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

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of September 2026

Commission File Number: 001-40368

SAIHEAT Limited

c/o #266A South Bridge Road, #02-01 Singapore (058815)
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

EXPLANATORY NOTE

This Form 6-K is hereby incorporated by reference into the registration statements of the Company on [Form S-8](#) (Registration Number 333-298798) and [Form F-3](#) (Registration Number 333-297231), to the extent not superseded by documents or reports subsequently filed or furnished by the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Exhibit Index

Exhibit No.	Description
23.1	Consent of Assenture PAC
99.1	Unaudited Pro Forma Condensed Combined Financial Information
99.2	Financial Statements of Canopy Wave Inc.

SIGNATURE

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, thereunto duly authorized.

SAIHEAT Limited

By: /s/ Jianwei Li
Jianwei Li
Chief Executive Officer

Date: September 29, 2026

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the registration statements of SAIHEAT Limited on Form S-8 (File no. 333-298798) and Form F-3 (File no. 333-297232) of our report dated September 28, 2026, with respect to the financial statements of Canopy Wave Inc., included in this Form 6-K.

/s/ Assensure PAC
Singapore
September 29, 2026

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(In thousands of U.S. dollars, except share and per share data)

Introductory Note

The following unaudited pro forma condensed combined financial information presents the combination of the financial information of Canopy Wave Inc. (“Canopy Wave” or the “Target”) and SAIHEAT Limited (the “Company” or “CWAV”), together with its subsidiaries (“SAIH”) adjusted to give effect to the reverse Merger and related transactions. The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X to give effect to the proposed merger (the “Merger”) contemplated by the Agreement and Plan of Merger, dated August 10, 2026 (the “Merger Agreement”), by and among SAIHEAT Limited, CW Merger Sub Inc. and Canopy Wave Inc., and the concurrent private placement (the “PIPE Investment”) contemplated by the PIPE Share Purchase Agreement, dated August 10, 2026.

Description of the Merger and the PIPE Investment

Pursuant to the Merger Agreement, Merger Sub will merge with and into Canopy Wave, with Canopy Wave surviving as a wholly-owned subsidiary of SAIHEAT. The aggregate merger consideration consists entirely of 3,306,269 SAIHEAT ordinary shares, comprising (a) 2,624,152 Class A ordinary shares and 496,442 Class B ordinary shares (an aggregate of 3,120,594 shares) to be issued to the sellers in exchange for all outstanding shares of Canopy Wave common stock, and (b) 185,675 Class A ordinary shares reserved for future issuance upon exercise of options to be granted to certain Canopy Wave option holders. The per share purchase price of US\$18.15 was determined based on a pre-money equity valuation of Canopy Wave of US\$60.0 million and a pre-money equity valuation of SAIHEAT of US\$40.0 million. Concurrently, the Company agreed to issue and sell 247,970 Class A ordinary shares to PIPE investors at US\$18.15 per share for aggregate gross proceeds of approximately US\$4.5 million. At the closing, 110,192 Class A ordinary shares will be withheld from the merger consideration and deposited into escrow for a period of twelve months to secure the sellers’ indemnification obligations. Upon consummation of the Merger, the Company will be renamed “Canopy Wave Holdings Inc.”

Determination of the Accounting Acquirer

Although SAIHEAT is the legal acquirer, for accounting purposes the Merger has been determined to be a reverse acquisition under ASC 805-40, with Canopy Wave as the accounting acquirer. This determination is based on: (i) following the closing, former Canopy Wave stockholders will hold approximately 54.19% of the economic interests and approximately 78.44% of the voting power of the combined company (each Class B ordinary share carrying ten votes), taking into account the PIPE Investment, as set forth in the Merger Agreement; (ii) the entire board of directors of SAIHEAT will resign at the closing and be replaced by nominees of Canopy Wave, whose founders will serve as Chief Executive Officer and Chief Technology Officer; (iii) the post-Merger management will be led by Canopy Wave’s existing management team; and (iv) the transaction documents expressly identify Canopy Wave as the accounting acquirer for SEC reporting purposes.

Basis of Presentation

The Merger is accounted for using the acquisition method (as a reverse acquisition), with goodwill and other identifiable intangible assets recorded in accordance with GAAP, as applicable. Under this method of accounting, SAIHEAT is treated as the “acquired” company for financial reporting purposes. Canopy Wave has been determined to be the accounting acquirer because Canopy Wave will control of the Board of Directors and management of the combined company, and the preexisting shareholders of Canopy Wave will have majority voting rights of the combined company. For accounting purposes, the acquirer is the entity that has obtained control of another entity and, thus, consummated a business combination. Under the acquisition method of accounting (as a reverse acquisition), Canopy Wave’s assets and liabilities are recorded at carrying value and the assets and liabilities associated with SAIHEAT are recorded at estimated fair value as of the acquisition date. The excess of the purchase price over the estimated fair value of the net assets acquired, if applicable, is recognized as goodwill. Significant estimates and assumptions were used in determining the preliminary purchase price allocation reflected in the unaudited pro forma condensed combined financial statements. The purchase price allocation is preliminary and is subject to measurement period adjustments in accordance with Accounting Standards Codification (“ASC”) 805. The measurement of the replacement share-based payment awards and the related deferred tax asset, which is likewise based on the Measurement Price of US\$18.7303, is provisional in the same manner and will be remeasured as of the actual closing date of the Merger.

The unaudited pro forma condensed combined balance sheet gives effect to the Merger and the PIPE Investment as if they had occurred on December 31, 2025. The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2025 give effect to the Merger and the PIPE Investment as if they had occurred on January 1, 2025, the beginning of the earliest period presented.

The historical financial statements of Canopy Wave are derived from its audited financial statements as of and for the year ended December 31, 2025, prepared in accordance with U.S. GAAP. The historical financial statements of SAIHEAT are derived from its audited consolidated financial statements included in its Annual Report on Form 20-F for the fiscal year ended December 31, 2025, which, as indicated in that report, were prepared in accordance with U.S. GAAP. Amounts are in thousands of U.S. dollars unless otherwise noted.

These unaudited pro forma condensed combined financial statements are for informational purposes only. They do not purport to indicate the results that would have been obtained had the Merger and related transactions actually been completed on the assumed date or for the periods presented, or which may be realized in the future. The pro forma adjustments are based on the information currently available and the assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

As of December 31, 2025

(In thousands, except for number of shares and per share data)

	Canopy Wave Historical	SAIHEAT Historical	Pro forma Adjustments	Note	Pro forma Combined
Assets					
Current assets:					
Cash and cash equivalents	3,032	202	(1,700)	A	6,034
			4,500	C	
Accounts receivable, net	460	293	—		753
Inventories	—	63	—		63
Crypto assets	—	3,959	—		3,959
Stablecoin assets	—	45	—		45
Restricted crypto assets	—	5,516	—		5,516
Prepaid expenses and other current assets	12	1,165	—		1,177
Prepaid income tax	384	—	—		384
Total current assets	3,888	11,243	2,800		17,931
Non-current assets:					
Property and equipment, net	—	958	—		958
Operating lease right-of-use assets	—	513	—		513
Deferred income taxes	604	—	27	F	631
Goodwill	—	—	26,922	B	26,922
Total non-current assets	604	1,471	26,949		29,024
Total assets	4,492	12,714	29,749		46,955
Liabilities and Equity					
Current liabilities:					
Accounts payable	1,774	715	—		2,489
Operating lease liabilities-current	—	83	—		83
Advance from customers	—	10	—		10
Accrued and other liabilities	1	108	—		109
Deferred revenue	706	—	—		706
Short-term borrowings	—	3,680	—		3,680
Other payable and accrued liabilities	12	287	—		299
Payroll tax payable	1	—	—		1
Total current liabilities	2,494	4,883	—		7,377
Non-current liabilities:					
Long-term borrowings	1,759	—	—		1,759
Operating lease liabilities-non-current	—	432	—		432
Total non-current liabilities	1,759	432	—		2,191
Total liabilities	4,253	5,315	—		9,568
Commitments and contingencies					
	—	—	—		—
Shareholders' equity (deficit):					
Class A Common Shares	—	2	5	D	7
Class B Common Shares	—	1	—	D	1
Additional paid-in capital	170	52,192	(17,879)	D	37,379
			4,500	C	
			96	E	
			(1,700)	A	
Accumulated other comprehensive income (loss)	—	(513)	513	D	—
Accumulated deficit	69	(44,283)	44,283	D	—
			27	F	
			(96)	E	
Total equity (deficit)	239	7,399	29,749		37,387
Total liabilities and Shareholders' Equity (deficit)	4,492	12,714	29,749		46,955

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2025

(In thousands, except for number of shares and per share data)

	Canopy Wave Historical	SAIHEAT Historical	Pro forma Adjustments	Note	Pro forma Combined
Revenues	12,373	4,522	—		16,895
Cost of goods sold and direct costs	7,580	6,868	—		14,448
Gross Profit	4,793	(2,346)	—		2,447
Operating expenses:					
Research and development costs	2,026	217	96	E	2,339
General and administrative	300	2,424	—		2,724
Selling and marketing expense	1,559	279	—		1,838
Assets impairment loss	—	1,557	—		1,557
Total operating expenses	3,885	4,477	96		8,458
Income (loss) from operations	908	(6,823)	(96)		(6,011)
Other income (expense)	(198)	369	—		171
Interest income	20	—	—		20
Net income (loss) before income taxes	730	(6,454)	(96)		(5,820)
Income tax benefit (provision)	(195)	—	27	F	(168)
Net income (loss)	535	(6,454)	(69)	E, F	(5,988)
Other comprehensive income(loss)					
Foreign currency translation (loss)/gain	—	29	—		29
Total Comprehensive (loss)/income	535	(6,425)	(69)	E, F	(5,959)
Income(loss) per ordinary share					
Basic	0.0535	(3.5146)	—		(1.1505)
Diluted	0.0517	(3.5146)	—		(1.1505)
Weighted average number of ordinary shares outstanding:					
Basic	10,000,000	1,836,330	—		5,204,894
Diluted	10,356,111	1,836,330	—		5,204,894

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Note 1. Basis of Presentation

The accompanying unaudited pro forma condensed combined financial information and related notes were prepared in accordance with Article 11 of Regulation S-X.

As discussed in Note 2, certain reclassifications were made to align Canopy Wave's and SAIHEAT's financial statement presentation.

The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with the Merger. The unaudited pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the Merger and related transactions taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the post-combination company. They should be read in conjunction with the historical financial statements and notes thereto of Canopy Wave and SAIHEAT.

In the opinion of the Company's management, the pro forma adjustments described in Note 4 give appropriate effect to the Merger and the PIPE Investment as if they had occurred on the dates indicated and are properly calculated on the basis described herein.

Note 2. Accounting Policies and Reclassifications

Upon consummation of the Merger, management will perform a comprehensive review of the two entities' accounting policies. As a result of the review, management may identify differences between the accounting policies of the two entities which, when conformed, could have a material impact on the financial statements of Canopy Wave. Based on its initial analysis, management did not identify any differences that would have a material impact on the unaudited pro forma condensed combined financial information. As a result, the unaudited pro forma condensed combined financial information does not assume any differences in accounting policies.

Additionally, certain financial statement captions have been combined for purposes of presenting in condensed form in accordance with Article 11 of Regulation S-X.

Note 3. Preliminary Purchase Price Allocation

The per share purchase price of US\$18.15 and the corresponding pre-money equity valuations of US\$60.0 million for Canopy Wave and US\$40.0 million for SAIHEAT represent the negotiated pricing basis under the Merger Agreement. For accounting purposes, however, ASC 805-40-55-10 requires that the fair value of the consideration effectively transferred in a reverse acquisition be based on the most reliable measure available. Canopy Wave is a privately held company whose equity has no quoted market price and whose fair value can be established only through a valuation technique, whereas SAIHEAT's Class A ordinary shares are listed on The Nasdaq Stock Market under the symbol "SAIH" and are publicly traded, so that quoted prices for the identical equity instrument are directly observable. Management has therefore concluded that the fair value of the consideration effectively transferred is most reliably measured by reference to the quoted market price of SAIHEAT's ordinary shares, applying the arithmetic average of the daily closing prices of those shares over the three-month period from June 22, 2026 through September 21, 2026 (64 trading days), or US\$18.7303 per share (the "Measurement Price"). An average over a recent period, rather than a single-date closing price, has been used because, although SAIHEAT's shares are listed, they have historically traded in relatively limited volume and their daily quoted prices are volatile; averaging observable quoted prices over the period reduces the effect of short-term price volatility and of any individual day's thin trading while retaining the benefit of an observable, market-based input.

On that basis, the deemed purchase consideration has been measured as the fair value of the equity interests of SAIHEAT — the accounting acquiree — effectively acquired by Canopy Wave in the reverse acquisition: the 1,832,360 SAIHEAT ordinary shares outstanding immediately prior to the Merger, multiplied by the Measurement Price of US\$18.7303 per share, or approximately US\$34,321 thousand. That amount represents the fair value of the equity interest in the combined company retained by the former SAIHEAT shareholders, who hold approximately 37% of the combined company's outstanding ordinary shares immediately following the Merger (excluding the PIPE Investment). For reference, under the deemed share issuance method described in ASC 805-40-30-3, the number of Canopy Wave shares that would have had to be issued to give the former SAIHEAT shareholders that same percentage interest is 5,873,015 shares. The Measurement Price is corroborated from two independent directions: it differs from the negotiated per share purchase price of US\$18.15 under the Merger Agreement and the PIPE Investment by approximately 3.2%; and applying it to the 4,952,954 ordinary shares expected to be outstanding immediately after the Merger (excluding the PIPE Investment) implies an equity value for the combined company of approximately US\$92,770 thousand, of which approximately 63% — or approximately US\$58,450 thousand — would be attributable to the former Canopy Wave stockholders, which is within approximately 6.2% of the US\$62,312 thousand fair value of Canopy Wave's equity determined by an independent third-party valuation specialist (equivalent to US\$6.2312 per share on its 10,000,000 ordinary shares issued and outstanding immediately prior to the Merger). The preliminary purchase price allocation is provisional and subject to change during the measurement period in accordance with ASC 805-10-25-13 through 25-19.

Under the preliminary purchase price allocation, the identifiable assets acquired and liabilities assumed of SAIHEAT are reflected at their estimated fair values. Based on the valuation performed as of December 31, 2025, the fair values of SAIHEAT's assets and liabilities approximate their carrying amounts, resulting in identifiable net assets acquired of \$7,399. Goodwill of \$26,922 represents the excess of the deemed purchase consideration of \$34,321 over the identifiable net assets acquired of \$7,399, is attributable to the combined workforce and the synergies expected from the combination, and is not deductible for tax purposes. SAIHEAT's accumulated other comprehensive loss of \$513 was eliminated in the reorganization. The purchase price allocation is preliminary and subject to change during the measurement period.

Sensitivity of the purchase price allocation to the share price applied. Because the deemed consideration is determined by applying a share price to SAIHEAT's 1,832,360 ordinary shares outstanding immediately prior to the Merger, the resulting goodwill varies directly with the measurement period selected. For illustration: using the volume-weighted average price over the same three-month period (US\$22.1328 per share) would increase the deemed consideration to approximately \$40,555 and goodwill to approximately \$33,156; using the arithmetic average price over the six-month period ended September 21, 2026 (US\$14.7439 per share) would reduce the deemed consideration to approximately \$27,016 and goodwill to approximately \$19,617; and using the arithmetic average price over the period from January 1, 2026 through September 21, 2026 (US\$12.6247 per share) would reduce the deemed consideration to approximately \$23,133 and goodwill to approximately \$15,734. Management selected the three-month arithmetic average because it is the most recent period long enough to mitigate day-to-day volatility while still reflecting current market conditions, and because it is closely corroborated by the negotiated PIPE price of US\$18.15 per share and by the independent valuation of Canopy Wave described above. The three-month measurement period includes 30 trading days after the public announcement of the Merger on August 10, 2026, during which SAIHEAT's shares traded at an average of US\$23.5685 per share on average daily volume of approximately 20,336 shares, compared with an average of US\$14.4614 per share on average daily volume of approximately 5,629 shares for the 34 trading days in the same period that preceded the announcement. A quoted price observed after announcement of a transaction may reflect the terms of that transaction; using the pre-announcement portion of the three-month period only would result in deemed consideration of approximately \$26,498 and goodwill of approximately \$19,099. Management has nonetheless included the post-announcement trading days because trading in SAIHEAT's ordinary shares was materially more active in that period than at any other time in 2026, so that those quoted prices represent the most reliable pricing information available for SAIHEAT's equity, and because the resulting three-month average is corroborated by the negotiated PIPE price. This judgment will be reassessed at the acquisition date, when the measurement period will be updated to end on the closing date. A change in the Measurement Price would have a corresponding effect on the fair value of the replacement awards, the incremental share-based compensation expense recognised in Note 4-E and the related deferred tax asset in Note 4-F; holding the pre-modification award fair value and all other valuation assumptions constant, a decrease in the Measurement Price of more than approximately 5% would reduce the fair value of the replacement awards below the fair value of the pre-modification awards of \$3,275, in which case no incremental share-based compensation expense would be recognised in accordance with ASC 718-20-35-3.

	Amount
SAIHEAT owners retained	37.00%
SAIHEAT ordinary shares outstanding immediately prior to the Merger	1,832,360
Three-month average share price (June 22 – September 21, 2026)	US\$18.7303
Deemed shares issued (reference – ASC 805-40-30-3)	5,873,015
Deemed consideration (1,832,360 × US\$18.7303)	\$ 34,321
Less: identifiable net assets at fair value	7,399
Goodwill	\$ 26,922

Note 4. Pro Forma Adjustments

The unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the Merger and related transactions and has been prepared for informational purposes only.

The pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined statement of operations are based upon the number of shares of the combined company Common Stock outstanding, assuming the Merger and related transactions occurred on January 1, 2025.

The transaction accounting adjustments included in the unaudited pro forma condensed combined balance sheet as of December 31, 2025 are as follows:

A — Estimated transaction costs

Reflects estimated costs of approximately \$1,700 incurred in connection with the issuance of ordinary shares to consummate the Merger and the PIPE Investment, including legal, registration and other incremental costs directly attributable to such issuances. In accordance with ASC 805-10-25-23 and ASC 340-10-S99-1 (SAB Topic 5.A), these costs have been recorded as a reduction of additional paid-in capital in the pro forma condensed combined balance sheet. These costs are non-recurring and, as equity issuance costs, are not reflected as an expense in the pro forma condensed combined statement of operations.

B — Goodwill

Goodwill of \$26,922 is recognized in connection with the Merger. In accordance with ASC 805, the Merger is accounted for as a reverse acquisition, in which Canopy Wave is the accounting acquirer and SAIHEAT is the accounting acquiree. Under ASC 805-40, goodwill is measured as the excess of the deemed consideration transferred by the accounting acquirer over the identifiable net assets of the accounting acquiree. As described in Note 3, because SAIHEAT's ordinary shares are listed on The Nasdaq Stock Market and trade in a public market whereas Canopy Wave's equity is privately held and has no quoted market price, management concluded, applying ASC 805-40-55-10, that the fair value of the deemed consideration is most reliably measured by reference to the quoted market price of SAIHEAT's ordinary shares. Applying the arithmetic average of the daily closing prices of SAIHEAT's ordinary shares over the three-month period ended September 21, 2026 of US\$18.7303 per share to the 1,832,360 SAIHEAT ordinary shares outstanding immediately prior to the Merger results in deemed consideration of approximately \$34,321. The identifiable net assets of SAIHEAT to be acquired are approximately \$7,399. The excess of the deemed consideration of \$34,321 over the identifiable net assets of \$7,399 results in goodwill of \$26,922, attributable primarily to the synergies expected from the combination, and is not deductible for tax purposes. Pursuant to ASC 350, goodwill is not amortized and will be tested for impairment at least annually. The pro forma goodwill is highly sensitive to changes in SAIHEAT's assets and liabilities between the date of this presentation and the completion of the valuation of its assets and liabilities, as well as to changes in the quoted market price of SAIHEAT's ordinary shares and to the measurement period selected, as illustrated by the sensitivity analysis in Note 3.

C — PIPE Investment

Reflects, as a financing adjustment, the issuance of 247,970 Class A ordinary shares at US\$18.15 per share for aggregate gross proceeds of \$4,500 pursuant to the PIPE Share Purchase Agreement, assumed to have occurred on December 31, 2025 for balance sheet purposes. The pro forma condensed combined statements of operations do not reflect any imputed interest income on the PIPE proceeds.

D — Elimination of historical equity of SAIHEAT and recapitalization of share capital

The historical shareholders' equity of SAIHEAT — Class A ordinary shares of \$2, Class B ordinary shares of \$1, additional paid-in capital of \$52,192, accumulated other comprehensive loss of \$(513) and accumulated deficit of \$(44,283) — was eliminated against the deemed purchase consideration and the fair value adjustments described in Note 3.

Prior to the consummation of the Merger, all 642,043 outstanding Class B ordinary shares of SAIHEAT will automatically convert, on a one-for-one basis, into an equal number of Class A ordinary shares in accordance with the conversion provisions set forth in the Merger Agreement. Upon consummation of the Merger and the PIPE Investment, the combined company will have 5,200,924 ordinary shares outstanding, comprising 4,704,482 Class A ordinary shares and 496,442 Class B ordinary shares. Of the 3,120,594 ordinary shares newly issued upon the closing of the Merger, 110,192 Class A ordinary shares will be deposited into escrow for a period of twelve months to secure the sellers' indemnification obligations. As such escrowed shares are legally issued and outstanding upon consummation of the Merger, they are included in the pro forma share capital and no pro forma adjustment has been made to reflect the escrow arrangement. The share capital of the combined company has been recapitalized at the par value of US\$0.0015 per share, resulting in Class A ordinary shares of \$7 and Class B ordinary shares of \$1, with the excess of the recapitalized share capital recorded in additional paid-in capital. The \$1 of Class B ordinary shares reflected in the pro forma combined balance sheet represents the par value of the 496,442 Class B ordinary shares issued in the Merger at US\$0.0015 per share, and is not a continuation of SAIHEAT's historical Class B share capital, which has been eliminated as described above.

E — Replacement share-based payment awards

All outstanding Canopy Wave options (595,000 options with a weighted average exercise price of US\$0.258 and a weighted average grant date fair value of US\$0.529) will be cancelled at the effective time and exchanged for options to purchase 185,675 Class A ordinary shares of the combined company (the "New Parent Options"), determined by multiplying the number of Canopy Wave options by the exchange ratio of 0.312059, with a corresponding exercise price of US\$0.8268 per share.

Because Canopy Wave is the accounting acquirer in the reverse acquisition, its outstanding options are not share-based payment awards of an acquiree and therefore are not within the scope of ASC 805-10-25-105 through 25-112, which addresses the replacement of acquiree awards in a business combination and the allocation of the resulting fair value between purchase consideration and post-combination expense. Instead, the exchange of the Canopy Wave options for the New Parent Options is accounted for as a modification of the terms of an existing equity award under ASC 718-10-35-3 (and, for share options, ASC 718-20-35-3), pursuant to which the exchange is treated as a cancellation of the original awards and the grant of new awards, and incremental compensation cost is measured as the excess, if any, of the fair value of the modified awards over the fair value of the original awards immediately before their terms are modified. The New Parent Options are classified as equity awards in accordance with ASC 718-10-25-13. On that basis, the aggregate fair value of the New Parent Options is approximately \$3,452 (185,675 options at US\$18.59 each), compared with approximately \$3,275 for the replaced Canopy Wave options (595,000 options at US\$5.5036 each), measured as the fair value of the replaced awards immediately before the modification. Consistent with ASC 718-20-35-3, the fair value of the replaced awards immediately before modification has been measured using the share price and other pertinent factors at the modification date, rather than the original grant-date fair value of US\$0.529 per option recognised by Canopy Wave in its historical financial statements. Because Canopy Wave's shares are not publicly traded, no quoted market price is available; management therefore derived the transaction-implied Canopy Wave share price of US\$5.664 per share by applying the option exchange ratio of 0.312059 to the SAIHEAT transaction and PIPE price of US\$18.15 per share. The resulting \$178 excess represents incremental share-based compensation cost. The exchange preserves the economic terms of the original awards, because the number of options was multiplied by, and the exercise price was divided by, the exchange ratio of 0.312059. The excess relates principally to the difference between the estimated fair value of the Canopy Wave options immediately before the modification and the fair value of the New Parent Options, rather than to any enhancement of the terms of the awards.

The incremental cost is recognized over the awards' original 48-month requisite service period under their graded vesting terms — one-fourth vesting on the first anniversary of the vesting commencement date and one-forty-eighth each month thereafter, within a ten-year contractual term — with cost attributed to each tranche over its respective service period. Assuming the Merger had occurred on January 1, 2025, incremental share-based compensation expense is \$96 for the year ended December 31, 2025, representing the portion of the \$178 incremental compensation cost attributed to services rendered during 2025, with a corresponding credit to additional paid-in capital. The remaining \$82 is expected to be recognized in 2026, 2027 and 2028 in the amounts of \$51, \$23 and \$8, respectively.

The fair value of the New Parent Options was estimated using the Black-Scholes-Merton option pricing model with the following weighted-average assumptions: share price of US\$18.7303, being the same three-month average of the daily closing prices of SAIHEAT's ordinary shares for the period from June 22, 2026 through September 21, 2026 that was used to measure the deemed consideration described in Note 3, so that a single, consistently applied measurement basis is used for the equity interests issued in the Merger and for the replacement awards; exercise price of US\$0.8268 per share; expected life of 7.0 years, determined using the simplified method described in Staff Accounting Bulletin Topic 14.D (the midpoint of the four-year requisite service period and the ten-year contractual term); expected volatility of 144.71%, based on the historical volatility of SAIHEAT's ordinary shares, which are the shares underlying the New Parent Options; risk-free interest rate of 4.93%; and expected dividend yield of 0%. The quoted market prices of SAIHEAT's ordinary shares are the only observable market-based inputs available for valuing the New Parent Options, and the same averaged price has been applied both as the underlying share price for the option valuation and as the basis for the deemed consideration. Because the New Parent Options are plain-vanilla, time-based options on shares that do not pay dividends, the Black-Scholes-Merton model produces substantially the same fair value as the binomial (lattice) model applied by Canopy Wave in its historical financial statements (US\$18.5937 and US\$18.5932 per option, respectively).

F — Income taxes

The only transaction accounting adjustment affecting income before income taxes is the incremental share-based compensation expense of \$96 described in Note 4-E. The stock options are non-qualified stock options, so that Canopy Wave is entitled to a tax deduction under Section 83(h) of the Internal Revenue Code in the year the option holder recognises income on exercise, giving rise to a deductible temporary difference and a corresponding deferred tax asset. Because Canopy Wave is subject to tax in both the United States and California, the deferred tax benefit has been measured using the combined U.S. federal and California state statutory rate of approximately 27.98% (U.S. federal statutory rate of 21% plus California state tax of 8.84% net of the federal benefit), in accordance with Rule 11-02(b)(5)(i) of Regulation S-X. This results in a deferred tax benefit of \$27, recorded as an increase in deferred tax assets with a corresponding reduction of the pro forma income tax provision to a net income tax provision of \$168 (Canopy Wave's historical provision of \$195 less the \$27 benefit). No current tax benefit has been recorded because the deduction for non-qualified stock options arises only upon exercise.

All option holders are employees of Canopy Wave, a U.S. taxpayer, and the entire deduction is therefore expected to be claimed in the United States; none has been attributed to SAIHEAT, whose historical provision was nil and whose gross deferred tax assets of \$5,428 are fully offset by a valuation allowance. Based on Canopy Wave's pre-tax income of \$730 for 2025 and its projections of future taxable income, management concluded that the incremental deferred tax asset is more likely than not to be realized, and no valuation allowance has been recorded against it. The remaining adjustments in Note 4 — equity issuance costs, goodwill (which is not deductible for tax purposes), the PIPE Investment and the recapitalization of share capital — do not affect income before income taxes and have no tax effect.

For purposes of Rule 11-02(a)(11)(i) of Regulation S-X, each transaction accounting adjustment in this Note is identified as follows: the estimated transaction costs in Note 4-A are non-recurring and are not expected to affect the combined company's results of operations in future periods; the adjustments in Notes 4-B, 4-C and 4-D are balance sheet adjustments that do not affect income before income taxes; and the adjustments in Notes 4-E and 4-F are recurring, as the incremental share-based compensation expense will continue to be recognised over the remaining vesting period of the replacement awards and the related income tax effect will correspondingly affect the combined company's results of operations in future periods.

Note 5. Pro Forma Net Loss Per Share

The pro forma basic and diluted net loss per share is computed in accordance with Rule 11-02(a)(9)(i) and (ii) of Regulation S-X by dividing the pro forma net loss attributable to the controlling interests by the weighted average number of ordinary shares outstanding, adjusted to give effect, as if such shares had been outstanding as of January 1, 2025, to the 3,120,594 ordinary shares to be issued to Canopy Wave stockholders pursuant to the exchange ratio established in the Merger and the 247,970 ordinary shares to be issued in the PIPE Investment. The resulting weighted average number of ordinary shares outstanding is 5,204,894, comprising SAIHEAT's historical weighted average shares of 1,836,330 and 3,368,564 shares deemed outstanding from the beginning of the period. The 185,675 ordinary shares reserved for issuance under the New Parent Options are potential ordinary shares that have been excluded from the calculation of diluted net loss per share because their effect would be antidilutive given the pro forma net loss (ASC 260).

	Year Ended December 31, 2025
Pro forma net loss attributable to the controlling interests	(5,988)
Actual weighted average common shares outstanding-basic and diluted	1,836,330
Shares to be issued to Canopy Wave upon closing of the transaction	3,120,594
Shares to be issued to PIPE upon closing of the transaction	247,970
Total weighted average common shares outstanding basic and diluted	5,204,894
Pro forma net loss per share attributable to the controlling interests - basic and diluted	(1.1505)

CANOPY WAVE INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025 AND THE PERIOD FROM MAY 10, 2024
(INCEPTION) THROUGH DECEMBER 31, 2024

CANOPY WAVE INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Canopy Wave Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Canopy Wave Inc. (“the Company”) as of December 31, 2025 and 2024, the related statements of operations and comprehensive income (loss), statements of changes in shareholders’ equity (deficit), and statements of cash flows for the year ended December 31, 2025 and the period from May 10, 2024 (inception) through December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, the results of its operations and its cash flows for the year ended December 31, 2025 and the period from May 10, 2024 (inception) through December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (the “PCAOB”) and are required to be independent with respect to the Company in accordance with the United States federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Assentsure PAC

We have served as the Company’s auditor since 2026

Singapore

September 28, 2026

PCAOB ID number: 6783

CANOPY WAVE INC.
BALANCE SHEETS
(In thousands, except for number of shares and per share data)

	As of December 31, 2024 (US\$)	As of December 31, 2025 (US\$)
Assets		
Current assets:		
Cash and cash equivalents	1,522	3,032
Accounts receivable	331	460
Prepaid income tax	—	384
Deposits and prepaid expenses	61	12
Total current assets	1,914	3,888
Non - current assets:		
Deferred income taxes	799	604
Total non - current assets:	799	604
Total assets	2,713	4,492
Liabilities and equity		
Current liabilities:		
Accounts payable	54	1,774
Deferred revenue	773	706
Employee benefits payable	17	12
Payroll tax payable	—	1
Tax payable	193	1
Total current liabilities	1,037	2,494
Non - current liabilities:		
Long - term borrowings	1,562	1,759
Deferred revenue - non-current	580	—
Total non - current liabilities	2,142	1,759
Total liabilities	3,179	4,253
Commitments and contingencies		
Shareholders' (deficit) equity:		
Common stock, \$0.00001 par value, 12,000,000 shares authorized, 10,000,000 shares issued and outstanding	*	*
Additional paid - in capital	—	170
(Accumulated deficit) Retained earnings	(466)	69
Total shareholders' (deficit) equity	(466)	239
Total liabilities and shareholders' (deficit) equity	2,713	4,492

* Amounts of less than \$1,000 are presented as “*” due to rounding to thousands of US dollars.

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

CANOPY WAVE INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(In thousands, except for number of shares and per share data)

	For the year ended December 31, 2025 and the period from May 10, 2024 (inception) through December 31, 2024	
	2024 (US\$)	2025 (US\$)
Revenues		
Service contract revenue	1,979	6,275
Hardware revenue	4,342	6,098
Total revenue	6,321	12,373
Cost of goods sold and direct costs	3,959	7,580
Gross profit	2,362	4,793
Research and development costs	3,298	2,026
General and administrative	211	300
Selling and marketing expense	203	1,559
Total operating expenses	3,712	3,885
(Loss) income from operations	(1,350)	908
Other income (expense)	278	(198)
Interest income	—	20
Net (loss) income before income taxes	(1,072)	730
Income tax benefit (expense)	606	(195)
Net (loss) income	(466)	535
Other comprehensive income (loss)	—	—
Total Comprehensive (loss)/income	(466)	535
(Loss) income per ordinary share		
Basic	(0.0466)	0.0535
Diluted	(0.0466)	0.0517
Weighted average number of ordinary shares outstanding:		
Basic	10,000,000	10,000,000
Diluted	10,000,000	10,356,111

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

CANOPY WAVE INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY/(DEFICIT)
(In thousands, except for number of shares and per share data)

	Common Stock		Additional paid-in capital	(Accumulated deficit)/ Retained earnings	Accumulated other comprehensive income(loss)	Total shareholders' equity/ (deficit)
	Number of shares*	Amount (US\$)				
Balance, May 10, 2024 (inception)	—	—	—	—	—	—
Net loss	—	—	—	(466)	—	(466)
Issuance of common stock	10,000,000	*	—	—	—	—
Balance, December 31, 2024	10,000,000	*	—	(466)	—	(466)
Balance, January 1, 2025	10,000,000	*	—	(466)	—	(466)
Net income	—	—	—	535	—	535
Stock - Based Compensation	—	—	170	—	—	170
Balance, December 31, 2025	10,000,000	*	170	69	—	239

* Common stock consists of 12,000,000 authorized shares, \$0.00001 par value, of which 10,000,000 shares are issued and outstanding as of December 31, 2024 and 2025; all were issued in May 2024, upon incorporation, for an aggregate consideration of \$100 (shown as “*”), holders have one vote per share, dividend rights when declared, and ratable liquidation rights, with no conversion, redemption or preemptive rights.

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

CANOPY WAVE INC.
STATEMENTS OF CASH FLOWS
(In thousands)

For the year ended
December 31, 2025
and the period from
May 10, 2024
(inception) through
December 31, 2024

	2024	2025
	(US\$)	(US\$)
Cash flows from operating activities		
Net (loss) income	(466)	535
Deferred income taxes	(799)	195
Stock - Based Compensation	—	170
Non-cash interest expense on long-term borrowings	108	197
Gain on initial recognition of long-term borrowings	(386)	—
Changes in operating assets and liabilities:		
Increase in accounts receivable	(331)	(129)
Increase in prepaid income taxes	—	(384)
Increase in accounts payable	54	1,720
Increase/(decrease) in tax payables	193	(192)
Increase/(decrease) in deferred revenue	1,353	(647)
(Increase)/decrease in deposits and prepaid expenses	(61)	49
Increase/(decrease) in employee benefits payable	17	(4)
Net cash (used in)/provided by operating activities	(318)	1,510
Cash flows from investing activities		
Net cash provided by (used for) investing activities	—	—
Cash flows from financing activities		
Proceeds from issuance of common stock	*	—
Proceeds from Long - term borrowing financing	1,840	—
Net cash provided by financing activities	1,840	—
Net increase in cash and cash equivalents	1,522	1,510
Cash, beginning of year	—	1,522
Cash, end of year	1,522	3,032
Supplemental disclosures:		
Cash payments made for income taxes	—	577
Supplemental disclosures of non-cash investing and financing activities:		
Non - cash interest expense	108	197

* Amounts of less than \$1,000 are presented as “*” due to rounding to thousands of US dollars.

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

NOTE 1 - ORGANIZATION AND OPERATIONS

Canopy Wave Inc. (the Company), a Delaware corporation formed in May 2024, specializes in building and operating high-performance AI inference platforms. The Company's principal place of business is located in Santa Clara, California. The Company's operations include developing proprietary cloud-based platforms, offering data integration support, and delivering tailored analytics reporting.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use 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 and the related disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenue and expenses during the reporting period. The Company continually evaluates these estimates and assumptions based on the most recently available information, historical experience and various other assumptions that the Company believes to be reasonable under the circumstances. Significant accounting estimates and judgments reflected in the Company's financial statements include, but are not limited to, the allowance for credit losses, valuation allowance for deferred tax assets, valuation of employee stock options, estimates of contract progress, standalone selling prices and variable consideration in revenue recognition, and the present value of long-term interest-free borrowings. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates.

Cash and cash equivalents - Cash and cash equivalents consist of bank deposits, which are unrestricted as to withdrawal and use. The Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

Revenue Recognition - The Company's revenue consists of hardware and service revenues. Hardware revenues are recognized at a point in time when control of the hardware transfers to the customer, generally upon shipment to the customer or when the hardware is made available for customer pickup. Service revenues are recognized over time as the customer simultaneously receives and consumes the benefits provided by the Company's performance, or as the Company creates or enhances an asset that the customer controls. Service revenues consist of the following:

- Consultation services — Revenue is recognized over time using a time-based method over the life of the related contract.
- Cloud and managed services — Revenue is recognized over time as services are rendered. These services primarily consist of recurring subscription and usage-based arrangements, including Inference as a Service, GPU as a Service, and GPU Infrastructure Management. Customers are typically billed monthly based on hours incurred or contractually agreed subscription/usage terms. Amounts billed in advance of the service period are recorded as deferred revenue and recognized as revenue when the related services are performed.
- Infrastructure design and deployment services — Revenue from fixed-price or milestone-based contracts for the design, build, and deployment of customized infrastructure, including GPU Cluster Design and Deployment and Modular Data Center Construction, is recognized over time using the cost-to-cost input method to measure progress toward completion. The timing and amount of revenue recognition in this category are significantly influenced by project timelines, supply chain logistics, and the achievement of specific deployment milestones.

The Company has assessed whether it acts as a principal or an agent for each of its revenue streams in accordance with ASC 606-10-55-37 through 55-40, based on the terms of its material sales and purchase contracts, and has concluded that it controls the specified goods or services before they are transferred to its customers and therefore acts as a principal for all of its revenue streams. For hardware sales, suppliers generally ship the hardware directly to the customer or make it available for customer pickup at the supplier’s premises; such drop-shipment is a fulfilment arrangement and does not alter the Company’s principal conclusion, which is based on the Company’s primary responsibility for the fulfilment and acceptability of the hardware, its inventory and fulfilment risks (including procurement commitments and price risk), and its discretion in establishing the prices charged to customers, and not on the gross presentation of related cash flows.

Performance Obligation - The Company’s performance obligations primarily consist of transferring hardware and providing cloud-based managed services, consultation services, and infrastructure design and deployment services. For contracts that include multiple performance obligations, the transaction price is allocated to each performance obligation based on its relative standalone selling price. The Company does not provide returns, refunds, or warranties on its services. For sales of hardware, the Company provides an assurance-type warranty that guarantees the hardware will function as intended. Such assurance-type warranties do not represent separate performance obligations. The Company accrues for estimated warranty costs at the time the hardware revenue is recognized, based on historical experience and anticipated future repair costs.

Significant Judgments - The Company recognizes revenue from its ongoing services, over time as the services are provided, using a time-based method. For infrastructure design and deployment services significant judgment is required to determine the timing of revenue recognition, particularly in estimating the progress toward completion of these long-term development and deployment contracts. Furthermore, when contracts contain multiple performance obligations (e.g., combining infrastructure deployment with ongoing managed services), management exercises significant judgment in determining the standalone selling prices of the distinct goods and services and in allocating the transaction price to each performance obligation. Significant judgment is also required in assessing variable consideration, such as service level agreement credits, to ensure revenue is recognized only to the extent that a significant reversal in the amount of cumulative revenue recognized is not probable. Significant judgment is also applied in the principal versus agent assessment for each revenue stream (ASC 606-10-55-37 through 55-42). Based on the terms of its material sales and purchase contracts, the Company concluded that it acts as a principal for all of its revenue streams, including hardware sales where suppliers deliver the hardware directly to customers, and accordingly recognizes revenue on a gross basis.

Disaggregation of Revenue - The Company disaggregates its revenue into the following categories: (1) Service contract revenue, which includes Consultation services, Cloud and Managed Services (including Inference as a Service, GPU as a Service, and GPU Infrastructure Management), and Infrastructure Design and Deployment services (including GPU Cluster Design and Deployment and Modular Data Center Construction); and (2) Hardware revenue, which represents sales of hardware to customers. These categories depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

For the period from May 10, 2024 (inception) through December 31, 2024 and the year ended December 31, 2025, the disaggregation of revenue by major revenue stream is as follows:

	For the year ended December 31, 2025 and the period from May 10, 2024 (inception) through December 31, 2024	
	2024	2025
	(US\$)	(US\$)
Revenues		
Service contract revenue	1,979	6,275
Hardware revenue	4,342	6,098
Total revenue	6,321	12,373

Contract balances - The Company's contract liabilities consist of deferred revenue arising from advance billings to customers for cloud and managed services, and are presented as deferred revenue on the accompanying balance sheets. The following table summarizes the activity in the Company's contract liabilities (deferred revenue):

	As of December 31, 2024 US\$	As of December 31, 2025 US\$
Deferred revenue — beginning of period	—	1,353
Revenue recognized from beginning balance	—	(773)
Additions to deferred revenue — current	773	126
Additions to deferred revenue — non-current	580	—
Deferred revenue — end of period	1,353	706

Of the deferred revenue classified as non-current as of December 31, 2024, \$580 was reclassified to current during the year ended December 31, 2025, as the related performance obligations became expected to be satisfied within twelve months. As of December 31, 2025, all deferred revenue was classified as current.

Accounts Receivable - The Company records accounts receivable at net realizable value consisting of the carrying amount less an allowance for credit loss as needed. The allowance for credit loss is the Company's best estimate of the amount of expected credit losses in the Company's existing accounts receivable. The Company determines the allowance based on aging data, historical collection experience, customer specific facts and economic conditions. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of December 31, 2025 and 2024, the Company did not record any allowances for credit loss against its accounts receivable.

Cost of Goods Sold and Direct Costs - Cost of goods sold and direct costs consist of hardware, data center operations, direct labor, subcontractor fees, and related overhead directly tied to revenue-generating activities. For Service contract revenue, costs (including GPU server depreciation and power) are expensed as services are rendered. For hardware sales, the associated hardware costs are recognized in full as cost of goods sold at the point in time when control of the hardware transfers to the customer, generally upon shipment to the customer or when the hardware is made available for customer pickup, which is consistent with the timing of recognition of the related hardware revenue. General administrative overhead, research and development, and sales and marketing expenses are excluded from cost of goods sold and expensed as incurred. Consistent with the Company's principal conclusion under ASC 606, revenue and the related costs of goods sold and direct costs are presented on a gross basis.

Fair Value of Financial Instruments - The carrying value of cash, receivables and accounts payable approximates fair value due to the short maturity of these instruments. None of the financial instruments are held for trading purposes.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This topic also establishes a fair value hierarchy which requires classification based on observable and unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Determining which category an asset or liability falls within the hierarchy requires significant judgment. The Company evaluates its hierarchy disclosures each quarter.

Research and Development - Research and development costs are charged to operations as incurred.

Other Income (Expense) - Other income (expense) includes amounts not directly related to the Company's principal operations. The Company measures long-term borrowings, including zero-coupon promissory notes, at the present value of their future cash flows discounted at a market rate of interest in accordance with ASC 470. The difference between the face amount of the note and the present value of its future cash flows is recorded in Other Income (Expense) at issuance, with the resulting discount accreted to interest expense over the term of the note using the effective interest method. Interest expense on long-term borrowings, including accretion of the imputed discount, is likewise recorded within Other Expense.

Income Taxes - Income tax expense is based on reported income before income taxes. Deferred tax assets and liabilities are recognized for the temporary differences between the financial reporting basis and the tax basis of assets and liabilities, using currently enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance to the extent that it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company is subject to income taxes in multiple jurisdictions, including U.S. federal and various state jurisdictions. The Company accounts for uncertain tax positions in accordance with ASC 740-10. A tax position is recognized only if it is "more likely than not" that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The tax benefit recognized in the financial statements for such positions is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Advertising - Advertising costs are expensed when the advertisement first occurs. Advertising expense for the year ended December 31, 2025 and the period from May 10, 2024 (inception) through December 31, 2024 was \$400 and nil, respectively.

Stock - Based Compensation - The Company accounts for Stock - Based Compensation in accordance with ASC 718, Compensation—Stock Compensation. Under ASC 718, the Company measures the cost of employee services received in exchange for an award of equity instruments (such as stock options and restricted stock units) based on the grant-date fair value of the award. That cost is recognized as compensation expense over the requisite service period using the graded-vesting attribution method, under which each separately vesting tranche is treated as a separate award and compensation cost is recognized over the requisite service period of each tranche.

The Company estimates the grant-date fair value of stock options using a binomial option-pricing model (a Cox-Ross-Rubinstein style lattice). The model requires the use of subjective assumptions, including the expected volatility of the Company's stock, the expected term of the awards, the risk-free interest rate, and the expected dividend yield. Because the Company is a private entity and lacks company-specific historical equity volatility data, expected volatility is estimated based on the historical volatility of comparable publicly traded companies within the same industry. The Company has elected the expected term practical expedient available to nonpublic entities in accordance with ASC 718-10-30-20A. Because the awards have graded vesting, the expected term is determined for each separately vesting tranche based on the midpoint between the vesting date of that tranche and the contractual term of the award, and the tranche-specific expected terms are weighted to determine the overall expected term. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for a period commensurate with the expected term. The Company has not paid, and does not expect to pay, dividends; therefore, the expected dividend yield is zero.

Commitments and Contingencies - The Company accrues estimated losses from loss contingencies by a charge to income when information available before financial statements are issued or are available to be issued indicates that it is probable that an asset had been impaired, or a liability had been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred. If a loss contingency is not probable or reasonably estimable, disclosure of the loss contingency is made in the financial statements when it is at least reasonably possible that a material loss could be incurred. As of December 31, 2025 and 2024, there were no contingent liabilities relating to litigations against the Company.

Concentrations of Credit Risk - Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. The Company invests its excess cash in money market funds and certificates of deposit with a financial institution.

Leases - In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842)”. The amendments in this ASU requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities.

Related Party Transactions - Related parties include the Company’s founders, principal stockholders, management, directors, and their immediate families, as well as entities in which these individuals or the Company have a significant influence or controlling interest. Transactions involving related parties are accounted for based on the economic substance of the transactions. The Company records purchases of goods or services from related parties at the agreed-upon exchange amounts, which may not necessarily reflect terms that would be negotiated with independent third parties. Receivables from and payables to related parties are presented in the balance sheets and are non-interest-bearing unless otherwise specified. The Company discloses the nature and amounts of significant related party transactions in the notes to the financial statements in accordance with ASC 850, Related Party Disclosures.

Concentration of Customers and Suppliers - The Company is subject to concentration risks with respect to accounts receivable. The Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company monitors economic and market conditions and identifies significant customers as those representing 10% or more of total revenue or accounts receivable.

Additionally, the Company relies on a limited number of third-party suppliers for critical hardware components, such as high-performance GPUs, networking equipment, and data center infrastructure. The inability of these key suppliers to fulfill orders in a timely manner or a significant increase in component costs could adversely affect the Company’s operations and financial results. The Company identifies significant suppliers as those representing 10% or more of total purchases or accounts payable. Significant customer and supplier concentrations, if any, are disclosed in the notes to the financial statements.

Segment reporting - The Company’s chief operating decision maker (the “CODM”), consisting of the Chief Executive Officer and the Chief Technology Officer, reviews financial information on a basis to assess performance and allocate resources; accordingly, the Company operates in a single reportable segment. The measure of segment profit or loss is net income (loss), and the measure of segment assets is total assets, consistent with the accompanying financial statements. Significant segment expenses regularly provided to the CODM are the operating expense captions presented on the statements of operations; other segment items, consisting of other income (expense), net and income tax provision. The Company does not present geographical segments.

Earnings (loss) per share - Earnings (loss) per share is computed in accordance with ASC 260. Basic earnings (loss) per share is computed by dividing net income (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The Company has only one class of ordinary shares, which have identical rights with respect to earnings and dividends. There are no participating securities or other instruments with rights to share in the Company’s undistributed earnings outstanding, and accordingly, the two-class method is not applicable.

Diluted earnings (loss) per share is computed by dividing net income (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the effect of dilutive potential ordinary shares. Potential ordinary shares are included in the computation of diluted earnings (loss) per share when their effect is dilutive. For the year ended December 31, 2025, the Company's 595,000 outstanding stock options with a weighted-average exercise price of \$0.258 were included in the computation of diluted earnings per share under the treasury stock method, as the weighted-average exercise price was below the fair value per ordinary share of \$0.6426 as determined by an independent valuation specialist.

Recent Accounting Pronouncements - The Financial Accounting Standards Board (FASB) periodically issues Accounting Standards Updates (ASUs) to the FASB Accounting Standards Codification. Management evaluates all recently issued accounting pronouncements to determine their applicability to the Company.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This standard requires disaggregated information about a reporting entity's effective tax rate reconciliation and information on income taxes paid. For private companies, the standard is effective for annual periods beginning after December 15, 2025. The Company is currently evaluating the impact of this standard on its income tax disclosures but does not expect it to have a material impact on its financial statements.

Recently issued accounting pronouncements not listed above were evaluated and determined to be either not applicable or not expected to have a material impact on the Company's financial statements.

NOTE 3 - LIQUIDITY AND GOING CONCERN

For the year ended December 31, 2025, the Company had a net income of \$535 and net cash inflow in operating activities of \$1,510. As of December 31, 2025, our current assets exceeded our current liabilities by \$1,394, we had cash and cash equivalents of \$3,032, and retained earnings of \$69. The Company generated total revenue of \$12,373 for the year ended December 31, 2025, representing a 96% increase from \$6,321 for the period from inception (May 10, 2024) to December 31, 2024.

Subsequent to the balance sheet date, on August 10, 2026, the Company entered into a definitive merger agreement with SAIHEAT Limited ("SAIHEAT"), pursuant to which the Company will become a wholly-owned subsidiary of SAIHEAT (see Note — Subsequent Events). The transaction includes a concurrent private investment in public equity ("PIPE") financing of approximately \$4.5 million, which, upon completion, is expected to provide the Company with additional capital resources. The closing of the merger is subject to customary conditions, including shareholder approval and Nasdaq listing approval. Management believes that existing cash reserves and projected cash flows from operations, together with the anticipated proceeds from the merger transaction, will be adequate to meet the Company's anticipated cash needs for at least the next 12 months from the date of this report. However, should the merger transaction fail to close, or should there be changes in business conditions, strategic opportunities, or other developments, additional cash resources may be required. In such circumstances, the Company may consider raising funds through debt or equity financing or securing a credit facility.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable as of December 31, 2024 and 2025, consisted of the following:

	As of December 31, 2024 US\$	As of December 31, 2025 US\$
Accounts receivable	331	460
Less: allowance for credit losses	—	—
Accounts receivable, net	331	460

NOTE 5 - ACCOUNTS PAYABLE

Accounts payable consisted primarily of amounts owed to vendors for goods and services purchased in the ordinary course of business. The Company periodically reviews its outstanding payables to identify long-outstanding or disputed items. As of December 31, 2024 and 2025, accounts payable totaled \$54 and \$1,774, respectively.

NOTE 6 - LONG TERM BORROWINGS - PROMISSORY NOTES

During 2024, the Company issued three unsecured promissory notes (the “Notes”) to fund its operations. The key terms of the Notes are summarized as follows:

Lender	Effective Date	Maturity Date	Principal Amount	Interest Rate
Bit Digital AI, Inc.	2024/5/30	2027/5/30	\$ 1,000,000	0% (zero-coupon)
Horizon AI Ventures LLC	2024/6/5	2027/6/5	\$ 340,000	0% (zero-coupon)
Signal Pulse Hardware & Networks Inc.	2024/6/13	2027/6/13	\$ 500,000	15% per annum
Total			\$ 1,840,000	

The Notes are general unsecured obligations of the Company and rank pari passu with each other. The Notes are senior to outstanding indebtedness and creditor claims to the extent such indebtedness or claims are not expressly senior to the Notes, and are senior to preferred and common stock. Each Note has a term of three years from its respective effective date. Interest on the Signal Pulse note accrues at 15% per annum and is payable at maturity. The two zero-coupon notes do not accrue any interest.

Each Note contains provisions for additional tranche investments by the respective lender upon the achievement of certain milestones (Project Completion and Deployment of 128 high-performance servers). If fully funded, the total Purchase Amount under all three Notes could increase to up to \$5,500,000. As of December 31, 2025, no additional tranche investments had been funded, as the milestone conditions had not been met.

Upon the occurrence of a Liquidity Event (including a Change of Control, Direct Listing, or Initial Public Offering) prior to the Maturity Date, each lender is obligated to pay any unpaid additional tranche investments to the Company, and the full Purchase Amount (as so increased) shall become immediately due and payable to the lender in cash.

In accordance with ASC 835-30, the two zero-coupon notes were initially recorded at the present value of future cash flows, discounted at the market rate of interest of 12% for similar borrowings. The difference between the face amount and the present value is recorded as a debt discount, which is amortized to interest expense over the term of the notes using the effective interest method. The Signal Pulse note, with a stated interest rate of 15%, was recorded at face value, as the stated rate exceeds the market rate.

	As of December 31, 2024 US\$	As of December 31, 2025 US\$
Long Term borrowing — face value	1,840	1,840
Less: Unamortized debt discount	319	197
Net Long Term borrowing	1,521	1,643
Plus: Accrued interest payable (Signal Pulse note, 15%)	41	116
Total carrying amount	1,562	1,759

For the year ended December 31, 2025, the Company recognized total interest expense of \$197 in connection with the Notes, comprising \$75 of cash interest accrued on the Signal Pulse note at 15% per annum and \$122 of non-cash interest expense from the amortization of debt discounts on the zero-coupon notes using the effective interest method at 12%. Interest expense recognized on the Notes is included within other income (expense) in the accompanying statements of operations.

For the period from May 10, 2024 (inception) through December 31, 2024, the Company recognized total interest expense of \$108 in connection with the Notes, comprising \$41 of cash interest accrued on the Signal Pulse note at 15% per annum and \$67 of non-cash interest expense from the amortization of debt discounts on the zero-coupon notes using the effective interest method at 12%.

On August 10, 2026, in connection with the execution of the Agreement and Plan of Merger with SAIHEAT Limited (the “Merger”), the Company concurrently entered into a repayment agreement with the holders of the Notes, pursuant to which the aggregate outstanding principal amount of \$1,840 under the Notes, together with all accrued and unpaid interest thereon, is required to be repaid in full in cash upon the closing of the Merger. As a result, the maturities of the Notes will be accelerated to the closing date of the Merger, and upon such repayment, the Notes will be extinguished and the Company will have no further obligations thereunder.

NOTE 7 - INCOME TAXES

Income (Loss) before income taxes for the period from May 10, 2024 (inception) through December 31, 2024 and the year ended December 31, 2025, are as follows:

	For Year Ended December 31, 2025 and the Period from May 10, 2024 (Inception) through December 31, 2024	
	2024	2025
	US\$	US\$
Domestic	(1,072)	730
Foreign	—	—
Total	(1,072)	730

All of the Company’s operations are conducted within the United States. The Company does not have any foreign operations or foreign subsidiaries as of December 31, 2025 and 2024.

The provision for income taxes for the period from May 10, 2024 (inception) through December 31, 2024 and the year ended December 31, 2025 consisted of the following:

	For Year Ended December 31, 2025 and the Period from May 10, 2024 (Inception) through December 31, 2024	
	2024	2025
	US\$	US\$
Current tax expense:		
Total current tax expense	193	1
Deferred tax provision (benefit):		
Total deferred tax provision (benefit)	(799)	194
Provision for income taxes	(606)	195

The Company’s current tax expense for the period from May 10, 2024 (inception) through December 31, 2024 represents federal and state income taxes accrued on taxable income for that period, which was increased by the capitalization of research and experimental (R&E) expenditures under Internal Revenue Code (IRC) Section 174. The current tax expense for the year ended December 31, 2025 represents state minimum taxes. The deferred tax benefit of \$799 recognized for the period from May 10, 2024 (inception) through December 31, 2024 was driven by the recognition of deferred tax assets arising from the capitalization of R&E expenditures under IRC Section 174 and from federal and state net operating loss carryforwards. The deferred tax expense of \$194 recognized for the year ended December 31, 2025 primarily reflects the utilization of federal and state net operating loss carryforwards against taxable income for that year, the amortization of capitalized R&E expenditures, and the increase in the valuation allowance, partially offset by the increase in the deferred tax asset related to state research and development credit carryforwards.

Significant components of the Company's deferred tax assets and liabilities as of December 31, 2025 and 2024 are as follows:

	For Year Ended December 31, 2025 and the Period from May 10, 2024 (Inception) through December 31, 2024	
	2024	2025
	US\$	US\$
Deferred tax assets:		
Foreign research and development expense	479	446
Federal and State net operating loss carryforward	320	158
State research and development credits	55	168
Total deferred tax assets	854	772
Valuation allowance	(55)	(168)
Net deferred tax assets	799	604

Deferred income taxes are provided for temporary differences relating primarily to the capitalization of research and experimental expenditures under IRC Section 174 (effective for tax years beginning after December 31, 2021), state net operating loss carryforwards, state research and development credits, and state income tax for financial statement and income tax reporting purposes.

Pursuant to the One Big Beautiful Bill Act enacted in July 2025, which added Section 174A to the Internal Revenue Code, domestic research and experimental (R&E) expenditures paid or incurred in taxable years beginning after December 31, 2024 are no longer required to be capitalized and may be currently deducted for tax purposes, while foreign R&E expenditures remain required to be capitalized and amortized over fifteen years under IRC Section 174. For the year ended December 31, 2025, the Company currently deducted its domestic R&E expenditures in accordance with Section 174A. The Company's capitalized R&E expenditures of approximately \$2,333 incurred in 2024 relate to foreign research and are being amortized over fifteen years, beginning with the midpoint of the taxable year in which such expenditures were paid or incurred. The amount capitalized for financial reporting purposes differs from the amount reported on the Company's income tax return, which was filed under pre-Section 174A rules. The Company intends to amend the return to conform to Section 174A; the effect is not expected to be material. This capitalization creates a temporary difference between the financial statement carrying amounts and the tax basis, resulting in a deferred tax asset.

	For Year Ended December 31,	
	2024	2025
	US\$	US\$
Valuation allowance — beginning of year	—	55
Charge to tax expense in current year	55	113
Valuation allowance — end of year	55	168

The Company has recorded a valuation allowance of \$168 and \$55 as of December 31, 2025 and 2024, respectively, against the deferred tax asset related to California research and development credit carryforwards, as the Company does not expect to generate sufficient California taxable income to utilize the credits. The Company has not recorded a valuation allowance against its remaining deferred tax assets, including those arising from the capitalization of R&E expenditures under IRC Section 174 and from federal and state net operating loss carryforwards. In assessing the need for a valuation allowance, the Company considered all available positive and negative evidence, including its limited operating history, the loss reported for the period from May 10, 2024 (inception) through December 31, 2024, its taxable income and net income for the year ended December 31, 2025, and its projections of future taxable income.

The valuation allowance increased by approximately \$113 and \$55 for the year ended December 31, 2025 and the period from May 10, 2024 (inception) through December 31, 2024, respectively. The Company estimated its deferred tax assets using the federal statutory income tax rate of 21% and the California state income tax rate of 8.84% for the year ended December 31, 2025 and the period from May 10, 2024 (inception) through December 31, 2024.

The Company complies with generally accepted accounting principles to account for uncertainty in income taxes. In evaluating the Company’s tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances. The Company’s income tax filings are subject to audit by various taxing authorities.

NOTE 8 - CONCENTRATIONS OF CREDIT RISK

The Company often maintains cash balances in excess of federally insured limits.

For the year ended December 31, 2025, the Company had five vendors that comprised 70% of the Company’s annual material purchases and services. As of December 31, 2025, there were three vendors totaling 100% of outstanding payables. The Company does not believe that the loss of any of these vendors would have a material adverse effect on the Company’s business, results of operations, or financial condition, as alternative suppliers are available. The Company does not expect this concentration to persist in future periods.

For the year ended December 31, 2025, the Company had two customers that comprised 79% of total revenue. As of December 31, 2025, there were three customers totaling 89% of outstanding receivables.

NOTE 9 - EMPLOYEE BENEFIT PLAN

The Company maintains a 401(k) plan for all eligible employees. Employer profit sharing contributions to the plan are made at the discretion of the Company’s board of directors. For the year ended December 31, 2025, the Company elected to forgo a profit sharing contribution.

NOTE 10 - STOCK - BASED COMPENSATION

In 2025, the Company adopted an equity incentive plan, which is intended to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees and directors and to promote the success of the Company’s business.

Options vest 1/4th of the shares on the first anniversary of the grant date, and the options will become vested and exercisable on the same day of each month thereafter as to 1/48th of the shares until fully vested. Options expire ten years from the grant date.

In January 2025, the Company granted to seven employees options to purchase 745,000 shares of common stock at an exercise price of \$0.258 per share. In March and May 2025, 150,000 shares of the granted options were cancelled due to participant terminations. No options vested or were exercised during the year. The stock-based compensation expense of \$170 was recognized for the year ended December 31, 2025.

Options activity for the year ended December 31, 2025 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Outstanding at January 1, 2025	-	\$ -	-
Options granted	745,000	\$ 0.26	
Options cancelled	-150,000	\$ 0.26	
Outstanding at December 31, 2025	595,000	\$ 0.26	9.08

The fair value of each option grant is estimated using the binomial (lattice) option pricing model with the following weighted-average assumptions:

	Amount
Expected dividend yield (1)	0%
Risk-free interest rate (2)	4.43%
Expected volatility (3)	66-82%
Expected life (4)	6.27

- (1) The Company has no history or expectation of paying cash dividends on its common stock.
- (2) The risk-free interest rate is based on the U.S. Treasury yield for a term consistent with the expected life of the awards in effect at the time of grant.
- (3) The Company used the historical volatility of comparable publicly traded companies in determining the expected volatility range of its common stock.
- (4) The expected life represents the period of time that options granted are expected to be outstanding.

The weighted-average grant date fair value of options granted during the year was \$0.529 per option.

NOTE 11 - AMOUNT DUE TO RELATED PARTY

The following is a list of the related parties with whom the Company conducted transactions for the year ended December 31, 2024 and 2025, and their relations with the Company:

Name of the related parties	Relation with the Company	As of December 31, 2024 US\$	As of December 31, 2025 US\$
Mr.Tao Zhang	Founder, chairman of board of director, chief executive officer	8	—
Amount due from related parties		8	—
Mr.Tao Zhang		8	—

The amount due to Mr. Tao Zhang of \$8 as of December 31, 2024 represents reimbursements payable to the chief executive officer for expenses he incurred on behalf of the Company’s operations. The amounts were unsecured, non-interest-bearing and had no fixed repayment terms. The balance was included within “Accounts payable” on the accompanying balance sheets as of December 31, 2024. As of December 31, 2025, the balance was nil as the reimbursements had been settled.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

From time to time, the Company is subject to certain legal proceedings, claims and disputes that arise in the ordinary course of business. Although the outcomes of these legal proceedings cannot be predicted, the Company does not believe these actions, in the aggregate, will have a material adverse impact on its financial position, results of operations or liquidity. As of December 31, 2025, the Company has no litigations.

NOTE 13 - EARNING (LOSS) PER SHARE

The following table presents the computation of basic and diluted earnings (loss) per share (in thousands, except per share data):

	For Year Ended December 31, 2025 and the Period from May 10, 2024 (Inception) through December 31, 2024	
	2024	2025
	US\$	US\$
Net (loss) income	(466)	535
Basic weighted average shares	10,000,000	10,000,000
Effect of dilutive stock options		356,111
Diluted weighted average shares	10,000,000	10,356,111
Basic (loss) earnings per share	(0.0466)	0.0535
Diluted (loss) earnings per share	(0.0466)	0.0517

Determined under the treasury stock method using the fair value per ordinary share of \$0.6426 as determined by an independent valuation specialist.

NOTE 14 - SUBSEQUENT EVENTS

On August 10, 2026, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with SAIHEAT Limited, a Cayman Islands exempted company (“SAIHEAT”), and Saiheat Merger Sub, Inc., a wholly-owned subsidiary of SAIHEAT (“Merger Sub”). Pursuant to the terms of the Merger Agreement, Merger Sub will merge with and into the Company, with the Company surviving as a wholly-owned subsidiary of SAIHEAT. The merger consideration will consist entirely of newly issued SAIHEAT ordinary shares, with no cash consideration. Upon completion of the merger, SAIHEAT will be renamed “Canopy Wave Holdings Inc.” and is expected to trade on the Nasdaq Stock Market under the ticker symbol “CWAV.” The closing of the merger is subject to customary closing conditions, including the approval of SAIHEAT’s shareholders, Nasdaq listing approval, and the completion of a concurrent private investment in public equity (“PIPE”) financing of approximately \$4.5 million. As of the date of issuance of these financial statements, the merger had not yet been completed.