

Attachment 3

Independent Auditors' Report

To the Board of Directors

Acer Cyber Security Inc.:

Opinion

We have audited the parent-company-only financial statements of Acer Cyber Security Inc., which comprise the parent-company-only balance sheets as of December 31, 2024 and 2023, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the parent-company-only financial position of Acer Cyber Security Inc. as of December 31, 2024 and 2023, and its parent-company-only financial performance and its parent-company-only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Acer Cyber Security Inc. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most

significance in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Acer Cyber Security Inc.'s parent-company-only financial statements for the year ended December 31, 2024 are stated as follows:

Revenue recognition

Please refer to Note 4(12) for the accounting policies on recognizing revenue to the parent-company-only financial statements.

Description of key audit matter:

Acer Cyber Security Inc. engaged primarily in providing cybersecurity services to enterprises. The identification of performance obligations and the timing of revenue recognition, wherein performance obligations are satisfied over time or at a point in time, is subject to management's judgment, which increases the complexity of revenue recognition. Therefore, revenue recognition has been identified as our key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, testing the design and operating effectiveness of Acer Cyber Security Inc.'s internal control over the service revenue recognition; assessing whether the accounting policies with respect to the identification of performance obligations and timing of revenue recognition are appropriate; reviewing the contract term and other supporting documents of the selected samples to verify whether the timing and amount of revenue recognition are in accordance with related accounting policies. We also consider the adequacy of the disclosure on revenue from contracts with customers in the Note 6(17) of the accompanying parent-company-only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-

company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing Acer Cyber Security Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Acer Cyber Security Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Acer Cyber Security Inc.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Acer Cyber Security Inc.' s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Acer Cyber Security Inc.' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Acer Cyber Security Inc. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investee companies accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters,

the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chao, Min-Ju and Chang, Huei-Chen.

KPMG

Taipei, Taiwan (Republic of China)

February 24, 2025

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Parent-Company-Only Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023 (restated)				December 31, 2024		December 31, 2023 (restated)	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(1))	\$ 636,398	17	271,416	16	2130	Contract liabilities - current (note 6(17) and 7)	28,686	1	44,978	3
1140	Contract assets - current (notes 6(17) and 7)	302,625	8	250,893	15	2170	Accounts payable	156,266	5	158,825	8
1170	Notes and accounts receivable, net (notes 6(3) and (17))	179,252	5	158,058	9	2180	Accounts payable to related parties (note 7)	7,316	-	10,417	1
1180	Accounts receivable from related parties (notes 6(3), (17) and 7)	21,023	1	25,640	1	2219	Other payables	182,500	5	169,678	10
1200	Other receivables (note 6(4))	-	-	38	-	2220	Other payables to related parties (note 7)	3,467	-	504	-
1210	Other receivables from related parties (note 6(4) and 7)	6,550	-	89,048	5	2230	Current income tax liabilities	8,064	-	9,379	1
1470	Prepaid expenses and other current assets	20,585	1	14,436	1	2280	Lease liabilities - current (notes 6(11))	-	-	5,534	-
Total current assets		1,166,433	32	809,529	47	2305	Other financial liabilities - current	11,872	-	13,792	1
Non-current assets:						2322	Current portion of longtermliabilities (note 6(10) and 8)	11,493	-	-	-
1517	Financial assets measured at fair value through other comprehensive income - non-current (note 6(2))	23,543	1	19,081	1	Total current liabilities		409,664	11	413,107	24
1550	Investments accounted for using the equity method (note 6(5))	1,366,357	37	604,343	35	Non-current liabilities:					
1600	Property, plant and equipment (note 6(6),7 and 8)	910,526	25	29,206	2	2540	Long-term debt payable (note 6(10) and 8)	258,884	7	-	-
1755	Right-of-use assets (notes 6(7))	-	-	5,475	-	2670	Guaranteed deposit received	465	-	465	-
1780	Intangible assets (note 6(8))	86,200	2	92,360	6	Total non-current liabilities		259,349	7	465	-
1840	Deferred income tax assets (note 6(13))	5,649	-	4,318	-	Total liabilities		669,013	18	413,572	24
1967	Costs to fulfill contracts with customers-non-current (note 6(9))	68,651	2	76,835	5	Equity attributable to owners of parent (note 6(13)):					
1980	Other financial assets (note 8)	53,582	1	66,665	4	3110	Common stock	301,152	8	222,045	13
Total non-current assets		2,514,508	68	898,283	53	3200	Capital surplus	2,288,650	63	769,344	45
						Retained earnings:					
Total assets		\$ 3,680,941	100	1,707,812	100	3310	Legal reserve	83,243	2	64,184	4
						3320	Special reserve	40,569	1	34,509	2
						3350	Unappropriated retained earnings	334,533	9	248,914	15
						3400	Other equity	(36,219)	(1)	(44,756)	(3)
						Total equity		3,011,928	82	1,294,240	76
						Total liabilities and equity		\$ 3,680,941	100	1,707,812	100

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Parent-Company-Only Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2024		2023 (restated)	
		Amount	%	Amount	%
4000	Net revenue (notes 6(17) and 7)	\$ 1,153,350	100	1,031,866	100
5000	Cost of revenue (note 6(6), (7), (8), (9), (12), (18), 7 and 12)	(697,657)	(60)	(623,852)	(60)
	Gross profit	455,693	40	408,014	40
	Operating expenses (notes 6(6),(7),(8),(11),(12),(15),(18), 7 and 12):				
6100	Selling expenses	(59,136)	(5)	(51,824)	(5)
6200	General and administrative expenses	(136,443)	(12)	(119,075)	(12)
6300	Research and development expenses	(189,464)	(17)	(159,614)	(15)
	Total operating expenses	(385,043)	(34)	(330,513)	(32)
	Operating income	70,650	6	77,501	8
	Non-operating income and loss (notes 6(11), (19) and 7):				
7100	Interest income	1,562	-	1,817	-
7010	Other income	5,797	1	5,251	-
7020	Other gains and losses	11,139	1	9,919	1
7050	Finance costs	(8,743)	(1)	(345)	-
7070	Share of profits of subsidiaries	161,725	14	115,741	11
	Total non-operating income and loss	171,480	15	132,383	12
7900	Income before taxes	242,130	21	209,884	20
7950	Income tax expense (notes 6(13))	(16,367)	(1)	(19,297)	(2)
8200	Net Income	225,763	20	190,587	18
	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss (notes 6(12) and (13))	4,462			
8316	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	4,462	-	(4,828)	-
8330	Share of other comprehensive incomes (losses) of subsidiaries	(112)	-	(1,230)	-
	Other comprehensive income (loss)	4,350	-	(6,058)	-
8500	Total comprehensive income (loss) for the year	\$ 230,113	20	184,529	18
	Earnings per share (in New Taiwan dollars) (note 6(16))				
9750	Basic earnings per share (in New Taiwan dollars)	\$ 10.13		8.66	
9850	Diluted earnings per share (in New Taiwan dollars)	\$ 10.06		8.55	

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity					Total Equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit plans	Unearned stock-based employee compensation	Total	
Balance at January 1, 2023 (restated)	\$222,407	775,920	48,648	15,113	193,180	256,941	(6,061)	(28,450)	(11,793)	(46,304)	1,208,964
Net income for the year	-	-	-	-	190,587	190,587	-	-	-	-	190,587
Other comprehensive income (loss) for in 2023	-	-	-	-	-	-	(4,828)	(1,230)	-	(6,058)	(6,058)
Total comprehensive income (loss) in 2023	-	-	-	-	190,587	190,587	(4,828)	(1,230)	-	(6,058)	184,529
Appropriation approved by the stockholders:											
Legal reserve	-	-	15,536	-	(15,536)	-	-	-	-	-	-
Special reserve	-	-	-	19,396	(19,396)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(99,921)	(99,921)	-	-	-	-	(99,921)
Retirement of restricted stock issued to employees	(362)	362	-	-	-	-	-	-	-	-	-
Compensation cost arising from restricted stock issued to employees	-	(6,938)	-	-	-	-	-	-	7,606	7,606	668
Balance at December 31, 2023 (restated)	222,045	769,344	64,184	34,509	248,914	347,607	(10,889)	(29,680)	(4,187)	(44,756)	1,294,240
Net income in 2024	-	-	-	-	225,763	225,763	-	-	-	-	225,763
Other comprehensive income (loss) in 2024	-	-	-	-	-	-	4,462	(112)	-	4,350	4,350
Total comprehensive income (loss) in 2024	-	-	-	-	225,763	225,763	4,462	(112)	-	4,350	230,113
Appropriation approved by the stockholders:											
Legal reserve	-	-	19,059	-	(19,059)	-	-	-	-	-	-
Special reserve	-	-	-	6,060	(6,060)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(115,025)	(115,025)	-	-	-	-	(115,025)
Capital increase in cash	80,000	1,516,000	-	-	-	-	-	-	-	-	1,596,000
Compensation cost arising from issuance of new shares reserved for employee subscription	-	12,325	-	-	-	-	-	-	-	-	12,325
Retirement of restricted stock issued to employees	(893)	893	-	-	-	-	-	-	-	-	-
Compensation cost arising from restricted stock issued to employees	-	(9,912)	-	-	-	-	-	-	4,187	4,187	(5,725)
Balance at December 31, 2024	\$301,152	2,288,650	83,243	40,569	334,533	458,345	(6,427)	(29,792)	-	(36,219)	3,011,928

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Parent-Company-Only Statements of Cash Flows (Continued)

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023 (restated)
Cash flows from operating activities:		
Income before income tax	\$ 242,130	209,884
Adjustments for:		
Adjustments to reconcile profit (loss):		
Depreciation	23,846	28,680
Amortization	486,572	386,394
Interest expense	8,743	345
Interest income	(1,562)	(1,817)
Share-based compensation cost	1,194	668
Share of profits of subsidiaries	(161,725)	(115,741)
Total adjustments for profit or loss	357,068	298,529
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(51,732)	(75,255)
Notes and accounts receivable	(21,194)	10,197
Accounts receivables from related parties	4,617	15,181
Other receivables from related parties	2,225	1,652
Prepaid expenses and other current assets	(6,149)	(10,439)
Changes in operating assets	(72,233)	(58,664)
Changes in operating liabilities:		
Contract liabilities	(16,292)	2,959
Accounts payable	(2,559)	71,974
Accounts payable to related parties	(3,101)	3,134
Other payables	12,450	16,795
Other payables to related parties	2,963	(571)
Other current liabilities	(1,920)	556
Changes in operating liabilities	(8,459)	94,847
Total changes in operating assets and liabilities	(80,692)	36,183
Total adjustments	276,376	334,712
Net cash provided by operating activities	518,506	544,596
Interest received	428	955
Interest paid	(2,167)	(183)
Income taxes paid	(22,658)	(22,669)
Net cash provided by operating activities	494,109	522,699

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ACER CYBER SECURITY INC.

Parent-Company-Only Statements of Cash Flows (Continued)

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

(Continued)

	2024	2023 (restated)
Cash flows from investing activities:		
Investments in subsidiaries	(700,000)	
Additions to property, plant and equipment	(899,691)	(13,987)
Additions to intangible assets	(238,778)	(244,425)
Increase in costs to fulfill contracts with customers	(233,450)	(152,270)
Decrease (increase) in other financial assets	13,083	5,109
Dividends received	185,278	-
Net cash flows used in investing activities	(1,873,558)	(405,573)
Cash flows from financing activities:		
Increase in Long-term Loans	686,970	-
Repayment of long-term loans	(416,593)	-
Payment of lease liabilities	(5,534)	(13,970)
Cash dividends distributed to shareholders	(115,025)	(99,921)
Capital increase in cash	1,596,000	-
Net cash flows provided by (used in) financing activities	1,745,818	(113,891)
Net increase in cash and cash equivalents	364,982	12,443
Cash and cash equivalents at beginning of year	271,416	258,973
Cash and cash equivalents at end of year	\$ 636,398	271,416