

Transformation Newsletter

2026 Vol. 3

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CTO Message

CTO
Ivon Chiou



CTO
Douglass Chen



Dear Team,

Thank you for being part of our NEXT transformation journey. Over the past several months, we've not only seen the company change, but **we're also starting to see real results**. From the continued growth of our server business and new ventures to the build-out of new manufacturing capacity in the U.S. and Taiwan, we're taking important steps toward a stronger and more competitive future. None of this would be possible without your commitment and hard work.

As NEXT enters **the NEXT Half**, our focus will be on two key areas: **Business Delivery and Performance Foundation**. Along with continuing to strengthen execution and delivery, we're working to better connect strategy with action, build on what we're doing well, identify where we can improve, and create more consistent ways of working across the organization. The goal is simple: help everyone stay aligned, move faster, and drive sustainable growth together.

We're also continuing to **invest in our people** through improvements in compensation and benefits, talent development programs, and employee growth opportunities. Just as importantly, we want to **make EEAR part of how we work and collaborate every day**. By combining strong performance with a strong culture, we can build an organization that continues to grow and succeed for the long term. Thank you for everything you do. Let's keep moving forward together and make the Next Half a success.

We invite you to share your thoughts and ideas about NEXT by emailing us at: NEXT_TO@compal.com

01

Compal News Updates



⚡ **Compal Opens Daxi AI Server Manufacturing Center, Strengthening Its Global AI Manufacturing Footprint**

Officially launched its new AI Server Manufacturing Center in Taoyuan, focused on AI server systems and rack production. The facility will also incorporate its self-developed liquid cooling technology and is expected to begin contributing starting in 4Q 2026. Together with manufacturing sites in Taiwan, Vietnam, and the U.S., Compal is building a more flexible regional production network to provide faster customer support and stronger delivery capabilities. ([Website](#))

⚡ **Compal Introduces ESOP to Invest in Long-Term Talent Growth**

As competition for talent continues to intensify, Compal has launched an Employee Stock Ownership Trust program. Through employee contributions matched by the company with equivalent incentive funding, the program encourages employees to participate in the company's long-term growth and share in its success. This initiative further strengthens employee financial well-being while supporting a sustainable future for both employees and the company. ([Website](#))

⚡ **Compal Builds AI-Ready Infrastructure with 6th Gen AMD EPYC™ Server CPUs at AMD Advancing AI 2026**

Compal continues to demonstrate its commitment to building AI-ready infrastructure with high performance, advanced cooling solutions, and deployment flexibility. Powered by the latest AMD EPYC™ 9006 Series server processors and AMD Instinct™ GPU accelerators, the platform is designed to help customers meet rapidly evolving AI workload demands and accelerate the modernization of data centers. ([Website](#))

02

NEXT SteerCo Highlights



At the NEXT SteerCo meeting in late July, we officially kicked off **The NEXT Half**, marking a new phase focused on **Change and Deliver NOW**. As we move forward, the emphasis is on turning transformation into tangible results and accelerating the impact of our efforts across the company. Here are the key takeaways:

1. Making Progress Toward Our 2026 Goals



- L3 + Delivery reached 98%
- L4 + Delivery reached 144%
- L5 Leakage Recovery, action plans will be closely tracked

2. Strengthening Our Performance Foundation

To better connect strategy with execution, we're continuing to enhance our Performance Foundation (PF). New operating rhythms and a PF Adoption & Impact Dashboard will be introduced to provide greater transparency and visibility into progress. These tools will help teams focus on priorities, make decisions faster, and improve execution across the organization.

3. Building Our NEXT Growth Pillar : SYLUX

We're making steady progress in the automotive and advanced sensing space through deeper collaboration with NVIDIA, Qualcomm, and other strategic partners. Our SYLUX ADAS solution continues to gain momentum through customer engagements, regulatory validation, and key design wins. By combining innovative technologies such as infrared sensing and low-light safety solution, we're building long-term competitive advantages and creating new opportunities for future growth.

4. Evolving Ways of Working via Performance Foundations

Thank you for your feedback in the Engagement Survey. Our overall engagement among IDL reached 69%. Based on the feedback, our focus areas moving forward include strengthening leadership communication, improving strategy alignment, supporting career development conversations, reinforcing the connection between performance and rewards, and bringing EEAR into our daily ways of working. Together, we're building a more accountable, engaging, and growth-oriented workplace.

03

NEXT Recognition



Mimi Chang,
MFG A31-VN

Drove cost optimization, process improvements, and automation, achieving 100% execution of HC/UPPH improvement initiatives.



ABO CQP Team,
MGF ABO-CQP

Led integrated packaging & Logistics. Cross-functional collaboration across 14 initiatives, delivering ~NT\$15M in cumulative savings.



Joyce Ting,
R&D AEBU1

Accelerated digital adoption by driving CED and AI Agent implementation. Leveraging AI to enhance team productivity.

04

2026 Goal Setting

We launched our **2026 Goal Setting process**, cascading objectives from the CEO leadership team through VP and Director levels between May-July to ensure alignment with company strategy. Beyond business results, our four core values are now part of performance management, reinforcing the importance of not only what we achieve, but also how we achieve it through our daily actions and leadership behaviors.



WORKSHOP

Align on a shared understanding & co-create norms.



SHARING

Scale best practices and build a common language.



RECOGNITION

Reinforce positive behaviors and role-modeling.



PROJECT

Connect core values to tangible business outcomes.

05

Excellence – Raise our ambition



"Raise our ambition" is not about simply taking on more work or setting unrealistic targets. It means looking beyond expected outcomes, identifying opportunities for meaningful impact, and pursuing breakthroughs that require innovative thinking and new ways of working.

Turning it into Action:

01 | Identify an Area Worth Advancing

Start by understanding the fundamental requirements of your task. Then consider which aspect presents the greatest opportunity for improvement. Whether it's quality, efficiency, scale, or impact, choose one area where meaningful progress can create the most value.

02 | Define a Clear Outcome

"Doing better" is not yet a goal. Be specific about what you want to improve, the level of achievement you are aiming for, and when you expect to accomplish it. A well-defined goal should be measurable, trackable, and easy to evaluate.

03 | Assess What It Takes to Move Beyond Your Comfort Zone

Identify the knowledge, skills, resources, or partnerships you will need to succeed. Turn capability gaps into concrete action plans. Real growth often comes from being willing to try approaches that differ from what has worked in the past.

04 | Start with Small, Testable Steps

Raise our ambition does not require an all-in commitment from day one. Set milestone objectives and begin by testing the most critical or uncertain areas. Use feedback and results to refine your approach, then gradually scale what works.



Every Step Brings You Closer to Greater Possibilities

You do not need all the answers to begin. You only need the willingness to aim higher.

Every effort builds momentum. Every adjustment drives progress. Every step brings you closer to ambitious outcomes.

Start with a bigger vision, then move forward one step at a time. Greater possibilities are unlocked through consistent action.

NEXT Transformation

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