UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended February 28, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-42811

Elite Express Holding Inc.
(Exact name of registrant as specified in its charter)

Delaware	99-2516128
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

23046 Avenida De La Carlota, Suite 600
Laguna Hills, CA 92653
(Address of principal executive offices) (Zip Code)

(949) 758-0650
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock	ETS	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 13, 2026, there were **16,716,672** shares of common stock, consisting of (i) **12,550,005** shares of Class A common stock, par value $0.000001 per share, and (ii) **4,166,667** shares of Class B common stock, par value $0.000001 per share, outstanding.

Elite Express Holding Inc.

Form 10-Q

For the Quarterly Period Ended February 28, 2026

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Elite Express Holding Inc.
PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ELITE EXPRESS HOLDING INC. & ITS SUBSIDIARY
(UNAUDITED) CONDENSED CONSOLIDATED BALANCE SHEETS

	As of February 28, 2026 (UNAUDITED)	As of November 30, 2025 (AUDITED)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 68,065	$ 1,308,529
Accounts receivable	84,411	72,582
Loans receivable	9,949,811	9,999,811
Prepaid D&O insurance	66,894	102,443
Prepaid expenses and other current assets	1,868,232	898,191
TOTAL CURRENT ASSETS	**12,037,413**	**12,381,556**
NON-CURRENT ASSETS:		
Plant and equipment	170,697	167,008
Intangible assets	473,800	487,600
Goodwill	668,858	668,858
TOTAL ASSETS	**$ 13,350,768**	**$ 13,705,022**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 38,625	$ 20,918
Insurance premium financing payable	36,063	71,470
Tax payable	4,000	2,400
Other payables and other current liabilities	190,317	418,367
TOTAL CURRENT LIABILITIES	**269,005**	**513,155**
NONCURRENT LIABILITY:		
TOTAL LIABILITIES	**269,005**	**513,155**
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY		
Common stock, $0.000001 par value, 1,000,000,000 shares authorized; 16,716,672 shares issued and outstanding as of February 28, 2026, and November 30, 2025, including: *		
Class A common stock, $0.000001 par value - 900,000,000 shares authorized; 12,550,005 shares issued and outstanding as of February 28, 2026, and November 30, 2025	13	13
Class B common stock, $0.000001 par value - 100,000,000 shares authorized, 4,166,667 shares issued and outstanding	4	4
Additional paid-in capital	15,686,846	15,686,846
Accumulated deficit	(2,605,100)	(2,494,996)
TOTAL STOCKHOLDERS' EQUITY	**13,081,763**	**13,191,867**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 13,350,768**	**$ 13,705,022**

*Retrospectively adjusted for the reverse split of the Company's common stock at a ratio of 1-for-6, which took effect on December 23, 2024 (the "Reverse Stock Split"). See also Note 12.

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

ELITE EXPRESS HOLDING INC. & ITS SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended February 28,	
	2026	**2025**
REVENUE	**$ 805,298**	**$ 692,143**
COST OF REVENUE		
Cost of service	91,255	70,159
Cost of labor	386,961	390,808
Depreciation and amortization	16,528	62,168
Fuel	105,109	107,913
Maintenance and repairs	48,080	93,502
Total cost of revenue	647,933	724,550
GROSS PROFIT (LOSS)	**157,365**	**(32,407)**
OPERATING EXPENSES		
General and administrative expenses	464,606	283,619
Total operating expenses	**464,606**	**283,619**
LOSS FROM OPERATIONS	**(307,241)**	**(316,026)**
OTHER INCOME		
Interest income, net	198,737	—
Other income, net	—	4,729
Total other income, net	198,737	4,729
LOSS BEFORE INCOME TAX PROVISION (BENEFIT)	**(108,504)**	**(311,297)**
Income tax expense (benefit)	1,600	(106,298)
NET LOSS	**$ (110,104)**	**$ (204,999)**
Loss per common share - basic and diluted	**$ (0.01)**	**$ (0.02)**
Weighted average shares - basic and diluted*	**16,716,672**	**16,916,667**

*Retrospectively adjusted for the reverse split of the Company's common stock at a ratio of 1-for-6, which took effect on December 23, 2024 (the "Reverse Stock Split"). See Note 12.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

ELITE EXPRESS HOLDING INC. & ITS SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED FEBRUARY 28, 2026 AND 2025

	Common Stock*						
	Class A Common stock	Amount	Class B Common stock	Amount	Additional paid-in capital	Accumulated Deficit	Total Stockholders' Equity
Balance, November 30, 2024	**8,750,005**	**$ 9**	**4,166,667**	**$ 4**	**$ 1,684,988**	**$ (309,009)**	**$ 1,375,992**
Capital Contributions from a stockholder	—	—	—	—	300,000	—	300,000
Net loss for the period	—	—	—	—	—	(204,999)	(204,999)
Balance, February 28, 2025	**8,750,005**	**$ 9**	**4,166,667**	**$ 4**	**$ 1,984,988**	**$ (514,008)**	**$ 1,470,993**

*Retrospectively adjusted for the reverse split of the Company's common stock at a ratio of 1-for-6, which took effect on December 23, 2024 (the "Reverse Stock Split"). See Note 12.

	Common Stock						
	Class A Common stock	Amount	Class B Common stock	Amount	Additional paid-in capital	Accumulated Deficit	Total Stockholders' Equity
Balance, November 30, 2025	**12,550,005**	**$ 13**	**4,166,667**	**$ 4**	**$ 15,686,846**	**$ (2,494,996)**	**$ 13,191,867**
Net loss for the period	—	—	—	—	—	(110,104)	(110,104)
Balance, February 28, 2026	**12,550,005**	**$ 13**	**4,166,667**	**$ 4**	**$ 15,686,846**	**$ (2,605,100)**	**$ 13,081,763**

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

ELITE EXPRESS HOLDING INC. & ITS SUBSIDIARY
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended February 28,	
	2026	2025
Cash flows from operating activities:		
Net loss	**$ (110,104)**	**$ (204,999)**
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of intangible assets	13,800	13,800
Depreciation of plant and equipment	2,728	48,368
Accrued interest income	(199,830)	—
Deferred tax benefit	—	(106,698)
Accrued current income tax expense	1,600	—
Changes in operating assets and liabilities:		
(Decrease) increase in accounts receivable	(11,829)	8,242
Decrease in prepaid D&O insurance	35,549	—
Increase in prepaid expenses and other current assets	(770,211)	(187,394)
(Decrease) increase in accounts payable	17,707	(2,727)
(Decrease) increase in other payables and other current liabilities	(228,049)	134,317
Net cash used in operating activities	**(1,248,639)**	**(297,091)**
Cash flows from investing activities:		
Purchase of plant and equipment	(6,418)	—
Repayments from loans to non-related companies	50,000	—
Net cash provided by investing activities	**43,582**	**—**
Cash flows from financing activities:		
Capital contributions from stockholders	—	300,000
Repayment of borrowings from related parties	—	(5,000)
Repayment to premium finance	(35,407)	—
Net cash provided by (used in) financing activities	**(35,407)**	**295,000**
Net decrease in cash	**(1,240,464)**	**(2,091)**
Cash, beginning of period	**1,308,529**	**170,157**
Cash, end of period	**$ 68,065**	**$ 168,066**
Supplemental cash flow information		
Cash paid for interest	**1,097**	**—**

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

ELITE EXPRESS HOLDING INC. (SUCCESSOR) AND JAR TRANSPORTATION INC (PREDECESSOR)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — ORGANIZATION AND BUSINESS DESCRIPTION

Elite Express Holding Inc. ("ETS" or the "Company") was incorporated on April 3, 2024, under the laws of the State of Delaware. The Company is a holding entity that was formed for the purpose of acquiring JAR Transportation Inc ("JAR").

JAR was incorporated in the State of California on May 27, 2020 under Subchapter S of the Internal Revenue Code. The Company operated as an Independent Service Provider ("ISP") for Federal Ground Package System, Inc. ("FXG"), providing last-mile package delivery services. As part of FedEx Corporation's "One FedEx" consolidation, effective June 1, 2024, FXG merged into Federal Express Corporation ("FedEx"). JAR's ISP contract with FXG remained in place until October 12, 2024, after which the subsequent agreement was signed with FedEx. Unless otherwise specified, references to "FedEx" in this document include FXG for periods before October 12, 2024, and Federal Express Corporation thereafter.

On October 25, 2024, the Company acquired all issued and outstanding shares of JAR for a total consideration of $1,367,169 in cash, pursuant to a stock purchase agreement dated September 16, 2024 along with Amendment No.2 to stock purchase agreement dated November 22, 2024 (the "JAR Acquisition"). As of October 25, 2024, JAR ceased to be an S-Corporation and became a wholly owned subsidiary of ETS, a C-Corporation. Refer to Note 7. *Acquisition*, for additional information.

References to "Successor" or "Successor Company" relate to the financial position and results of operations of the Company after the JAR Acquisition. References to "Predecessor" or "Predecessor Company" refer to the financial position and results of operations of JAR.

The Company operates exclusively within the State of California. As an ISP, the Company is granted relative exclusivity in certain service areas by FedEx, which minimizes direct competition within those regions and enables the Company to focus on operational efficiency and service quality.

Details of the subsidiaries of the Company as of the reporting date are set out below:

Name of Entity	Date of Incorporation	State of Incorporation	% of Ownership	Principal Activities
Elite Express Holding Inc.	April 3, 2024	Delaware	Parent	Holding company
Subsidiary of the parent:				
JAR Transportation Inc	May 27, 2020	California	100 %	Route business operator and provider of last-mile delivery services

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the U.S. (the "U.S. GAAP") and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). The accompanying consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary. All inter-company balances and transactions are eliminated upon consolidation.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries, which include the California-registered entities directly owned by the Company. All transactions and balances among the Company and its subsidiaries have been eliminated upon consolidation. The results of subsidiaries acquired or disposed of are recorded in the consolidated income statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

A subsidiary is an entity in which (i) the Company directly or indirectly controls more than 50% of the voting power; or (ii) the Company has the power to appoint or remove the majority of the members of the board of directors or to cast a majority of votes at the meetings of the board of directors or to govern the financial and operating policies of the investee pursuant to a statute or under an agreement among the shareholders or equity holders.

Uses of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities on the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, management reviews these estimates and assumptions using the currently available information. Changes in facts and circumstances may cause the Company to revise its estimates. In accordance with ASC 250, the changes in estimates will be recognized in the same period of changes in facts and circumstances. The Company bases its estimates on past experiences and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Estimates are used when accounting for items and matters including, but not limited to, the allowance for credit losses of accounts receivables and loans receivable, useful lives of plant and equipment, the recoverability of long-lived assets, impairment of goodwill, and revenue recognition.

Risks and Uncertainties

The operations of the Company are located in the U.S., with its business activities primarily focused on route delivery services as an ISP for FedEx. Accordingly, the Company’s business, financial condition, and results of operations may be influenced by economic, regulatory, and operational environments in the U.S., as well as the general state of the U.S. economy. The Company’s results may be subject to the following risks and uncertainties:

- The Company generates 100% of its revenue from FedEx, its sole customer. Any material change in the terms of the agreement, service demand, or the relationship itself could adversely affect the Company’s financial performance.

- The route delivery industry is competitive, and the Company faces competition from both large national service providers and smaller regional operators. Changes in competitive dynamics may impact pricing, service demand, and profitability.

- Seasonal demand fluctuations, particularly during peak periods such as holidays, may create challenges in resource allocation and operational scalability, potentially affecting the Company’s performance.

- The Company is subject to various local, state, and federal transportation regulations. Changes in these regulations, or non-compliance with them, may result in increased costs or disruptions to operations.

- The Company’s operations may also be affected by external events such as natural disasters, extreme weather conditions, and other events beyond its control, which could disrupt delivery schedules and operations.

Cash and cash equivalents

Cash includes cash at banks that can be added to or withdrawn without limitation and time deposits with banks or other financial institutions with maturity periods of 90 days (three months) or less.

Accounts receivable, Other receivable, and Loans Receivable

The Company adopted Accounting Standards Update ("ASU") 2016-13 Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (Accounting Standards Codification ("ASC") 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. In addition, CECL made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities if management does not intend to sell and does not believe that it is more likely than not they will be required to sell. Other receivables and loans receivable arise from transactions with non-trade customers.

Accounts receivable represent amounts due to the Company upon the completion of performance obligations for last-mile delivery services. Revenue is recognized in accordance with the Company's revenue recognition policy, as verified by the Weekly Independent Service Provider Charge Statement. Payments are typically received within two days of invoicing, and the Company does not extend credit or maintain significant outstanding receivables. The Company reviews the accounts receivable on a periodic basis and makes allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including historical losses, the age of the receivable balance, the customer's historical payment patterns, its current credit-worthiness and financial condition, and current market conditions and economic trends. Accounts are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of February 28, 2026 and November 30, 2025, no allowance for credit losses was recorded, as all outstanding balances were considered fully collectible.

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment charges, if any. Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Depreciation is calculated primarily based on the straight-line method over the estimated useful lives of the assets:

Categories	Estimated useful life
Vehicles	5 years

Impairment of Long-lived Assets

The Company reviews long-lived assets to be held-and-used for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If an impairment indicator is present, the Company evaluates recoverability by comparing the carrying amount of the asset group to the sum of the undiscounted expected future cash flow over the remaining useful life of the asset group. If the carrying amount exceeds the recoverable amount, an impairment loss is measured as the amount by which the carrying amount exceeds the fair value of the asset. The Company estimates fair value using the expected future cash flows discounted at a rate consistent with the risks associated with the recovery of the assets. Based on the above analysis, no impairment loss was recognized for the three months ended February 28, 2026 and 2025.

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted market prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable and inputs derived from or corroborated by observable market data.
- Level 3 — inputs to the valuation methodology are unobservable.

Unless otherwise disclosed, the fair value of the Company's financial instruments, including cash equivalents, accounts receivable, loans receivable, and other current assets, accounts payable, due to a related party, loans payable, other payables and other current liabilities, approximate the fair value of the respective assets and liabilities as of February 28, 2026 and November 30, 2025, based upon the short-term nature of the assets and liabilities.

Prepaid Insurance and Premium Financing

The Company obtains certain insurance coverage through premium financing arrangements. Under these arrangements, the financing company pays the insurance premiums directly to the insurance carrier on behalf of the Company, and the Company is obligated to repay the financing company in periodic installments, including interest.

At inception, the full amount of the insurance premium is recorded as prepaid insurance within *prepaid expenses and other current assets* on the consolidated balance sheets, with a corresponding premium financing payable recorded within current liabilities. Prepaid insurance is amortized to insurance expense on a straight-line basis over the coverage period of the related policies. Interest incurred on the financing arrangement is recognized separately as interest expense as incurred.

Business Combinations

Business combinations are accounted for using the acquisition method of accounting in accordance with ASC 805, Business Combinations. Amounts paid for an acquisition are allocated to the assets acquired and liabilities assumed based on their fair values at the date of acquisition. The accounting for business combinations requires estimates and judgment in determining the fair value of assets acquired, liabilities assumed, and contingent consideration transferred, if any, regarding expectations of future cash flows of the acquired business, and the allocation of those cash flows to the identifiable intangible assets. The determination of fair value is based on management's estimates and assumptions, as well as other information compiled by management, including valuations that utilize customary valuation procedures and techniques. If actual results differ from these estimates, the amounts recorded in the financial statements could result in a possible impairment of intangible assets and goodwill. Consideration transferred in a business acquisition is measured at the fair value as of the date of acquisition. Acquisition-related expenses are expensed when incurred.

Goodwill and indefinite-lived intangible assets acquired in a business combination are not amortized but are tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable, in accordance with ASC 350, Intangibles—Goodwill and Other.

Goodwill and Intangible Assets

The Company records goodwill as the excess of the consideration transferred over the fair value of net assets acquired in business combinations. Goodwill was recognized in connection with the acquisition of JAR on October 25, 2024 (See Note 7, "Acquisition"). Goodwill is not amortized but is tested for impairment annually at the reporting unit level or more frequently if events or changes in circumstances indicate that it may be impaired. The Company has an option to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. In the qualitative assessment, the Company considers primary factors such as industry and market considerations, overall financial performance of the reporting unit which is described in more detail below, and other specific information related to the operations. Based on the qualitative assessment, if it is more likely than not that the fair value of each reporting unit is less than the carrying amount, the quantitative impairment test is performed.

The Company tests goodwill and intangible assets that are not subject to amortization for impairment annually on November 30, and the Company's goodwill impairment review involves the following steps: 1) qualitative assessment – evaluate qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. The factors the Company considers include, but are not limited to, macroeconomic conditions, industry and market considerations, cost factors, financial performance, and events specific to that reporting unit. If, or when, the Company determines it is more likely than not that the fair value of a reporting unit is less than the carrying amount, including goodwill, the Company would then change to the quantitative method; 2) quantitative method –the Company performs the quantitative fair value test by comparing the fair value of a reporting unit with its carrying amount and an impairment charge is measured as the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The Company has one reporting unit. Impairment is measured as the amount by which the carrying amount of the reporting unit exceeds its fair value, not to exceed the carrying value of goodwill. No impairment of goodwill was recorded for the three months ended February 28, 2026 and 2025.

The Company's intangible asset consists of the customer relationship acquired as part of the JAR Acquisition. The asset is amortized on a straight-line basis over the estimated useful life, as outlined below:

Categories	Estimated useful life
Customer Relationship	10 years

Revenue recognition

ASC 606 establishes principles for reporting information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration it expects to receive in exchange for those goods or services as performance obligations are satisfied. ASC 606 applies a five-step model for revenue recognition, which requires the Company to: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation.

The Company is engaged in providing last-mile delivery services as an Independent Service Provider (ISP) for FedEx and provides logistics solutions primarily in the United States. The Company coordinates with FedEx for the transport of goods pursuant to FedEx's instructions and the end-recipient's designated destination (the end-recipient is FedEx's customer, not the Company's). Once the goods arrive at the end-recipient's designated destination, the end-recipient acknowledges the delivery note—this confirmation serves as evidence of the Company's completion of delivery services for FedEx, and the transfer of control of the service obligation to FedEx is deemed complete, marking the successful fulfillment of the logistics services for FedEx. The Company derives all revenue from both fixed service charges and activity-based charges under its ISP Agreement with FedEx. Performance obligations under the ISP Agreement include (i) weekly continuous service coverage for designated service areas (fixed weekly service charges), (ii) execution of delivery and pickup stops for FedEx (stop charges and e-commerce stop charges), (iii) handling and delivering packages for FedEx (package charges, including e-commerce and large package deliveries), and (iv) compliance with FedEx's brand and branding requirements (apparel and vehicle branding fees).

Revenue is recognized as follows:

- **Over Time:** Fixed weekly service charges and branding-related revenue (e.g., apparel and vehicle branding) are recognized evenly over the contractual service period, as the Company satisfies the performance obligation of continuous service coverage and branding compliance over time for FedEx.

- **Point-in-Time:** Activity-based revenue, including stop charges, package charges, and fuel surcharges, is recognized upon completion of the respective performance obligation (e.g., completing a delivery or pickup stop for FedEx and obtaining the end-recipient's delivery confirmation). Recognition of this revenue is further subject to verification and confirmation of the actual completed activity volume by FedEx via its proprietary systems, consistent with the terms of the ISP Agreement.

Each service task assigned by FedEx (including stop execution and package delivery) is a distinct component of the overall performance obligations under the ISP Agreement; the aggregate of these tasks constitutes the single ongoing performance obligation of providing last-mile delivery services to FedEx as an ISP. The transaction price under the ISP Agreement is determined based on mutually negotiated fixed and variable charges (Negotiated Charges) between the Company and FedEx, documented in the ISP Agreement's Schedule C and related attachments. The fixed component (weekly service charges) is set at the inception of the rate term; the variable component (activity-based charges) is tied to the actual volume of services completed (e.g., number of stops, packages handled) and includes fuel surcharges that adjust weekly based on market fuel prices. There are no rebates, returns, or other material variable consideration provisions outside of the agreed activity-based charges. As FedEx is the Company's sole counterparty, there is no prepayment requirement from customers; the Company and FedEx settle service fees based on FedEx's official confirmation of the actual completed service volume for each settlement period. Since the fixed and activity-based charges under the ISP Agreement are explicitly tied to separate, distinct performance obligations (continuous service coverage vs. per-unit activity execution), no allocation of the transaction price is required under ASC 606. For activity-based revenue, It is recognized at a point in time when control of the service (for FedEx) is transferred and the delivery is completed to the end-recipient's designated destination, as evidenced by the end-recipient's signature on the delivery note and subsequent verification by FedEx. Transit periods for individual delivery tasks typically do not exceed one month, and the Company and FedEx settle all service fees on a regular contractual basis. The Company has a contractual credit term with FedEx for service fee settlement, with standard payment terms of one week.

Revenue is presented on a gross basis, as the Company acts as the principal in the transaction with FedEx. This conclusion is based on the following considerations: i) the Company manages all aspects of the last-mile delivery process for FedEx and exercises full control over the delivery service before transferring the completed service to FedEx; ii) the Company has the contractual right to negotiate all fixed and activity-based charges (Negotiated Charges) with FedEx and bears the operational and market risks associated with service delivery (e.g., fluctuations in labor, fuel, and equipment costs); iii) The Company is primarily responsible for fulfilling the promise to provide delivery services in meeting FedEx's service requirements and FedEx's customer (end-recipient) delivery expectations, including resolving delivery-related complaints and assuming liability for service failures.

Cost of revenue

Cost of revenue primarily includes direct expenses incurred to fulfill the Company's obligations under the ISP Agreement with FedEx. These costs consist of (i) driver compensation and benefits; (ii) depreciation and amortization expenses; (iii) fuel expenses; (iv) vehicle maintenance and leasing expenses; (v) insurance premiums related to vehicle and liability coverage, and (vi) other operational expenses such as route management systems, uniforms, and branding compliance. All expenses are directly attributable to the Company's delivery operations and are recognized in the same period as the corresponding revenue.

Concentration of Credit Risk

The Company is exposed to a concentration of credit risk due to its reliance on a single customer, FedEx, which accounted for 100% of the Company's revenue for all periods presented in this report. Accounts receivable are unsecured and derived from revenue earned under the Company's ISP Agreement with FedEx. The Company's accounts receivable are typically collected within two days of invoicing, and no allowance for credit loss was recorded as of February 28, 2026 and November 30, 2025. The Company's reliance on FedEx represents a significant concentration of revenue and accounts receivable. This concentration reflects the Company's business model as an exclusive service provider to FedEx under its ISP Agreement.

Income Taxes

Income taxes are accounted for using the asset and liability method, as prescribed under ASC 740, Income Taxes ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases.

Prior to its acquisition by the Company, JAR (the Predecessor), as an S-Corporation, was not subject to federal corporate income tax, and its taxable income, deductions, and credits were passed through to its stockholders. The Predecessor was subject to the California corporate franchise tax under RTC § 23802, which requires S-Corporations to pay the greater of a minimum tax of $800 or 1.5% of net taxable income derived from California sources. In accordance with ASC 740-10-15-4, deferred tax assets and liabilities were recognized for state-level temporary differences and net operating loss ("NOL") carryforwards. Following the Acquisition, the Predecessor became a wholly owned subsidiary of the Company, a C-Corporation, and is subject to corporate income tax under the Internal Revenue Code and applicable state tax laws.

ASC 740 requires a tax position to meet a recognition threshold before it is recognized in the financial statements. The Company assesses uncertain tax positions based on management's evaluation of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. This assessment includes consideration of any potential appeals or litigation processes based on the technical merits of the tax position. Because significant assumptions and judgments are involved in determining whether a tax benefit is more likely than not to be sustained, actual results may differ from estimates under different assumptions or conditions. The Company recognizes interest and penalties related to unrecognized tax benefits as part of the income tax provision in the consolidated statements of operations.

Loss per share

The Company computes loss per share ("EPS") in accordance with ASC 260, "Earnings per Share" ("ASC 260"). ASC 260 requires companies with complex capital structures to present basic and diluted EPS. Basic EPS is measured as net income divided by the weighted average common shares outstanding for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares (e.g., convertible securities, options, and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS. For the three months ended February 28, 2026 and 2025, there were no dilutive shares outstanding.

Related parties and transactions

The Company identifies related parties, and accounts for and discloses related party transactions in accordance with ASC 850, "Related Party Disclosures" and other relevant ASC standards.

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

Transactions between related parties commonly occurring in the normal course of business are considered to be related party transactions. Transactions between related parties are considered to be related party transactions even though they may not be given accounting recognition.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses and is identified on the basis of the internal financial reports that are provided to and regularly reviewed by the Company's chief operating decision maker in order to allocate resources and assess performance of the segment.

In accordance with ASC 280, Segment Reporting, operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), in deciding how to allocate resources and in assessing performance. The Company's revenue segments have similar economic characteristics, and they are managed as a single business unit. The Company uses the "management approach" in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company's chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company's reportable segments. The Company's CODM has been identified as the chief executive officer (the "CEO"), who reviews consolidated results when making decisions about allocating resources and assessing performance of the Company. The Company has determined that there is only one reportable operating segment.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all ASUs. Management periodically reviews new accounting standards that are issued. Under the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"), the Company meets the definition of an emerging growth company and has elected the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

In July 2025, the FASB issued **ASU 2025-05**, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendment provides (1) all entities with a practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the assets and (2) entities other than public business entities with an accounting policy election to consider collection activity after the balance sheet date when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. This guidance is effective for annual reporting periods beginning after December 15, 2025 and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of the above new accounting pronouncements or guidance on the combined financial statements.

In September 2025, the FASB issued **ASU 2025-06**, Intangibles - Goodwill and Other - Internal-use Software: Targeted Improvements to the Accounting for Internal-use Software which amends the guidance in ASC 350-40, Intangibles-Goodwill and Other-Internal-Use Software. The amendments modernize the recognition and disclosure framework for internal-use software costs, removing the previous "development stage" model and introducing a more judgment-based approach. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027 with early adoption permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued **ASU 2025-10** – Accounting for Government Grants Received by Business Entities ("ASU 2025-10"), to establish guidance on the recognition, measurement, and presentation of government grants received by business entities. ASU 2025-10 is effective for annual periods beginning after December 15, 2028 (year ending December 31, 2029 for the Company). The Company is currently evaluating the impact the adoption of ASU 2025-10 will have on its consolidated financial statements.

In December 2025, the FASB issued **ASU 2025-11**—Interim Reporting (Topic 270): Narrow Scope Improvements, which clarifies the current requirements under Topic 270. The ASU provides a comprehensive list of required interim disclosures and requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for public entities for interim periods in fiscal years beginning after December 15, 2027 with early adoption permitted. The Company is currently evaluating the impact the standard will have to the consolidated financial statements and related disclosures.

The Company's management does not believe that any other recently issued, but not yet effective, authoritative guidance, if currently adopted, would have a material impact on the Company's financial statement presentation or disclosures.

NOTE 3 — ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	As of February 28, 2026 (Unaudited)	As of November 30, 2025 (Audited)
Accounts receivable	$ 84,411	$ 72,582

As of the issuance date of this report, the February 28, 2026, and November 30, 2025, accounts receivable balances have been fully collected.

NOTE 4 — LOANS RECEIVABLE

Loans receivable consists of the following:

	As of February 28, 2026 (Unaudited)	As of November 30, 2025 (Audited)
Working funds to third party companies-principal	$ 9,949,811	$ 9,999,811
Loans receivable	$ 9,949,811	$ 9,999,811

During fiscal 2025, the Company entered into short-term loan agreements with five unrelated third parties, in an aggregate principal amount of $9,999,811, each bearing interest at an annual rate of 8% and maturing in May 2026. Each loan is secured by an irrevocable personal unlimited joint and several liability guarantee provided by the shareholders or chief executive officers of the respective borrowers. The loans were made to earn interest income on the net proceeds from the Company's IPO prior to their deployment for the purposes described in the Company's prospectus (see Item 2 of Part II).

As of February 28, 2026, the aggregate outstanding balance of loans receivable, including accrued interest, was $10,328,950. Management has evaluated the collectability of the loans receivable and determined that no allowance for credit losses was necessary as of February 28, 2026.

The Company collected $50,000 of the outstanding balance on February 13, 2026. Subsequent to the balance sheet date, the Company collected $100,000 of the outstanding balance on March 16, 2026. The remaining principal balance of $9,849,811 is expected to be collected at maturity in May 2026.

NOTE 5 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	As of February 28, 2026 (Unaudited)	As of November 30, 2025 (Audited)
Other prepaid insurance	$ 17,178	$ 1,803
Professional services	890,150	167,067
Prepayment for R&D service	500,000	500,000
Interest accrued	379,139	179,309
Other current assets	81,765	50,012
Total Prepaid expenses and other current assets	$ 1,868,232	$ 898,191

The balance of $500,000 in prepayment for R&D service represents an advance payment made to a third-party provider for our own application used for delivery services related to the Company’s operational and technology expansion initiatives. As of February 28, 2026 and November 30, 2025, services under this arrangement had not yet been delivered or commenced and accordingly no expense was recognized during either period. The Company expects to recognize this prepayment as expense consistent with the service delivery schedule, which is expected to commence through fiscal year 2026.

The increase in professional services prepayments from $167,067 as of November 30, 2025 to $890,150 as of February 28, 2026 (an increase of approximately $723,000) primarily reflects advance payments made to legal, audit, and investor relations advisors in connection with the Company’s ongoing public reporting obligations, market expansion activities, and potential acquisition evaluation.

NOTE 6 — PLANT AND EQUIPMENT

Plant and equipment, consists of the following:

	As of February 28, 2026 (Unaudited)	As of November 30, 2025 (Audited)
Vehicles	$ 388,655	$ 382,237
Subtotal	388,655	382,237
Less: accumulated depreciation	(217,958)	(215,229)
Plant and equipment	$ 170,697	$ 167,008

As of October 25, 2024, upon closing of the JAR Acquisition, the Successor revalued its vehicles to a fair value of $295,912. No additional asset transfers occurred post-acquisition, and the Predecessor's vehicles, with a historical cost of $1,137,130, were fully retained.

Depreciation expense was $2,728 and $48,368 for the three months ended February 28, 2026, and February 28, 2025, respectively.

NOTE 7 — ACQUISITION

On September 16, 2024, the Company entered into a Stock Purchase Agreement ("Purchase Agreement") to acquire 100% of JAR with the total gross price of $1,475,000 as specified in the original Purchase Agreement. In accordance with the terms of the Purchase agreement, the Company made an initial payment of $44,250 ("First Payment") to the Escrow Account within three days after the Purchase Agreement was signed. The Company subsequently made payment of $398,250 ("Second Payment") on October 22, 2024. Following these payments, the transaction terms were revised through two amendments. Following revisions in the first amendment, the final consideration was reduced to $1,367,169. Pursuant to the second amendment, the stock transfer date was set as October 25, 2024, which is considered the acquisition date for accounting purposes under ASC 805, *Business Combinations* ("ASC 805"). The Company made two additional payments totaling $899,669 ("Third and Fourth Payments") after the acquisition date of October 25, 2024 and prior to the transaction's official closing date of December 3, 2024. The remaining $25,000, which is contractually due within thirty days of the first anniversary of the Fourth Payment, has been accrued and included in the total purchase consideration recognized in connection with the acquisition.

The Company and JAR were unrelated parties. There was no common control between the Company and JAR prior to JAR's acquisition by the Company. Immediately after the acquisition date on October 25, 2024, the Company took control of JAR in accordance with the Purchase Agreement. No members of JAR remain in governance or management positions in the Company post-acquisition. Based on the above factors, the Company assessed the appropriate accounting treatment under ASC 805 and concluded that the Company is the accounting acquirer. JAR became a 100% owned subsidiary of the Company after the acquisition date of October 25, 2024.

As part of the transaction structure, certain assets and liabilities, including cash, accounts receivable, and outstanding debt, were excluded from the acquisition and remained the responsibility of the sellers of JAR. The Acquisition was accounted for as a business combination using the purchase method of accounting. In accordance with ASC 805, the purchase price was allocated to the acquired assets and assumed liabilities based on their estimated fair values at the acquisition date.

The Company completed the initial purchase price allocation for the acquisition of JAR as of October 25, 2024. Assets (vehicles) acquired were recorded at estimated fair values as of the acquisition date based on management's estimates, available information, and supportable assumptions that management considered reasonable. No liabilities were assumed per the Purchase Agreement.

As part of the purchase price allocation, a deferred tax liability ("DTL") was recognized for the basis difference in the acquired identifiable intangible asset—customer relationships. In accordance with ASC 805-740-25-3, no DTL was recognized for the reported amount of goodwill that is not deductible for tax purposes. The recognition of the DTL related to customer relationships resulted in a corresponding increase in goodwill, as required under ASC 805. Although the Company recognized a portion of DTL and goodwill based on its initial assessment, the valuation process is ongoing, and the final purchase price allocation, including the measurement of goodwill and deferred taxes, may be subject to further adjustments. The Company will continue to evaluate and refine the allocation based on additional information obtained during the measurement period in accordance with ASC 805.

The allocation of the purchase price to the major classes of assets as of October 25, 2024 is as follows:

Plant and equipment	295,912
Customer relationship	552,000
Deferred tax liabilities	(149,601)
Goodwill	668,858
Total purchase consideration	$ 1,367,169

The fair value of customer relationship was determined using assumptions that are representative of those typically used by a market participant in estimating fair value.

The fair value of the identified intangible asset, i.e. customer relationship, and its estimated average useful life as of February 28, 2026 and November 30, 2025 are as follows:

	As of February 28 2026	As of November 30, 2025	Average Useful Life (in Years)
Customer relationship	$ 552,000	$ 552,000	8.83
Less: accumulated amortization	(78,200)	(64,400)	
Total intangible assets	$ 473,800	$ 487,600	

Amortization expense was $13,800 and $13,800 for the three months ended February 28, 2026, and February 28, 2025, respectively.

NOTE 8 — OTHER PAYABLES AND OTHER CURRENT LIABILITIES

A summary of the Company's other payables and other liabilities:

	As of February 28, 2026 (Unaudited)	As of November 30, 2025 (Audited)
Compensation payable	$ 57,588	$ 87,357
Credit card	14,617	38,526
Other accrued expense	118,112	292,484
Total other payables and other liabilities	$ 190,317	$ 418,367

NOTE 9 — INSURANCE PREMIUM FINANCING PAYABLE

A summary of the Company's insurance premium financing payable is listed as follows:

Lender	As of February 28, 2026 (Unaudited)	As of November 30, 2025 (Audited)	Interest rate
First Insurance Funding	$ 36,063	$ 71,470	7.35 %
Total Insurance premium financing payable	$ 36,063	$ 71,470	—

On August 26, 2025, the Company entered into a premium finance agreement with First Insurance Funding, whereby the Company was loaned a total principal amount of $142,197.35 for the purpose of funding the Company's D&O insurance policy. This loan bears an interest rate of 7.35% per annum, and is repayable in 9 monthly installments of principal and interest through May 2026. As of February 28, 2026, a principal amount of $36,063 remains outstanding. Related prepaid insurance at February 28, 2026 of $66,894 is included in Prepaid D&O insurance.

Interest Expense on Insurance Premium Financing Payable

During the three months ended February 28, 2026 and 2025, the Company recognized $1,097 and nil interest expense associated with its insurance premium financing payable, respectively.

NOTE 10 — INCOME TAXES

The Company and its operating subsidiary in the United States are subject to the tax law of the United States. The Company elected to file income taxes as a corporation for the tax year ended November 30, 2024.

(i) The components of the income tax provision were as follows:

	For the Three Months Ended February 28, 2026 (Unaudited)	For the Three Months Ended February 28, 2025 (Unaudited)
Current tax provision		
Federal	$ —	$ —
State	1,600	400
	1,600	400
Deferred tax benefit		
Federal	—	(72,992)
State	—	(33,706)
	—	(106,698)
Income tax provision (benefit)	$ 1,600	$ (106,298)

(ii) Reconciliations of the statutory income tax rate to the effective income tax rate were as follows:

	For the Three Months Ended February 28, 2026 (Unaudited)	For the Three Months Ended February 28, 2025 (Unaudited)
Federal statutory tax rate	21.0 %	21.0 %
Permanent Items	(0.6)%	—
State statutory tax rate	(3.0)%	14.7 %
Non-deductible expenses	— %	(1.6)%
Return to Provision	— %	— %
Other	— %	— %
Change in valuation allowance	(18.9)%	— %
Effective tax rate	(1.5)%	34.1 %

(iii) Deferred tax liabilities were composed of the following:

	As of February 28, 2026 (Unaudited)	As of November 30, 2025 (Audited)
Deferred tax assets:		
Net operating loss carry-forwards	576,300	551,538
Depreciation expense	—	—
Less: Valuation allowance	(440,780)	(410,994)
Total deferred tax assets	135,520	140,544
Deferred tax liabilities:		
Customer relationship recognized upon JAR Acquisition	(132,587)	(136,449)
Depreciation expense	(2,933)	(4,095)
Total deferred tax liabilities	(135,520)	(140,544)
Total deferred tax assets (liabilities)	$ —	$ —

Valuation Allowance

The Company recognizes income taxes using the asset and liability method. Management establishes deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of assets and liabilities, using the tax rates expected to be in effect when the temporary differences reverse. Deferred tax assets are also recognized for tax attributes such as net operating loss carryforwards. Realization of the Company's gross deferred tax asset depends on its ability to generate sufficient taxable income of the appropriate character within the carryforward periods of the jurisdictions in which the net operating and capital losses, deductible temporary differences and credits are generated. In assessing its ability to realize deferred tax assets, the Company considers all available evidence and records valuation allowances to reduce deferred tax assets to the amounts that management concludes are more-likely-than-not to be realized. As of February 28, 2026 and November 30, 2025, the Company believes that a valuation allowance is required.

Uncertain Tax Position

The Company recognizes income tax benefits associated with uncertain tax positions, when, in management's judgment, it is more likely than not that the position will be sustained upon examination by a taxing authority. For a tax position that meets the more likely than not recognition threshold, management initially and subsequently measures the tax benefit as the largest amount judged to have a greater than 50% likelihood of being realized upon ultimate settlement with the taxing authority. The Company has concluded that there are no uncertain tax positions requiring recognition in its financial statements as of February 28, 2026.

State Income Tax

To the extent there is state nexus based on sales, location of employees, inventory, and/or other property, a tax provision is prepared and recorded. In 2026, the Company identified nexus in California.

For the three months ended February 28, 2026, the Company recorded a tax provision of $1,600. For the three months ended February 28, 2025, the Company recorded a tax benefit of $106,298.

NOTE 11 — CONCENTRATIONS

Credit risk

As of February 28, 2026 and November 30, 2025, $0.1 million and $1.2 million of the Company's cash was on deposit at financial institutions in the U.S. and insured by the Federal Deposit Insurance Corporation (FDIC) subject to applicable insurance limits. The standard insurance amount is $250,000 per depositor, per insured bank, for each account ownership category. The bank deposits exceeding the standard insurance amount will not be covered. The Company's total unprotected cash held in banks amounted to approximately nil and $0.5 million as of February 28, 2026 and November 30, 2025, respectively. The Company has not experienced any losses in such accounts.

As of February 28, 2026 and November 30, 2025, $0.01 million and $0.1 million of the Company's cash was on deposit at financial institutions in the Hong Kong, respectively. Per Hong Kong regulations, the maximum insured bank deposit amount is HKD800,000 for each financial institution. The Company's total unprotected cash held in banks amounted to nil and nil as of February 28, 2026 and November 30, 2025, respectively. The Company has not experienced any losses in such accounts.

Accounts receivable are unsecured and derived entirely from revenue earned under the Company's ISP Agreement with FedEx.

Concentrations

The Company's sole customer, FedEx, accounted for 100% of the Company's revenue for both the three months ended February 28, 2026 and the three months ended February 28, 2025. Accordingly, all of the accounts receivable are derived from FedEx. The Company's revenue and accounts receivable concentration is consistent with its business model as an exclusive service provider under the ISP Agreement with FedEx.

NOTE 12 — STOCKHOLDERS' EQUITY

Common Stock

The Company was incorporated on April 3, 2024, under the laws of the State of Delaware. Under the Company's amended and restated articles of incorporation on December 19, 2024, the total authorized number of shares of common stock is 1,000,000,000 with a par value of $0.000001, which consists of 900,000,000 shares of Class A common stock and 100,000,000 shares of Class B common stock. The Company also has the authority to issue 5,000,000 shares of preferred stock as deemed necessary with a par value per share equal to the par value per share of the Class A common stock. Holders of Class A common stock and Class B common stock have the same rights except for voting and conversion rights. With respect to matters requiring the votes of stockholders, each share of Class A common stock is entitled to one vote, and each share of Class B common stock is entitled to 15 votes. Class B common stock is convertible into Class A common stock at any time after issuance at the option of the holder on a one-to-one basis. Class A common stock is not convertible into shares of any other class. The numbers of authorized and outstanding common stock have been retroactively adjusted to reflect the 1-for-6 reverse stock split effected on December 23, 2024, as if it had occurred at the beginning of all periods presented. All per-share amounts in the financial statements have also been adjusted accordingly.

On August 27, 2024, the Company entered into two separate subscription agreements with two investors, Eternal Blessing Holdings Limited and Centurion Tech Holdings Limited (the "Investors"), whereby the Company agreed to sell, and each Investor agreed to purchase, 500,000 shares of Class A common stock at a purchase price of $0.90 per share. The gross proceeds from each subscription agreement were $450,000, respectively, resulting in total gross proceeds of $900,000. As of November 30, 2024, all proceeds were fully received by the Company.

During the period from October 26, 2024 to November 30, 2024, the Company received a capital contribution of $589,000 from two shareholders, consisting of $300,000 from one shareholder, Grand Bright International Holdings Limited, and $289,000 from Mr. Huan Liu through his third-party business contacts on his behalf.

During the year ended November 30, 2025, the Company received capital contributions of $630,000 from three shareholders, which included $430,000 from Grand Bright International Holdings Ltd., $50,000 from Mr. Huan Liu though his third-party business contacts on his behalf and $150,000 from Apex Management Limited.

On August 22, 2025, the Company closed its initial public offering ("IPO") of 3,800,000 shares of Class A common stock at a public offering price of $4.00 per share, for gross proceeds of approximately $15.2 million, before deducting underwriting discounts and offering expenses. The net proceeds to the Company from the IPO were approximately $13.7 million. The shares of Class A common stock were approved to list on the Nasdaq Capital Market and commenced trading under the ticker symbol "ETS" on August 21, 2025. On August 20, 2025, the Company entered into an underwriting agreement with Dominari Securities LLC, as representative (the "Representative") of the several underwriters. The Company also granted the Underwriters a 45-day option to purchase up to 570,000 additional shares of Class A Common Stock on the same terms and conditions for the purpose of covering any over-allotments in connection with the IPO.

Reverse Stock Split

On December 19, 2024, the Company's board of directors approved and adopted the Amended and Restated Certificate of Incorporation, pursuant to Sections 242 and 245 of the Delaware General Corporation Law (DGCL), which authorized a reverse stock split at a ratio of one share of new common stock for each six shares of old common stock. The Company subsequently filed the Amended and Restated Certificate of Incorporation with the State of Delaware, and the Reverse Stock Split became effective at 12:00 AM, Eastern Time, on December 23, 2024. All share information included in the financial statements has been retrospectively adjusted to reflect the Reverse Stock Split as if it had occurred at the beginning of the earliest period presented. Immediately after the reverse stock split, there were 8,750,005 shares of Class A common stock and 4,166,667 shares of Class B common stock issued and outstanding.

As of February 28, 2026, there were 12,550,005 shares of Class A common stock and 4,166,667 shares of Class B common stock issued and outstanding.

NOTE 13 — COMMITMENTS AND CONTINGENCIES

Lease commitments

The total future minimum lease payments of short-term lease under the non-cancellable operating lease with respect to the office as of February 28, 2026 are payable as follows:

	Lease Commitment
Within 1 year	$ 11,199

Contingencies

From time to time, the Company may be a party to various legal actions arising in the ordinary course of business. The Company accrues expenses associated with these matters when they become probable and the amount can be reasonably estimated. Legal expenses incurred in connection with loss contingencies are expensed as incurred.

In February 2025, Pablo Aguero (a former employee of JAR, the subsidiary, the “Applicant”) filed a workers’ compensation claim with the California Workers’ Compensation Appeals Board (the “WCAB”) (WCAB Case No: ADJ20520242). This claim relates to his employment in or around May 2023, prior to the acquisition of JAR. While the WCAB filing does not specify a monetary demand, the Applicant previously issued a pre-litigation demand letter asserting claims totaling approximately $46,600. Pursuant to the terms of the stock purchase agreement for the acquisition of JAR, liabilities arising from pre-closing employment matters remain the responsibility of the sellers. Accordingly, the claim is currently being handled by the sellers and legal counsel designated by JAR’s employment practices liability insurance carrier. The Company has requested their assistance in responding to subpoenas issued in connection with the WCAB proceeding, which seek personnel and payroll records related to the Applicant, and they are currently in the process of providing the requested documents. Based on the information available to date, the Company does not anticipate that the outcome of this proceeding will have a material impact on the Company’s business or financial condition.

In June 2025, Rafael Perez Linarez (a former employee of JAR, our subsidiary) filed a workers’ compensation claim with the California Workers’ Compensation Appeals Board (WCAB Case No: unassigned). This claim relates to his employment from around July 2020 to June 2022, prior to our acquisition of JAR. Pursuant to the terms of the stock purchase agreement for the acquisition of JAR, liabilities arising from pre-closing employment matters remain the responsibility of the sellers. The Company has requested their assistance in responding to subpoenas issued in connection with the WCAB proceeding, which seek personnel and payroll records related to the Applicant, and they are currently in the process of providing the requested documents. Based on the information available to date, the Company does not anticipate that the outcome of this proceeding will have a material impact on the Company’s business or financial condition.

In June 2025, Elma Asusena Oliveros filed a workers’ compensation claim with the California Workers’ Compensation Appeals Board (WCAB Case No: ADJ21112337). This claim relates to her employment from around May 2025. As of the date of this report, this matter has been referred to our workers’ compensation insurance carrier and no cost estimates are currently available.

In July 2025, Joseph McNeal (a former employee of JAR, our subsidiary) filed a workers’ compensation claim with the California Workers’ Compensation Appeals Board (WCAB Case No: ADJ21061503). This claim relates to his employment from October 2024 to April 2025. The Company has responded to related subpoenas. No cost estimates are currently available.

In January 2026, the Company received a demand letter from a former employee of JAR, the Company’s subsidiary, asserting certain employment-related claims. No legal proceeding has been initiated in connection with this matter. The Company has reached an agreement in principle to settle the claims. The Company does not believe this matter is material to its financial condition or results of operations.

In February 2026, a former employee of JAR, a subsidiary of the Company, filed a wage claim with the California Labor Commissioner (State Case No. WC-CM-1110021). The claim relates to employment from approximately November 2024 to July 2025. The Company was served with the notice in March 2026 and is evaluating the matter. The Company does not believe the matter will have a material adverse effect on its financial condition or results of operations.

As of February 28, 2026, the Company did not have any other material legal claims or litigation that, individually or in aggregate, could have a material adverse impact on the Company’s audited condensed consolidated financial position, results of operations, and cash flows.

NOTE 14 — RELATED PARTY TRANSACTIONS

a. Nature of relationship with related parties

Name	Relationship with Our Company
Mr. Huan Liu	Chairman of the Board of Directors
Mr. Raymond June	Former President and former stockholder of JAR
Centurion Tech Holdings Limited	Stockholder
Eternal Blessing Holdings Limited	Stockholder
Grand Bright International Holdings Ltd	Stockholder

During the three months ended February 28, 2026, the Company had no related party transactions required to be disclosed in accordance with ASC 850, Related Party Disclosures. There were no outstanding balances, loans, guarantees, or other transactions with related parties during the period.

NOTE 15 — SUBSEQUENT EVENTS

The Company has evaluated subsequent events from February 28, 2026 through April 13, 2026. Based on this evaluation, the Company has determined that no subsequent events have occurred that require recognition or disclosure in the consolidated financial statements for the three months ended February 28, 2026, except (i) as disclosed in Note 4 with respect to the collection of $100,000 of the outstanding loans receivable balance received on March 16, 2026; (ii) as disclosed in Note 13 with respect to the service of process received in March 2026 in connection with the California Labor Commissioner wage claim; and (iii) as set forth below.

On March 10, 2026, the Company entered into Stock Purchase Agreements with eight non-U.S. investors, pursuant to which the Company agreed to issue and sell in a private placement an aggregate of 32,000,000 shares of the Company's Class A Common Stock, par value $0.000001 per share, at a purchase price of $0.25 per share, for aggregate gross proceeds of $8,000,000. The offering is being conducted in offshore transactions pursuant to Rule 903 of Regulation S promulgated under the Securities Act of 1933, as amended. The closing of the private placement is expected to occur within ninety days following the execution of the Stock Purchase Agreements. As of the date of this filing, the closing has not yet occurred and no shares have been issued in connection with the private placement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the consolidated financial statements and the related notes included elsewhere in this quarterly report on Form 10-Q.

Forward-Looking Statements

This quarterly report on Form 10-Q contains "forward-looking statements." All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to: any projections of earnings, revenue, or other financial items; any statements regarding the adequacy, availability, and sources of capital, any statements of the plans, strategies, and objectives of management for future operations; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words "may," "will," "estimate," "intend," "continue," "believe," "expect," "plan," "project," or "anticipate," and other similar words. In addition to any assumptions and other factors and matters referred to specifically in connection with such forward-looking statements, factors that could cause actual results or outcomes to differ materially from those contained in the forward-looking statements include those factors set forth in the "Risk Factors" section included in our registration statement on Form S-1 (File No. 333-286965), as amended, which was initially filed with the SEC on May 5, 2025 and declared effective by the SEC on August 20, 2025.

Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed in this quarterly report. We do not intend, and undertake no obligation, to update any forward-looking statement, except as required by law.

The information included in this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our unaudited condensed consolidated financial statements and the notes included in this quarterly report on Form 10-Q.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a holding company incorporated in Delaware. Through our wholly owned subsidiary, JAR, a California-based operating entity, we specialize in last-mile delivery services within California. Our core business focuses on retrieving packages from distribution hubs and ensuring their prompt and secure delivery to recipients' doorsteps. Committed to innovation and efficiency, our mission is to optimize last-mile logistics by providing efficient, reliable, and innovative delivery solutions.

As of the date of this report, we employ approximately 26 full-time staff, including approximately 20 drivers. Our fleet consists of approximately 23 trucks and trailers. We provide exclusive pickup and delivery services within our designated service area, covering approximately 1,665.28 square miles. We utilize GroundCloud, a leading logistics software, during our course of business, for route optimization, driver management, and compliance monitoring. Additionally, we are actively expanding our investment in advanced technologies to enhance our scalability, automate our operations, and drive our data-driven decision-making. On an average day, we complete between 1,100 to 1,700 stops, facilitating the pickup and delivery of approximately 1,800 to 2,500 packages. During peak seasons, our daily stops rise to an estimated 2,000, allowing us to meet heightened demand with efficiency and reliability.

Currently, we pick up packages from the distribution hubs of FedEx and deliver them to recipients within designated service areas. While FedEx has been our only customer under an Independent Service Provider ("ISP") agreement, we are actively exploring opportunities to expand our customer base, diversify our revenue streams and strengthen our market presence.

The holding company, prior to the acquisition of JAR on October 25, 2024 (the "Acquisition Date"), did not have any active business operations.

Key Factors Affecting Our Results of Operations

Our results of operations are influenced by several interrelated factors that reflect the dynamic nature of our business environment. The following are the key factors that impact our performance:

- **E-Commerce Growth**: We believe the rapid growth of e-commerce is a driving force behind the increased demand for last-mile delivery services. As consumer habits continue to shift toward online shopping, we anticipate benefitting from rising delivery volumes. Meeting customer expectations for fast and reliable service requires ongoing investments in technology and operational capacity.

- **Labor Costs and Workforce Management**: Labor costs are one of the largest components of our cost structure, accounting for approximately 50% or more of our total costs through February 28, 2026 and 2025. Retaining a skilled and motivated workforce is critical to maintaining service quality. We strive to mitigate these challenges by optimizing staffing models, including employing part-time and gig workers during peak demand periods, and investing in workforce training and retention programs to improve driver efficiency and reduce turnover.

- **Fuel Costs and Operational Efficiency**: Fuel costs are another significant component of our cost of revenue and fluctuations in fuel prices can directly affect our profitability. We managed fuel expenses through standard route planning and operational adjustments on or prior to the Acquisition Date. To further enhance efficiency, we have implemented route optimization strategies aimed at reducing mileage and improving fuel efficiency. In addition, we are exploring the integration of electric vehicles to reduce our reliance on traditional fuel sources and align with our sustainability objectives.

- **Seasonal Demand and Resource Scaling**: Peak seasons, such as the holiday period, account for a substantial portion of our annual revenue. Managing this demand requires precise planning and execution, including the temporary hiring of additional drivers, flexible routing strategies, and leveraging the FedEx DRO system, a predictive tool to anticipate delivery patterns. Successfully navigating these high-demand periods is essential to maintaining our reputation and customer relationships.

- **Technology Investments**: We utilize GroundCloud, a leading logistics software, for route optimization, driver management, and compliance monitoring. While continuing to leverage this system, we are also expanding our investments in advanced technologies to enhance operational scalability, data-driven decision-making, and automation. By continuously evaluating and adopting innovative solutions, we aim to enhance efficiency, improve service reliability, and optimize operational costs. These ongoing investments in logistics technology are expected to strengthen our capacity to manage growing delivery volumes and position us for long-term success.

- **Customer Concentration and Diversification**: As of the date of this report, 100% of our revenue is derived from FedEx. While this partnership provides operational stability, it also exposes us to risks associated with customer dependency. To mitigate these risks, we are actively exploring opportunities to partner with additional carriers and expand our customer base, which we believe will diversify our revenue streams and reduce dependency on a single client.

- **Capital Investments in Infrastructure**: Sustained growth depends on strategic investments in vehicles, the transition to electric vehicle, and operational infrastructure, which includes tools and software that support our operations. We focused primarily on maintaining existing operations prior to the Acquisition Date. Following the Acquisition Date, we are adopting a more proactive investment strategy to expand capacity, enhance efficiency, and integrate advanced logistics solutions. These investments support our ability to scale operations, meet customer expectations, and enhance operational efficiency. While these expenditures may impact short-term profitability, they are essential for long-term success.

Results of Operations

<u>Comparison of Results of Operations for the Three Months ended February 28, 2026 and February 28, 2025:</u>

	For the Three Months Ended February 28,					
	2026		2025		Change	
	Amount	%	Amount	%	Amount	%
Revenue	**$ 805,298**	**100.0 %**	**$ 692,143**	**100.0 %**	**$ 113,155**	**16.3 %**
Cost of Revenue						
Cost of service	91,255	11.3 %	70,159	10.1 %	21,096	30.1 %
Cost of labor	386,961	48.1 %	390,808	56.5 %	(3,847)	(1.0)%
Fuel	105,109	13.1 %	107,913	15.6 %	(2,804)	(2.6)%
Maintenance and repairs	48,080	6.0 %	93,502	13.5 %	(45,422)	(48.6)%
Depreciation and amortization	16,528	2.1 %	62,168	9.0 %	(45,640)	(73.4)%
Total cost of revenue	647,933	80.6 %	724,550	104.7 %	(76,617)	(10.6)%
Gross Profit (Loss)	**157,365**	**19.4 %**	**(32,407)**	**(4.7)%**	**189,772**	**(585.6)%**
General and administrative expenses	464,606	57.7 %	283,619	41.0 %	180,987	63.8 %
Total operating expenses	464,606	57.7 %	283,619	41.0 %	180,987	63.8 %
Loss from Operations	**(307,241)**	**(38.3)%**	**(316,026)**	**(45.7)%**	**8,785**	**(2.8)%**
Other Income						
Interest income, net	198,737	24.7 %		%	198,737	100.0 %
Other income, net		%	4,729	0.7 %	(4,729)	(100.0)%
Total other income, net	198,737	24.7 %	4,729	0.7 %	194,008	(4,102.5)%
Loss before Income Tax Provision (Benefit)	**(108,504)**	**(13.6)%**	**(311,297)**	**(45.0)%**	**202,793**	**65.1 %**
Income Tax Expense (Benefit)	1,600	0.2 %	(106,298)	(15.4)%	107,898	(101.5)%
Net Loss	**$ (110,104)**	**(13.8)%**	**$ (204,999)**	**(29.6)%**	**$ 94,895**	**(46.3)%**

Revenue

Our revenue is structured into two main categories: (i) fixed revenue, which includes weekly service charges, branding-related reimbursements, and peak season surcharges, and (ii) activity-based revenue, which includes charges based on the number of stops, packages delivered, e-commerce orders, fuel surcharges, and other variable components.

For the three months ended February 28, 2026, we generated total revenue of $805,298, representing an increase of $113,155, or 16.3%, compared with $692,143 for the three months ended February 28, 2025. These increases were primarily attributable to higher volume-based activity revenue, particularly from e-commerce deliveries driven by an increasing population and the expansion of commercial activity in the areas we serve.

In support of these revenue trends, our daily operations typically involve handling a high volume of delivery stops and packages. Based on management estimates, average volumes during regular and peak periods are currently as follows:

Metric	Average Volume	Peak Season Volume
Daily Delivery Stops	1,100 to 1,700	Over 2,000
Daily Packages Delivered	1,800 to 2,500	Approximately 2,700

For the three months ended February 28, 2026, our business operations demonstrated greater staff expertise and handled a higher volume of workload than in the same period last year, thereby driving revenue growth. On February 21, 2026, we renewed our agreement with FedEx. The new contract is valid until January 1, 2027. Under the new contract, the weekly service charge within the fixed fees has increased, while the fee standards for certain types of services under the activity-based model have decreased. This has resulted in varying degrees of increase and decrease across the components of our revenue.

The table below sets forth a breakdown of revenue components for the periods indicated:

	For the Three Months Ended February 28,				Change	
	2026		2025			
	Amount	%	Amount	%	Amount	%
Fixed:						
Weekly service charges	$ 149,689	18.6 %	$ 144,244	20.8 %	$ 5,445	3.8 %
Branding-related	9,918	1.2 %	8,550	1.2 %	1,368	16.0 %
Subtotal:	159,607	19.8 %	152,794	22.0 %	6,813	4.5 %
Activity-based:						
Stops	110,320	13.7 %	100,871	14.6 %	9,449	9.4 %
Packages	15,285	1.9 %	13,786	2.0 %	1,499	10.9 %
E-Commerce	348,537	43.3 %	303,162	43.8 %	45,375	15.0 %
Large packages	18,767	2.3 %	17,023	2.5 %	1,744	10.2 %
Fuel Surcharge	87,099	10.8 %	74,026	10.7 %	13,073	17.7 %
Surge Stops	41,328	5.1 %	29,983	4.3 %	11,345	37.8 %
Subtotal:	621,336	77.1 %	538,851	77.9 %	82,485	15.3 %
Other Pickup and Delivery (P&D)	24,355	3.0 %	498	0.1 %	23,857	4,789.2 %
Total Revenue	**$ 805,298**	**100.0 %**	**$ 692,143**	**100.0 %**	**$ 113,155**	**16.3 %**

For the three months ended February 28, 2026, total fixed revenue was $159,607, accounting for approximately 19.8% of total revenue. For the three months ended February 28, 2025, the fixed revenue totaled $152,794, accounting for approximately 22.0% of total revenue. The increase of $6,813, or 4.5% primarily due to the increase of weekly service charge standard under our updated service contract.

For the three months ended February 28, 2026, total activity-based revenue accounted for $621,336, or 77.1% of total revenue up from a revenue of $538,851, or 77.9% of total revenue in the same period of the prior year. This growth was primarily driven by an increase in the number of parcels we handled. In the first quarter of 2026, we delivered approximately 14% more parcels, which broadly mirrors the growth in our activity-based revenue.

Among all revenue categories, e-commerce deliveries and weekly service charges continued to be the two largest contributors to our total revenue for both three months ended February 28, 2026 and February 28, 2025.

- E-commerce deliveries generated $348,537 in revenue during the three months ended February 28, 2026, or 43.3% of total revenue. E-commerce deliveries contributed a total of $303,162, or 43.8% of total revenue for the three months ended February 28, 2025. The increases were primarily driven by sustained residential delivery demand within our assigned FedEx service areas and the ever-increasing proficiency and professionalism of our staff in their delivery work. E-commerce deliveries represented the largest revenue component in all reported periods.

- Weekly service charges totaled $149,689, or 18.6% of total revenue, for the three months ended February 28, 2026. Weekly service charges amounted to $144,244, or 20.8% of total revenue for the three months ended February 28, 2025. The increase of $5,445, or 3.8%, was primarily attributable to the increase in the baseline contractual rates under our updated ISP agreement with FedEx. Under the renewed ISP agreement effective February 21, 2026, the increased weekly service charge standard is expected to continue contributing stable fixed revenue and to help offset any seasonal decline in activity-based revenue during the off-season.

Cost of Revenue

The table below summarizes the total cost of revenue and its components for the interim periods presented:

	For the Three Months Ended February 28,					
	2026		2025		Change	
	Amount	%	Amount	%	Amount	%
Cost of service	$ 91,255	14.1 %	$ 70,159	9.7 %	$ 21,096	30.1 %
Cost of Labor	386,961	59.7 %	390,808	54.0 %	(3,847)	(1.0)%
Maintenance and repairs	48,080	7.4 %	93,502	12.9 %	(45,422)	(48.6)%
Depreciation and amortization	16,528	2.6 %	62,168	8.5 %	(45,640)	(73.4)%
Fuel	105,109	16.2 %	107,913	14.9 %	(2,804)	(2.6)%
Total Cost of Revenue	$ 647,933	100.0 %	$ 724,550	100.0 %	$ (76,617)	(10.6)%

For the three months ended February 28, 2026, our cost of revenue was $647,933, or 80.6% of total revenue, compared with $724,550, or 104.7%, for the three months ended February 28, 2025. This decrease was primarily due to lower maintenance and repair fees and depreciation costs, partially offset by increased cost of service arising from the rental of additional vehicles to fulfill our delivery volume obligations.

The cost of revenue consists of labor, fuel, depreciation and amortization, service and maintenance related expenses. Overall, our cost of main operations has been well managed compared to revenue growth, reflecting our continuously improving operational management capabilities. Each component of our cost of revenue impacted the overall cost structure during the three months ended February 28, 2026 and the three months ended February 28, 2025, as discussed below:

- Cost of Service: For the three months ended February 28, 2026, cost of service totaled $91,255, or 14.1% of total cost of revenue. For the three months ended February 28, 2025, cost of service expenses amounted to $70,159, or 9.7% of total cost of revenue. These increases were primarily attributable to higher insurance premiums and rental of more vehicles to complete the parcel delivery tasks.

- Cost of Labor: Cost of labor expenses remained the largest component of our costs of revenue. Labor expenses for the three months ended February 28, 2026 totaled $386,961, or 59.7% of total cost of revenues. Labor expenses for the three months ended February 28, 2025 were $390,808, representing 54.0% of total cost of revenues for the three months ended February 28, 2025. The decrease of cost of labor, coupled with an increase in revenue, was primarily due to the higher proportion of skilled drivers in our workforce. This enabled us to handle the growing volume of parcel deliveries with fewer drivers. Using fewer, more skilled drivers to deliver the same and even more volume of parcels reduces costs and ensures a higher standard of service. This is the objective and driving force behind our ongoing driver training and efforts to improve operational management.

- Maintenance and Repair: Maintenance and repair was $48,080 during the three months ended February 28, 2026. Maintenance and repair costs for the three months ended February 28, 2025 totaled $93,502. The high vehicle maintenance costs in the first quarter of 2025 were mainly due to the poor condition of many of the vehicles when we first took them over, with a number of them requiring major repairs. This situation did not arise in the first quarter of 2026, however, resulting in a reduction in maintenance costs.

- Depreciation and Amortization: For the three months ended February 28, 2026, depreciation and amortization totaled $16,528, down $45,640, representing a 73.4% decrease, over the comparable period. Depreciation and amortization expenses for the three months ended February 28, 2025 were $62,168. The decrease was primarily due to a reduction resulting from vehicles being written off and an overall reduction in the size of the vehicle fleet.

- Fuel: For the three months ended February 28, 2026, fuel expense decreased by $2,804, or 2.6%, to $105,109 primarily due to more efficient fuel utilization and lower average mileage per route, and with new electric trucks in operation for fiscal year 2025. Fuel expenses for the three months ended February 28, 2025 totaled $107,913.

Gross Profit

For the three months ended February 28, 2026, we recorded a gross profit of $157,365, or 19.4% of total revenue, compared with a gross loss of $32,407, or 4.7% of total revenue for the three months ended February 28, 2025. The increase of $189,772, or 585.6% was primarily driven by the increase in activity-based operations.

General and Administrative Expenses

The following table sets forth the breakdown of our general and administrative expenses for the periods presented.

	For the Three Months Ended February 28,					
	2026		2025		Change	
	Amount	%	Amount	%	Amount	%
General and administrative expenses						
Professional fees	$ 255,408	55.0 %	$ 205,570	72.5 %	$ 49,838	24.2 %
Payroll Expense	153,554	33.0 %	70,703	24.9 %	82,851	117.2 %
Others	55,644	12.0 %	7,346	2.6 %	48,298	657.5 %
Total general and administrative expenses	**$ 464,606**	**100.0 %**	**$ 283,619**	**100.0 %**	**$ 180,987**	**63.8 %**

For the three months ended February 28 2026, general and administrative expenses were $464,606, compared with $283,619 for the three months ended February 28 2025, representing an increase of $180,987, or 63.8%. The increase in administrative expenses was primarily due to higher management and staff remuneration following the Company's listing, increased expenditure on various professional services and higher insurance costs as a result of becoming a listed company.

Other Income (Expenses)

Interest income

Interest income was $198,737 for the three months ended February 28, 2026, compared with nil for the three months ended February 28, 2025. This increase in interest income was primarily attributable to interest earned on funds lent to unrelated third parties on a short-term basis to optimize the return on proceeds raised through our IPO, before allocating and utilizing those funds in accordance with the purposes set forth in the prospectus.

Income Tax Expense (Benefit)

Our income tax provision was $1,600, for the three months ended February 28, 2026. Our income tax benefit was $106,298 for the three months ended February 28, 2025. This increase in tax provision was mainly driven by increased taxable income.

Net Loss

As a result of the above factors, for the three months ended February 28, 2026, we reported a net loss of $110,104, compared with a net loss for the three months ended February 28, 2025 of $204,999.

Liquidity and Capital Resources

In assessing our liquidity, we monitor and analyze our cash on hand, our ability to generate sufficient revenue, the collection of our accounts receivable, our ability to obtain additional financial support in the future, and our operating and capital expenditure commitments. As of February 28, 2026, we reported cash of $68,065 and working capital of $11,768,408, attributable primarily to our IPO completed in August 2025. Working capital as of February 28, 2026 is composed principally of $9,949,811 in loans receivable that mature in May 2026, with cash and other current assets comprising the remainder. Our near-term liquidity is therefore dependent primarily on the timely collection of the outstanding loan balances upon their maturity. Each loan is secured by an irrevocable personal unlimited joint and several liability guarantee provided by the shareholders or chief executive officers of the respective borrowing parties. We expect to collect substantially all outstanding loan principal upon maturity in May 2026 and intend to redeploy those proceeds in accordance with the intended uses set forth in our prospectus. As of the issuance date of this report, $150,000 of the outstanding balance has been received. In the period between the balance sheet date and the expected May 2026 loan maturities, we expect to fund ongoing operating requirements through a combination of cash on hand, operating revenues, and any advance repayments received from borrowers prior to maturity.

In August 2024, we sold 1,000,000 shares of Class A common stock at a price of $0.90 per share. The gross proceeds amounted to $0.9 million. All proceeds were received prior to November 30, 2024.

On August 20, 2025, we completed our IPO resulting in net proceeds of approximately $13.7 million, after deducting underwriting discounts and commissions and offering expenses payable by us.

Our future capital requirements will depend on many factors, including the rate of revenue growth, the timing and amount of cash received from customers, the expansion of sales and marketing activities, the timing and cost of new service efforts, and the success of its efforts to expand business with its current client and to acquire additional businesses. If additional resources are required, we may issue additional equity or debt securities. The sale of additional equity or equity-linked securities could result in further dilution to stockholders. Incurring additional debt would increase our debt service obligations and could impose operating and financial covenants that may limit our operations. Further, financing may not be available in amounts or on terms that are acceptable to us, or it may not be available at all.

Cash Flows for the Three Months ended February 28, 2026 and February 28, 2025

The following table summarizes our cash flows for the periods presented:

	For the Three Months Ended February 28, 2026	For the Three Months Ended February 28, 2025
Net cash used in operating activities	$ (1,248,639)	$ (297,091)
Net cash provided by investing activities	43,582	—
Net cash provided by (used in) financing activities	(35,407)	295,000
Net decrease in cash	$ (1,240,464)	$ (2,091)

Operating Activities

Net cash used in operations was $1,248,639 for the three months ended February 28, 2026, compared with net cash used in operations of $297,091 during the three months ended February 28, 2025. The increase in operating cash outflows was primarily attributable to the following factors: (i) a $770,211 increase in prepaid expenses and other current assets, primarily reflecting advance payments made for professional services (representing approximately $723,000 of the increase) and ongoing research and development service costs in connection with our market expansion and potential acquisition activities; (ii) a $228,049 decrease in other payables and current liabilities, primarily due to the settlement of accrued compensation and other operating obligations carried from the prior fiscal year; and (iii) $199,830 in interest income on our loans receivable portfolio that was accrued during the period but not yet received in cash.

Investing Activities

Net cash provided by investing activities was $43,582 for the three months ended February 28, 2026, reflecting repayments received on short-term loans extended in the prior fiscal year. For the three months ended February 28, 2025, net cash from investing activities was nil.

Financing Activities

Net cash used in financing activities amounted to $35,407 for the three months ended February 28, 2026, mainly attributable to repayments on premium financing.

Net cash provided by financing activities amounted to $295,000 for the three months ended February 28, 2025, consisting of a $300,000 capital contribution from a shareholder, offset by a $5,000 repayment made to a related party.

Contractual Obligations and Other Commitments

We have no long-term fixed contractual obligations or commitments as of February 28, 2026.

Off-Balance Sheet Arrangements

We did not have during the period presented, and we do not currently have, any off-balance sheet financing arrangements as defined under the rules and regulations of the SEC, or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

We prepare our financial statements in conformity with the accounting principles generally accepted in the U.S. ("U.S. GAAP"), which require us to make judgments, estimates, and assumptions that affect our reported amount of assets, liabilities, revenue, costs and expenses, and any related disclosures. Although there were no material changes made to the accounting estimates and assumptions in the past fiscal year, we continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates.

We believe the following critical accounting policies involve the most significant estimates and judgments used in the preparation of our consolidated financial statements.

Uses of estimates

In preparing the consolidated financial statements in conformity with U.S. GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are based on information as of the date of the consolidated financial statements. Significant estimates required to be made by management include, but are not limited to, the allowance for credit losses of accounts receivables, useful lives of plant and equipment, the recoverability of long-lived assets, impairment of goodwill, and revenue recognition. Actual results could differ from those estimates.

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of input used to measure fair value are as follows:

- Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted market prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable and inputs derived from or corroborated by observable market data.

- Level 3 — inputs to the valuation methodology are unobservable.

Unless otherwise disclosed, the fair value of the Company's financial instruments, including cash, accounts receivable, prepaid expenses and other current assets, accounts payable, due to a related party, other payables and other current liabilities, approximate the fair value of the respective assets and liabilities as of February 28, 2026 and November 30, 2025, based upon the short-term nature of the assets and liabilities.

Business Combinations

Business combinations are accounted for using the acquisition method of accounting. Amounts paid for an acquisition are allocated to the assets acquired and liabilities assumed based on their fair values at the date of acquisition. The accounting for business combinations requires estimates and judgment in determining the fair value of assets acquired, liabilities assumed, and contingent consideration transferred, if any, regarding expectations of future cash flows of the acquired business, and the allocation of those cash flows to the identifiable intangible assets. The determination of fair value is based on management's estimates and assumptions, as well as other information compiled by management, including valuations that utilize customary valuation procedures and techniques. If actual results differ from these estimates, the amounts recorded in the financial statements could result in a possible impairment of intangible assets and goodwill. Consideration transferred in a business acquisition is measured at the fair value as of the date of acquisition. Acquisition-related expenses are expensed when incurred.

Income Taxes

Income taxes are accounted for using the asset and liability method, as prescribed under ASC 740, Income Taxes ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases.

Prior to JAR Acquisition, as an S-Corporation, the Predecessor was not subject to federal corporate income taxation, and its taxable income, deductions, and credits were passed through to its stockholders. the Predecessor was subject to the California corporate franchise tax under RTC § 23802, which requires S-Corporations to pay the greater of a minimum tax of $800 or 1.5% of net taxable income derived from California sources. In accordance with ASC 740-10-15-4, deferred tax assets and liabilities were recognized for state-level temporary differences and net operating loss ("NOL") carryforwards. Following the JAR Acquisition, the Predecessor became a wholly owned subsidiary of the Company, and a C-Corporation, and is subject to corporate income taxation under the Internal Revenue Code and applicable state tax laws.

ASC 740 requires a tax position to meet a recognition threshold before it is recognized in the financial statements. We assess uncertain tax positions based on management's evaluation of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. This assessment includes consideration of any potential appeals or litigation processes based on the technical merits of the tax position. Because significant assumptions and judgments are involved in determining whether a tax benefit is more likely than not to be sustained, actual results may differ from estimates under different assumptions or conditions. We recognize interest and penalties related to unrecognized tax benefits as part of the income tax provision in the consolidated statements of income.

Impairment of Long-Lived Assets

We review long-lived assets to be held-and-used for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If an impairment indicator is present, we evaluate recoverability by comparing the carrying amount of the asset group to the sum of the undiscounted expected future cash flows over the remaining useful life of the asset group. If the carrying amount exceeds the recoverable amount, an impairment loss is measured as the amount by which the carrying amount exceeds the fair value of the asset. We estimate fair value using the expected future cash flow discounted at a rate consistent with the risks associated with the recovery of the assets. Based on the above analysis, no impairment loss was recognized for three months ended February 28, 2026 and February 28, 2025.

Revenue recognition

ASC 606 establishes principles for reporting information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration it expects to receive in exchange for those goods or services as performance obligations are satisfied. ASC 606 applies a five-step model for revenue recognition, which requires the Company to: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation.

The Company is engaged in providing last-mile delivery services as an Independent Service Provider (ISP) for FedEx and provides logistics solutions primarily in the United States. The Company coordinates with FedEx for the transport of goods pursuant to FedEx’s instructions and the end-recipient’s designated destination (the end-recipient is FedEx’s customer, not the Company’s). Once the goods arrive at the end-recipient’s designated destination, the end-recipient acknowledges the delivery note—this confirmation serves as evidence of the Company’s completion of delivery services for FedEx, and the transfer of control of the service obligation to FedEx is deemed complete, marking the successful fulfillment of the logistics services for FedEx. The Company derives all revenue from both fixed service charges and activity-based charges under its ISP Agreement with FedEx. Performance obligations under the ISP Agreement include (i) weekly continuous service coverage for designated service areas (fixed weekly service charges), (ii) execution of delivery and pickup stops for FedEx (stop charges and e-commerce stop charges), (iii) handling and delivering packages for FedEx (package charges, including e-commerce and large package deliveries), and (iv) compliance with FedEx’s brand and branding requirements (apparel and vehicle branding fees).Revenue is recognized as follows:

- **Over Time**: Fixed weekly service charges and branding-related revenue (e.g., apparel and vehicle branding) are recognized evenly over the contractual service period, as the Company satisfies the performance obligation of continuous service coverage and branding compliance over time for FedEx.

- **Point-in-Time**: Activity-based revenue, including stop charges, package charges, and fuel surcharges, is recognized upon completion of the respective performance obligation (e.g., completing a delivery or pickup stop for FedEx and obtaining the end-recipient’s delivery confirmation). Recognition of this revenue is further subject to verification and confirmation of the actual completed activity volume by FedEx via its proprietary systems, consistent with the terms of the ISP Agreement.

Each service task assigned by FedEx (including stop execution and package delivery) is a distinct component of the overall performance obligations under the ISP Agreement; the aggregate of these tasks constitutes the single ongoing performance obligation of providing last-mile delivery services to FedEx as an ISP. The transaction price under the ISP Agreement is determined based on mutually negotiated fixed and variable charges (Negotiated Charges) between the Company and FedEx, documented in the ISP Agreement’s Schedule C and related attachments. The fixed component (weekly service charges) is set at the inception of the rate term; the variable component (activity-based charges) is tied to the actual volume of services completed (e.g., number of stops, packages handled) and includes fuel surcharges that adjust weekly based on market fuel prices. There are no rebates, returns, or other material variable consideration provisions outside of the agreed activity-based charges. As FedEx is the Company’s sole counterparty, there is no prepayment requirement from customers; the Company and FedEx settle service fees based on FedEx’s official confirmation of the actual completed service volume for each settlement period. Since the fixed and activity-based charges under the ISP Agreement are explicitly tied to separate, distinct performance obligations (continuous service coverage vs. per-unit activity execution), no allocation of the transaction price is required under ASC 606. For activity-based revenue, It is recognized at a point in time when control of the service (for FedEx) is transferred and the delivery is completed to the end-recipient’s designated destination, as evidenced by the end-recipient’s signature on the delivery note and subsequent verification by FedEx. Transit periods for individual delivery tasks typically do not exceed one month, and the Company and FedEx settle all service fees on a regular contractual basis. The Company has a contractual credit term with FedEx for service fee settlement, with standard payment terms of one week.

Revenue is presented on a gross basis, as the Company acts as the principal in the transaction with FedEx. This conclusion is based on the following considerations: i) the Company manages all aspects of the last-mile delivery process for FedEx and exercises full control over the delivery service before transferring the completed service to FedEx; ii) the Company has the contractual right to negotiate all fixed and activity-based charges (Negotiated Charges) with FedEx and bears the operational and market risks associated with service delivery (e.g., fluctuations in labor, fuel, and equipment costs); iii) The Company is primarily responsible for fulfilling the promise to provide delivery services in meeting FedEx's service requirements and FedEx's customer (end-recipient) delivery expectations, including resolving delivery-related complaints and assuming liability for service failures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a smaller reporting company, we are not required to provide this information.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that no controls and procedures, no matter how well designed and operated, can provide absolute assurance of achieving the desired control objectives.

In accordance with Rules 13a-15(b) and 15d-15(b) of the Exchange Act, management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of February 28, 2026 and identified one material weakness and two significant deficiencies in our internal control over financial reporting as of February 28, 2026. Based on the evaluation described above and in light of the material weakness and significant deficiencies identified, management has concluded that our disclosure controls and procedures were not effective as of February 28, 2026. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. A "significant deficiency" is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those responsible for oversight of the Company's financial reporting. The material weakness and significant deficiencies identified are as follows:

Insufficient Management Review Controls Over Financial Reporting Processes. The Company lacks sufficient management review controls to monitor the execution of financial reporting processes and to detect and prevent potential material misstatements in the financial statements. This material weakness relates to the Company's lack of an adequate internal review function to monitor control execution, which may lead to material audit adjustments to the financial statements.

Lack of Dedicated Personnel with Specialized US GAAP Reporting Expertise. The Company's finance team includes personnel with Certified Public Accountant ("CPA") credentials and extensive financial reporting experience; however, the Company does not currently have dedicated personnel with specialized expertise in U.S. Generally Accepted Accounting Principles ("US GAAP") financial statement preparation and disclosure, particularly with respect to complex accounting standards. This deficiency arises from recent personnel changes in the finance function, including the resignation of the Chief Financial Officer, and the Company's size and resource constraints as a small business.

Inability to Obtain SOC 2 Report from FedEx. The Company's revenue recognition process, financial reporting, and operational activities are fully dependent on proprietary systems owned and maintained by FedEx (the Company's key counterparty), including FedEx Software, leased Scanners, and the My Ground Biz Account platform. These systems are critical to the Company's ability to track service activity, confirm workload, verify pricing, and fulfill its financial reporting obligations. As of the end of the reporting period, the Company has been unable to obtain a Service Organization Control ("SOC") 2 report from FedEx. A SOC 2 report assesses the effectiveness of FedEx's controls over the security, availability, and confidentiality of its systems-controls that are critical to ensuring the reliability of the data generated by FedEx's systems and used by the Company in its financial reporting. This deficiency impairs the Company's ability to independently verify the effectiveness of FedEx's controls over the systems that are core to the Company's financial reporting process. Without a SOC 2 report, the Company cannot fully assess the security, availability, or confidentiality of FedEx's systems, which increases the risk of: (i) inaccurate, incomplete, or untimely data (e.g., workload counts, pricing information) used in revenue recognition and financial reporting; (ii) system outages or data breaches that disrupt the Company's financial reporting process; and (iii) the Company's independent registered public accounting firm being unable to obtain sufficient appropriate audit evidence regarding the reliability of FedEx system-generated data, which could result in a scope limitation in the audit of the Company's financial statements.

Neither of the two significant deficiencies has resulted in a material misstatement of the Company's consolidated financial statements for the reporting period.

Following the identification of the material weakness and two significant deficiencies described above, we are taking comprehensive remedial measures to strengthen our internal control over financial reporting. The Company's finance team is in the process of developing and implementing financial procedures and entity-level controls designed to achieve and maintain effective internal control over financial reporting. These efforts include the design and execution of robust financial closing policies and procedures, as well as the institution of an effective internal review process to monitor control execution. The Company is also actively engaging with FedEx to request access to Service Organization Control (SOC) 1 and SOC 2 reports to obtain independent assurance over controls supporting FedEx's systems that affect the Company's revenue recognition process; however, there is no guarantee that FedEx will provide such reports in a timely manner, or at all. To further strengthen our financial reporting function and control framework, the Company plans to implement additional remedial measures as necessary, including (i) enhancing U.S. GAAP accounting and financial reporting training for its accounting and financial reporting personnel; (ii) hiring more qualified accounting personnel with relevant U.S. GAAP and SEC reporting experience; and (iii) engaging an external consulting firm to assist our assessment of Sarbanes-Oxley compliance requirements and improvement of our overall internal control.

In addition, Mr. Huaqin He, one of our three independent directors, is a professor at the College of Life Sciences of Fujian Agriculture and Forestry University with a major expertise in data analytics and systematic research, which can support the Company's development in digital logistics, operational optimization, and technology-driven decision-making. Another independent director, Ms. Huanhuan Tian, has extensive experience in financial management, auditing, IPO preparation, and corporate compliance.

The implementation of the remedial measures described above may not fully address the material weakness or significant deficiencies in our internal control over financial reporting. Our failure to correct these control deficiencies could result in inaccuracies in our financial statements and could impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis.

Internal Control Over Financial Reporting

Changes in internal control over financial reporting. There were no changes in our internal control over financial reporting (as the term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended February 28, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Elite Express Holding Inc.
PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In February 2025, Pablo Aguero (a former employee of JAR, our subsidiary) filed a workers' compensation claim with the California Workers' Compensation Appeals Board (WCAB Case No: ADJ20520242). This claim relates to his employment in or around May 2023, prior to our acquisition of JAR. While the WCAB filing does not specify a monetary demand, Pablo Aguero previously issued a pre-litigation demand letter asserting claims totaling approximately $46,600. Pursuant to the terms of the stock purchase agreement for the acquisition of JAR, liabilities arising from pre-closing employment matters remain the responsibility of the sellers. Accordingly, the claim is currently being handled by the sellers and legal counsel designated by JAR's employment practices liability insurance carrier. We have requested their assistance in responding to subpoenas issued in connection with the WCAB proceeding, which seek personnel and payroll records related to Pablo Aguero, and they are currently in the process of providing the requested documents. Based on the information available to date, the Company does not anticipate that the outcome of this proceeding will have a material impact on our business or financial condition.

In June 2025, Rafael Perez Linarez (a former employee of JAR, our subsidiary) filed a workers' compensation claim with the California Workers' Compensation Appeals Board (WCAB Case No: unassigned). This claim relates to his employment from around July 2020 to June 2022, prior to our acquisition of JAR. Pursuant to the terms of the stock purchase agreement for the acquisition of JAR, liabilities arising from pre-closing employment matters remain the responsibility of the sellers. The Company has requested their assistance in responding to subpoenas issued in connection with the WCAB proceeding, which seek personnel and payroll records related to the claimant, and they are currently in the process of providing the requested documents. No cost estimates are currently available. Based on the information available to date, the Company does not anticipate that the outcome of this proceeding will have a material impact on our business or financial condition.

In June 2025, Elma Asusena Oliveros (a former employee of JAR, our subsidiary) filed a workers' compensation claim with the California Workers' Compensation Appeals Board (WCAB Case No: ADJ21112337). This claim relates to her employment from around May 2025. As of the date of this report, this matter has been referred to our workers' compensation insurance carrier and no cost estimates are currently available.

In July 2025, Joseph McNeal (a former employee of JAR, our subsidiary) filed a workers' compensation claim with the California Workers' Compensation Appeals Board (WCAB Case No: ADJ21061503). This claim relates to his employment from October 2024 to April 2025. The Company has responded to related subpoenas. No cost estimates are currently available.

In January 2026, the Company received a demand letter from a former employee of JAR, the Company's subsidiary, asserting certain employment-related claims. No legal proceeding has been initiated in connection with this matter. The Company has reached an agreement in principle to settle the claims. The Company does not believe this matter is material to its financial condition or results of operations.

In February 2026, a former employee of JAR, a subsidiary of the Company, filed a wage claim with the California Labor Commissioner (State Case No. WC-CM-1110021). The claim relates to employment from approximately November 2024 to July 2025. The Company was served with the notice in March 2026 and is evaluating the matter. The Company does not believe the matter will have a material adverse effect on its financial condition or results of operations.

From time to time, we may become a party to various other legal or administrative proceedings arising in the ordinary course of our business, including actions with respect to intellectual property infringement, breach of contract, and labor and employment claims. Except as described above, we are not a party to any material legal proceedings and are not aware of any other threatened legal proceedings that we believe would reasonably be expected to have a material adverse effect on our business, financial condition, or results of operations.

Item 1A. Risk Factors

The following risk factor supplements, and should be read in conjunction with, the risk factors previously disclosed in our most recent annual report on Form 10-K. Except as set forth below, there have been no material changes to our previously disclosed risk factors.

Risks Related to Our Cash Deposits at Financial Institutions in Hong Kong.

As of February 28, 2026 and November 30, 2025, $0.01 million and $0.1 million, respectively, of the Company's cash was deposited in U.S. dollar accounts in financial institutions in Hong Kong. Per Hong Kong regulations, bank deposits may be insured by up to HKD 800,000 (approximately $102,560) for each financial institution. The Company's total uninsured cash held in Bank of China (Hong Kong) Limited amounted to approximately nil and nil as of February 28, 2026 and November 30, 2025, respectively. As of the date of this quarterly report, the Company has not experienced any losses in such accounts.

However, because the Company does not otherwise conduct business operations in Hong Kong, the placement of a substantial portion of its cash in that jurisdiction exposes it to additional risks associated with the political, legal, and economic environment of a foreign country. These include risks arising from potential changes in Hong Kong's financial system, banking regulations, capital controls, or its relationship with the People's Republic of China, as well as the possible impact of international sanctions, foreign exchange restrictions, or governmental interventions. In the event of adverse political developments, sovereign actions, or a deterioration in the financial condition of the relevant institutions, the Company may experience delays or difficulties in accessing its funds, or incur losses that are not covered by deposit insurance. Any such events could materially and adversely affect the Company's liquidity, financial condition, and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Use of Proceeds

The following "Use of Proceeds" information relates to the registration statement on Form S-1, as amended (File Number 333-286965), for our IPO, which was declared effective by the SEC on August 20, 2025. On August 22, 2025, we completed our IPO, in which we issued and sold an aggregate of 3,800,000 shares of Class A Common Stock at a public offering price of $4.00 per share for aggregate gross proceeds of approximately $15.2 million. Dominari Securities LLC was the representative of the underwriters of our IPO.

We incurred approximately $1,482,060 in expenses in connection with our IPO, which included approximately $1,064,000 in underwriting discounts, approximately $152,000 in non-accountable expenses paid to the underwriters, and approximately $266,060 in other expenses. None of the transaction expenses included payments to directors or officers of our Company or their associates, persons owning 10% or more of our equity securities, or our affiliates. None of the net proceeds we received from the IPO were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities, or our affiliates.

The net proceeds raised from the IPO were approximately $13.7 million, after deducting underwriting discounts and the offering expenses payable by us. As of the date of this report, we have deployed the net proceeds as follows: (i) approximately $0.4 million has been used for working capital; and (ii) approximately $9.9 million has been lent to unrelated third parties pursuant to short-term loan agreements at an annual interest rate of 8%, as further described in Note 4 to the condensed consolidated financial statements. The short-term loans represent a change from the use of net proceeds described in our prospectus. Our prospectus contemplated that net proceeds not immediately deployed for their designated purposes would be invested in short-term, interest-bearing bank deposits or debt instruments. Management determined that the short-term loans, which are each secured by irrevocable personal guarantees, provided a more favorable return on the net proceeds while maintaining liquidity in advance of the planned deployment. The loans mature in May 2026, at which time we intend to collect the proceeds and deploy them for acquisitions, fleet upgrades, technology development, and working capital as described in our prospectus. The remainder of the net proceeds is held in cash accounts.

As of the date of this report, we have not yet deployed any net proceeds toward the equity or asset acquisitions, fleet upgrades, or mobile application development described in our prospectus.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended February 28, 2026, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted, modified, or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The exhibits listed below are filed as part of this quarterly report on Form 10-Q.

Table of Contents

Index to Exhibits

Exhibit Number	Exhibit Title	Incorporated by Reference (Unless Otherwise Indicated)			
		Form	File	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation	S-1	333-286965	3.1	May 5, 2025
3.2	Amended and Restated Bylaws	S-1	333-286965	3.2	May 5, 2025
10.1	Director Offer Letter dated December 2, 2025 by and between Huanhuan Tian and the Company	8-K			December 4, 2025
10.2	Indemnification Agreement dated December 2, 2025 by and between Huanhuan Tian and the Company	8-K			December 4, 2025
10.3	Resignation Agreement dated December 15, 2025 by and between the Company and Robert Cook	8-K			December 16, 2025
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—	Filed herewith
32.1*	Certification by the Principal Executive Officer and Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				Furnished herewith
101.INS	Inline XBRL Instance Document	—	—	—	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	—	—	—	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	—	—	—	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	—	—	—	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	—	—	—	Filed herewith

* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certification furnished in Exhibits 32.1 herewith is deemed to accompany this Form 10-Q and will not be deemed filed for purposes of Section 18 of the Exchange Act. Such certification will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 13, 2026

Elite Express Holding Inc.

By: */s/ Yidan Chen*
Yidan Chen
Chief Executive Officer, President and Director

Exhibit 31.1

Certification by the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Yidan Chen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Elite Express Holding Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 13, 2026

/s/ Yidan Chen

Name: Yidan Chen

Title: Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

Certification by the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Yidan Chen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Elite Express Holding Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 13, 2026

/s/ Yidan Chen

Yidan Chen

Interim Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

Certification by the Principal Executive and Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to U.S.C. Section 1350 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), I, Yidan Chen, Chief Executive Officer of Elite Express Holding Inc. (the "Company"), hereby certify to my knowledge that:

The quarterly report on Form 10-Q for the quarter ended February 28, 2026 of the Company fully complies, in all material respects, with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 13, 2026

/s/ Yidan Chen
Yidan Chen
Chief Executive Officer and
Interim Chief Financial Officer
(Principal Financial Officer)
(Principal Executive Officer)