAL, INC.

DATED: March 25, 2016

ALL INFORMATION FURNISHED HEREIN HAS BEEN PREPARED FROM THE BOOKS AND RECORDS OF PROACTIVE PET PRODUCTS, INC. IN ACCORDANCE WITH RULE 15C-11 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AMENDED.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED HEREIN IN CONNECTION WITH THE COMPANY.

ANY REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN MADE OR AUTHORIZED BY THE COMPANY. DELIVERY OF THIS INFORMATION DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THE ISSUER INFORMATION AND DISCLOSURE STATEMENT.

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### **Item 1) Name of the Issuer and its predecessors**

The exact name of the issuer is EXLITES HOLDINGS INTERNATIONAL, INC.

#### **Name change history:**

April 1979:	Unico, Inc.
July 2003:	MorNorth Mortgage Holdings, Inc.
September 2005:	Westlake Canyon International, Inc.
April 2006:	Vision International, Inc.
September 2008:	Exlites Holdings International, Inc.

### **Item 2) Address of the issuer's principal executive offices**

#### **Company Headquarters:**

7425 Sailfish Dr  
Hudson, FL 34667:  
[Info@exlites.com](mailto:Info@exlites.com)

### **Item 3) Security Information**

Trading Symbol: EXHI (OTC)

#### **Exact title and class of securities outstanding:**

Common Stock: 500,000,000 authorized, 61,800,540 common shares outstanding (as of 1/31/16) An amount of 20,000,000 shares are in dispute and is being reviewed by the company. When reconciled we anticipate the total stock outstanding to be 41,800,540.

CUSIP: 30207P201

Par or Stated Value: \$0.001

Total Shares authorized: 500,000,000 as of: January 31, 2016

Total Shares outstanding: 41,800,540 as of: January 31, 2016

Freely tradable shares (public float): Common Stock –

Transfer Agent:

Madison Stock Transfer Inc.  
2215 Coney Island Avenue, 2nd Floor  
Brooklyn, NY 11235

Phone: 718 627 4453

Madison Stock Transfer Inc. is registered under the Exchange Act and is an SEC approved Transfer Agent.

List any restrictions on the transfer of security:

Describe any trading suspensions orders issued by the SEC in the past 12 months:

None

#### **Item 4) Issuance History**

During the past two fiscal years the company issued stock for convertible promissory notes, acquisition and for services exercised.

- From October 2015 to January 2016 the Company issued 800,000 shares of stock from the treasury.
- On December 19, 2014, the Company purchased one hundred percent of the outstanding shares of Soleeze Wave Company, a Florida corporation, in exchange for 25,000,000 common shares. Soleeze will be consolidated in the year-end financial statements.
- On November 26, 2014, a shareholder authorized the Company to convert the shareholders 20,000,000 common shares into 7,500,000 preferred shares, which are convertible into 7,500,000 common shares.
- From August 1, 2014 – October 31, 2014, the Company issued 74,208 shares in total, at par value, which were used to pay for services.
- From May 1, 2014 – July 31, 2014, the Company issued 15,000,000 shares in total, which were used to pay down a \$65,000 promissory note. As the par value of the shares totaled \$15,000, additional paid in capital was increased by \$50,000.
- On March 5, 2014, the Company performed a 1 for 414 reverse stock split, consolidating 414,050,005 shares of its common stock into 1,000,121 shares.
- In November 2013, 15,000,000 shares were issues for services. In December 2013, an additional 15,000,000 shares were issued for services.
- In July 2013, 30,000,000 shares were issued in exchange for paying down \$50,000 worth of debt.
- In June 2013, 300,000,000 shares were issued for marketing expenses and in July 2013.
- In May 2013, 29,050,000 shares were issued for out of pocket expenses and salary reimbursement

**Note 1**

All shares were issued with a Securities Act Rule 144 legend and/or are restricted for one year from the date of the agreement. The company is currently reviewing all stock issuance transactions and anticipate a change in the reconciliation, there is a dispute regarding twenty million shares. The total stock outstanding is expected to decrease base on the current market outstanding shares.

**Item 5) Financial Statements**

The following statements, dated January 31, 2016 are attached and are the third quarter of fy 2016, under the heading Financial Statements.

- A. Balance Sheet;
- B. Income Statement;
- C. Statement of Cash Flows;
- D. Statement of Changes in Stockholders Equity;
- E. Financial Notes; and
- F. Management's Certification

The Company will provide updates to the balance sheet and profit and loss retained earnings statements no later than 90 days after the fiscal year and 45 days after the end of any fiscal quarter.

**Item 6) Describe the Issuer's Business, Products, and Services**

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer's business operations;

The Company is engaged in the consumer health care market and durable medical supply business. The Company has many customers both consumer distributors and medical distributors which purchase many different products from the company. The respective distributors in turn market and sell to their customer base. This gives the company multiple distribution channels which include catalogs, retailers and direct to consumer venues. The company also does contract manufacturing for medical products some specific products both consumer and medical. The Company's mission is to develop unrivaled, lasting and deep relationships with our customers by delivering quality products and related services to medical and home care markets with efficiency, consistency and innovation. The Company offers patented, patent pending and proprietary products

The Company acquired Ashford Durable Medical Solutions, Inc. on January 17, 2013. Ashford then became a wholly owned subsidiary of the Company.

- B. Date and State (or Jurisdiction) of Incorporation:

Exlites Holdings International, Inc. was incorporated in the state of New Mexico on April

26, 1979 as Unico, Inc.

C. the issuer's primary and secondary SIC Codes;

The Primary SIC code for the Company is 5049: Professional Equipment and Supplies NEC

D. the issuer's fiscal year end date;

January 31

E. principal products or services, and their markets;

The Company provides quality consumer products including but not limited to battery operated heated steering wheel, electronic hot and cold pack, spring loaded shoe insoles and other consumer products. The company also engages in contract manufacturing for medical supplies and devices to hospitals, nursing homes and assisted living facilities and individuals who need medical supplies delivered to them.

## **Item 7) Describe the 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.

A. Assets, properties or facilities of the issuer, location of principal plants and other properties or facilities of the issuer, the location of the principal plants and other property of the issuer, condition of the properties. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

1. Assets and properties:

The Company does not own any property. It currently has access to office space provided without charge by an officer of the Company.

2. Facilities of the issuer:

The Company does not lease or rent any property. An officer of the Company provides office space and services without charge.

The Company does anticipate that it will need to expand its facilities during the first few years of operation while it executes its development plan.

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

Not applicable.

C. If the issuer owns any property or properties, for which the book value amounts to 10

percent or more of the total assets of the issuer and its consolidated subsidiaries for the last fiscal year furnish the following information for each such property:

Not applicable.

## **Item 8) 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 shareholders.

- A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

A. Officers and Directors

Name	Position
Mark Julian 7425 Sailfish Dr Hudson, FI 34667	President / CFO / Director
Claire Singleton 245 N Vine, Suite 904 Salt Lake City, UT 84103	Director
Chauncey Washington 7425 Sailfish Dr Hudson, FI 34667	Director

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders. The company is currently reviewing all outstanding shares and transactions and anticipate a change in the outstanding shares. The company anticipates a decrease in the total amount outstanding.

1. Soleeze Wave Company

25,000,000 shares (60.9%)

12121 Little Rd 323  
Hudson, FL 34667  
Control Person/Registered agent  
Mark Julian  
7425 Sailfish Dr  
Hudson, FL 34667

2. Claire Singleton  
245 N Vine

STE 904  
Salt Lake City, UT 84103

8,000,000 preferred shares convertible at  
10 to 1 common shares

## **Item 9) Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel Name:

Thomas Cook ESQ  
8250 W Charleston Blvd STE 120  
Las Vegas, NV 89117  
Phone 702-242-0099 Fax 702-221-1963

## **Item 10) Issuer Certification**

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).

The certifications shall follow the format below: I, Mark Julian certify that:

1. I have reviewed this quarterly disclosure statement of Exlites Holdings International, Inc.;
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.

March 25, 2016

  
President and Chief Financial Officer

# **Exlites Holdings International, Inc.**

## **Consolidated Financial Statements & Notes**

**As of and for the year ended January 31, 2016 (Stated  
in US Dollars)**

OTC: EXHI  
(CUSIP: 30207P201)

**EXLITES HOLDINGS INTERNATIONAL, INC.**  
**CONSOLIDATED BALANCE SHEET**  
(Unaudited) (Stated in US Dollars)

	January 31, 2016 (Unaudited)	As of January 31, 2015 (Unaudited)
<b>Assets</b>		
Current assets		
Cash and Equivalents	\$ 24,784	\$ 17,856
Accounts Receivable	\$ 113,541	\$ 89,620
Prepaid Expenses	\$ 116,187	\$ 15,198
Inventory	<u>\$ 118,552</u>	<u>\$ 69,915</u>
Total current assets	\$ 338,064	\$ 192,589
Other Assets		
Office Equipment		
Total Other Assets	\$	\$
Total Assets	<u>\$ 373,064</u>	<u>\$ 192,589</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 28,408	\$ 68,878
Accrued expenses	\$ 103,918	
Note Payable	\$ 325,000	\$ 250,000
Due to Shareholders	<u>\$</u>	<u>\$</u>
Total current liabilities	\$ 457,266	\$ 318,878
Long Term Liabilities	\$	\$
Total Liabilities	<u>\$ 457,326</u>	<u>\$ 318,878</u>
<b>Equity</b>		
500,000,000 Common Shares Authorized, 41,000,540		
Shares Issued at \$0.001 Per Share	\$ 414,050	\$ 414,050
Preferred 8,000,000	\$ 8,000	\$ 8,000
Additional paid-in capital	\$ 132,001	\$ 97,171
Deficit accumulated during development stage	<u>\$ (638,653)</u>	<u>\$ (645,510)</u>
Total stockholders equity	\$ (84,262)	\$ (126,289)
Total liabilities and stockholders equity	<u>\$ 373,064</u>	<u>\$ 192,589</u>

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

**EXLITES HOLDINGS INTERNATIONAL, INC.**  
**CONSOLIDATED INCOME STATEMENT**  
(Unaudited) (Stated in US Dollars)

	For the QTR ended Jan 31, 2016	For the twelve Months ended Jan 31, 2016	For the 12 Months ended Jan 31, 2015
<b>Revenue</b>	<u>\$ 1,800,992</u>	<u>\$ 9,417,884</u>	<u>\$ 94,435</u>
<b>Expenses</b>			
Salaries and wages	\$ 40,000	\$ 160,000	\$ 15,000
Tradeshaw expense	\$ 28,731	\$ 101,223	\$ 8,160
Sales commission	\$ 31,799	\$ 96,441	\$ 3,740
Material	\$ 1,520,944	\$ 8,580,112	\$ 36,048
Marketing Expenses	\$ 14,026	\$ 50,441	\$ 3,740
Filing Fees			
Direct Selling	\$	\$	\$ 891
Rent	\$ 1,284	\$ 4,750	\$ 350
Office Expense	\$ 8,523	\$ 25,881	\$ 1,259
Travel	\$ 6,436	\$ 15,741	\$ 663
Research and development	\$ 275,000	\$ 275,000	\$ 12,204
Depreciation Expense	\$	\$	\$
Utilities	\$	\$	\$
Taxes	\$ 1,011	\$ 8,599	\$ 647
Interest - Derivative Liability	\$ 8,968	\$ 45,257	\$ 1,148
General & Administrative Expenses	\$	\$	\$ 15,054
	<u>\$ 11,073</u>	<u>\$ 47,582</u>	
<b>Total Expenses</b>	\$ 1,947,795	\$ 9,411,027	\$ 95,163
<b>Provision for Income Tax</b>	\$ (27,985)	\$ 0	
<b>Net Income (Loss)</b>	\$ (118,818)	\$ 6,857	\$ (170)
<b>Basic &amp; Diluted (Loss) per Common Share</b>	<u>\$ (0.003)</u>	<u>\$ 0.0002</u>	<u>\$ (0.0000004)</u>
<b>Weighted Average Number of Common Shares</b>	41,800,540	41,800,540	41,000,540

The accompanying notes are an integral  
part of these Financial Statements

**EXLITES HOLDINGS INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Unaudited) (Stated in US Dollars)

	For the twelve month period	For the twelve month period
	<u>Jan 31, 2016</u>	<u>Jan 31, 2015</u>
<b><u>Operating Activities</u></b>		
Net income(loss)	\$ 6,857	\$ (170)
Increase/(decrease) in Accounts Receivable	\$ (23,921)	\$ (89,620)
Increase in prepaid expenses	\$ (100,989)	\$ (15,198)
Change in Notes due	\$	\$ 176,788
Accrued expenses	\$ 103,918	\$
Change in inventory	\$ (48,637)	\$ (67,415)
Write off of Sales Contract	\$	\$
Accounts Payable	\$ (40,130)	\$ 51,306
<b>Net cash used in operating activities</b>	<b>\$ 102,902</b>	<b>\$ 57,141</b>
 <b><u>Investing Activities</u></b>		
<b>Net cash used in investing activities</b>	<b>\$ (170)</b>	<b>\$ (45,291)</b>
 <b><u>Financing Activities</u></b>		
Pay down of Promissory Note	\$	\$
Due to Shareholders	\$ 75,000	\$
Shares issued	\$ 35,000	\$
<b>Net cash provided. by financing activities</b>	<b>\$ 110,000</b>	<b>\$</b>
 <b>Net decrease in cash</b>	<b>\$ 6,928</b>	<b>\$ 11,856</b>
 Cash at beginning of period	\$ 17,856	\$ 6,000
<b>Cash at end of period</b>	<b>\$ 24,784</b>	<b>\$ 17,856</b>

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

EXLITES HOLDINGS INTERNATIONAL, INC.  
STATEMENT OF SHAREHOLDER'S EQUITY  
From Inception (April 26, 1979 to Jan 31, 2016)  
(Stated in US Dollars) (Unaudited)

	Common Stock Shares	Amount	Preferred Shares	Paid in Capital	Deficit Accumulated	Total Equity
Balance, Jan 31, 2015	41,000,540	\$ 414,050	\$ 8,000	\$97,001	\$ (645,510)	\$ (126,289)
Preferred stock						\$ 0
Shares in dispute	20,000,000	200,000				\$ 200,000
Shares in dispute reserve	(20,000,000)	(200,000)				\$ (200,000)
Shares canceled						\$
Shares issued	800,000			\$35,000		\$ \$35,170
Net Profit (Loss) for period					6,857	\$ 6,857
Balance, January, 2016	41,800,540	\$ 414,050	\$ 8,000	\$132,001	(638,653)	(84,262)

The accompanying notes are an integral  
part of these Financial Statements

**Exlites Holdings International, Inc.**

**Footnotes to the Consolidated Financial Statements  
From Inception (April 26, 1979) to January 31, 2016  
(Stated in US Dollars)**

**Nature of Operations.& History**

Exlites Holdings International, Inc. (the Company) is publically traded on OTC Markets under ticker symbol EXHI and was formed in the state of New Mexico in 1979 under the name Unico, Inc.

In 2008, the shareholders of the Company voted approval on a share exchange agreement with Exlites Co. Ltd. (a Japanese Corporation) whereby the Company issued 12,000,000 shares of common stock to Exlites Co. Ltd.'s shareholders as part of the acquisition. Subsequently, in September 2008, the Company changed its name from Vision International, Inc. to Exlites Holdings International, Inc.

As part of this acquisition, the Japanese owners contracted with a US citizen ("Major Shareholder") to maintain all the legal filings with federal, state, and local authorities and to maintain a small office in the US for this and other US interests held by the same Japanese citizens. As part of this contract, the Japanese owners paid Major Shareholder for her out of pocket expenses of the office and an agreed upon salary for her services. Such compensation was completed until the end of 2008, when the contract payments ceased and Major Shareholder filed suit for reimbursement of out of pocket expenses, unreimbursed salary, and additional amounts for "breach of contract, unjust enrichment, and fraudulent representation". Service was made to the Japanese owners in Japan, but no response was ever made, and the suit resulted in a default judgment for Major Shareholder. As part of the judgment, Major Shareholder asked for and received Twenty Nine Million (29,000,000) shares of common stock of the Company, which gave her majority ownership, and subsequently made her the sole board member and only officer of the Company.

The Company subsequently acquired Ashford Durable Medical Solutions, Inc. on January 17, 2013. Ashford then became a wholly owned subsidiary of the Company. On December 23, 2015 the Company entered into a stock swap with Soleeze Wave Company.

The Company is engaged in the consumer health care market and durable medical supply business. The Company has many customers which it sells various products to which in turn sell through their own distribution channels which include catalogs, retailers and direct to consumer venues. The company also does contract manufacturing for medical products. The Company's mission is to develop unrivaled, lasting and deep relationships with our customers by delivering quality products and related services to medical and home care markets with efficiency, consistency and innovation. The Company offers patented, patent pending and proprietary products

## **Basis of Presentation**

Exlites Holdings International, Inc. and Ashford Durable Medical Solutions, Inc. are controlled by the same shareholder group, and, therefore, the purchase of Ashford Durable Medical Solutions, Inc. by Exlites Holdings International, Inc. is considered to be a combination of entities under common control for accounting purposes, as opposed to an acquisition. The Company will reflect this in the consolidated financial statements as if they were combined as of the beginning of the period, regardless of the actual date of the transaction. As a result, the consolidated financial statements reflect Ashford Durable Medical Solutions, Inc.'s operations for the twelve month period ending January 31, 2013 and thereafter, on a combined basis with Exlites Holdings International, Inc.

## **Basis of Consolidation**

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The Company also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Company's voting rights relative to the size and dispersion of holdings of other shareholders give the Company the power to govern the financial and operating policies. Inter-company transactions, balances, income and expenses on transactions between companies within the consolidated group are eliminated. Profits and losses resulting from inter-company transactions are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

## **Critical Accounting Estimates and Judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

## **Cash and Cash Equivalents**

In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated balance sheet, any bank overdrafts are shown within borrowings in current liabilities.

## Office Equipment

Office Equipment was purchased for \$1,500 and placed into service in January 2013. Office Equipment has a seven-year useful life and is depreciated \$54 each quarter. Below is a roll forward of Office Equipment:

Office Equipment Balance @ 1/31/13	1,500
Less: 2013 Depreciation	(214)
Office Equipment Balance @ 1/31/14	1,286
Less: Q1 Depreciation Expense	(54)
Office Equipment Balance @ 4/30/14	1,232
Less: Q2 Depreciation	(54)
Office Equipment Balance @ 7/31/14	1,179
Less: Q3 Depreciation	(54)
Office Equipment Balance @ 10/31/14	1,125
Less: Q4 Depreciation	(54)
Office Equipment Balance @ 1/31/15	1,070

The office equipment was retired in fiscal year 2015 and is no longer used, therefore the remaining amount was expensed through normal operations and is immaterial to these financial statements.

## Accounts Payable & Accrued Expenses

Accounts Payable & Accrued Expenses are obligations to pay for equipment, goods, or services that have been acquired in the ordinary course of business from suppliers.

### Current Liabilities

Current Liabilities are liabilities, which have a maturity date less than one year in the future.

For year ended Jan 31, 2015 included in Current Liabilities are the following promissory notes, they were extinguished during the stock swap with Soleeze Wave Company:

<u>Note</u>	<u>Note Holder</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Promissory Note # 1	Gemeni Holdings, Inc.	50,000	7%	8-5-12
Promissory Note # 2	SAO Roque Holdings AG	4,500	15.0%	4-22-15
Promissory Note # 3	SAO Roque Holdings AG	2,000	15%	4-22-15
Promissory Note # 4	SAO Roque Holdings AG	5,000	15.0%	4-22-15

The company absorbed a related party Note Payable for \$250,000 from Soleeze Wave Company.

## Derivative Liability & Interest

The Company periodically assess its financial and equity instruments to determine if they require derivative accounting. Instruments which may potentially require derivative accounting

are conversion features of debt and common stock equivalents in excess of available authorized common shares. Derivative interest is recorded using the Black-Scholes model which incorporates historic stock price volatility to estimate the potential expense associated with issuing stock on convertible instruments.

As of January 31, 2016, there is no derivative liability.

### **Shareholders' Equity**

The Company has an authorized stock issuance of 500,000,000 common shares at \$.001 par value and 50,000,000 preferred shares at \$.001 par value. In 2013, in conjunction with the purchase of Ashford Durable Medical Solutions, Inc., the majority shareholder and officer/director elected to restate the financial statements by approving a "recapitalization" of the Company which restated retained earnings to zero and charges any negative retained earnings to additional paid in capital. This was done to start as of January 31, 2012 to reflect the change of ownership and control to current management, which started for the 2012 fiscal year ended January 31, 2013. The owner of the majority of shares of the Company has forwarded funds to the Company for minimal legal and tax obligations to keep all filings current with the state of New Mexico and other federal and local governmental authorities. In 2013, the Court approved a portion of the out of pocket expenses and salary reimbursement through an issuance of twenty nine million fifty thousand (29,050,000) shares of common stock, which were issued in May 2013. In June 2013, 300,000,000 shares were issued for marketing expenses and in July 2013, 30,000,000 shares were issued in exchange for paying down \$50,000 worth of debt. In November 2013 15,000,000 shares were issues for services. In December 2013, an additional 15,000,000 shares were issued for services.

On March 5, 2014, the Company performed a 1 for 414 reverse stock split, consolidating 414,050,005 shares of its common stock into 1,000,121 shares.

From May 1, 2014 – July 31, 2014 the Company issued 15,000,000 shares in total, which were used to pay down a \$65,000 promissory note. As the par value of the shares totaled \$15,000, additional paid in capital was increased by \$50,000.

From August 1, 2014 – October 31, 2014 the Company issued 74,208 shares in total, at par value, which were used to pay for services.

On November 26, 2014 a shareholder authorized the Company to convert the shareholders 20,000,000 common shares into 7,500,000 preferred shares, which are convertible into 7,500,000 common shares.

On December 19, 2014 the Company purchased one hundred percent of the outstanding shares of Soleeze Wave Company, a Florida corporation, in exchange for 25,000,000 common shares. Soleeze will be consolidated in the year-end financial statements.

The company is currently reviewing all outstanding shares and transactions and anticipate a change in the outstanding shares. The company anticipates a decrease in the total amount outstanding.

**Recently Issued Accounting Pronouncements**

Company management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

**Related Party Transaction**

The Company has no related party transactions.

**Share Capital**

Authorized:

500,000,000 common shares with a par value of \$0.001

Issued:

As of January 31, 2016, there are forty one million, eight hundred thousand and five hundred forty (41,800,540) shares issued and outstanding at a value of \$0.001 per share, excluding any shares in dispute.

The Company has no stock option plan, warrants or other dilutive securities.

(Balance of page intentionally left blank)

## **Going Concern**

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements, the Company has incurred a deficit of \$638,653 as of January 31, 2016. The ability of the Company to continue as a going concern is in doubt and dependent upon achieving a profitable level of operations or on the ability of the Company to obtain necessary financing to fund ongoing operations. Management believes that its current and future plans enable it to continue as a going concern for the next twelve months.

To meet these objectives, the Company continues to seek other sources of financing in order to support existing operations and expand the range and scope of its business.

However, there are no assurances that any such financing can be obtained on acceptable terms and timely manner, if at all. The failure to obtain the necessary working capital would have a material adverse effect on the business prospects and, depending upon the shortfall, the Company may have to curtail or cease its operations.

The accompanying consolidated financial statements do not include any adjustment to the recorded assets or liabilities that might be necessary should the Company have to curtail operations or be unable to continue in existence.

## **Subsequent Events**

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company has evaluated subsequent events through the date when the financial statements were issued and noted no material subsequent events except the following:

On November 26, 2014 a shareholder authorized the Company to convert the shareholders 20,000,000 common shares into 7,500,000 preferred shares, which are convertible into 7,500,000 common shares.

On December 19, 2014 the Company purchased one hundred percent of the outstanding shares of Soleeze Wave Company, a Florida corporation, in exchange for 25,000,000 common shares. Soleeze will be consolidated in the year-end financial statements.

On or about April and May 2015, there was a dispute with management and board members. The result of the dispute was that Michael Dillon resigned and Mark Julian was reaffirmed as President, CEO and Director. All issues with the dispute have been resolved and the company is operating normally.

An amount of 20,000,000 shares are in dispute and is being reviewed by the company. When reconciled we anticipate the total stock outstanding to be 41,800,540.

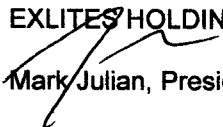
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## **CERTIFICATION**

I, Mark Julian, President and Director of Exlites Holdings International, Inc., hereby certifies that the unaudited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Exlites Holdings International, Inc. and the results of its operations and cash flows as of and for the year ending January 31, 2016, in conformity with accounting principles generally accepted in the United States, consistently applied.

March 25, 2016

EXLITES HOLDINGS INTERNATIONAL, INC.

  
Mark Julian, President, Director, and Secretary