

Transformation Newsletter



COMPAL
NEXT



2025 Vol. 7

Nov. 14, 2025

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CTO Remarks

CTO
Ivon Chiou

CTO
Douglass Chen

Appreciation for everyone's dedication throughout 2025, and I encourage everyone to maintain momentum as the year concludes. As planning for 2026 begins, the focus remains on laying the foundation for a new Compal. The recent **Executive Leadership Team offsite in September** marked a significant milestone, aligning on strategy, ambitions, ways of working, and people priorities, with plans to cascade these insights across the organization in the coming weeks.

Over the past year, Compal has undergone significant transformation, marked by notable leadership changes. **These shifts reflect the company's evolving direction** during the transition. In parallel, meaningful improvements have been made to **employee welfare**, including dormitory and cafeteria upgrades, among others—demonstrating the company's commitment to enhancing employee wellbeing and the overall workplace experience.

The NEXT initiative has also made a strong impact, reinforcing a culture where strong performance is recognized and rewarded. In the **broader context of AI**, we have made remarkable progress—from limited exposure to now having a **clear strategy for AI development, customer engagement, and factory planning**. This transformation has gained external recognition and fostered a growing sense of participation across the organization. With the goal to grow AI server revenue from single-digit to double-digit percentages of revenue within three years, the company is embracing both change and opportunity. **Everyone plays a vital role in this journey**—sharing progress and spreading understanding will be essential to Compal's continued success.

Please feel free to share your suggestions about NEXT by emailing us at:
NEXT_TO@compal.com

TODAY

What's Happening Now?

01

Compal News Updates



- Compal Announces Strategic Investment in Texas to Expand U.S. Operations** Compal's subsidiary, Compal USA Technology Inc. (CUT), received BOD approval to lease two key sites in Taylor and Georgetown, Texas. ([Website](#))
- Compal Showcases Comprehensive Data Center Solutions at 2025 OCP Global Summit. Unveils SGX30-2 High-Performance AI Server Built with NVIDIA HGX™ B300** Global data centers face AI-driven challenges—higher compute demand, larger workloads, and stricter energy efficiency needs. At this year's OCP Global Summit... ([Website](#))
- Compal Health Merges with Smart Ageing Tech to Advance Smart Healthcare and Expand in Elder Care Market** The merger takes effect on January 1, 2026, with Compal holding 11.1% equity in Smart Ageing Tech. This strategic merger combines both companies'.... ([Website](#))
- Compal & Thunder Tiger Co-Develop All-Network Communication Module for BVLOS Unmanned Vehicles** This module integrates both companies' technologies—5G, 4G/LTE, satellite, and RF—and uses AI algorithms to automatically select the optimal network.... ([Website](#))

02

NEXT SteerCo Highlights



As we step into the final mile of Q3, how we finish matters. This month's SteerCo centered on preparing Compal for the upcoming AI transition and celebrating progress across Value Streams. Here are the key highlights:

1. End the year strong:

CEO Tony opened with appreciation for progress so far and emphasized the importance to sustain performance foundation momentum. With ongoing initiatives expected to reach L4 by year-end and strategic alignments from the first ELT offsite (see next section), Compal will be well-positioned to enter 2026 with a stronger and focused foundation.

2. Acceleration and recovery critical to enable AI transition:

Delivery targets were exceeded through accelerated execution, and recovery plans will help stabilize Compal's foundations as it moves from AI awareness to a leading position in AI infrastructure and services in the next three years.

3. Celebrating progress together:

This month's SteerCo recognized achievements across Value Streams – APBU shared expected advantages from integrating RD resources to accelerate innovations, citing flexibility and transparency as critical enablers; Accounting and Digital shared impact from use case implementation (Sharepoint launch, Resource optimizer, R&D Virtual expert key learnings). All Value Streams echoed leadership's call to finish the year strong.

03

Key Takeaways from ELT (Executive Leadership Team) Offsite

1. **Prioritize where we play.** In the current environment where capital is constrained and competition is fierce, we must prioritize and invest appropriately. We can no longer go after all business with all customers.
2. **The implementation of performance foundation is key to fundamentally elevating our competitiveness.** The 20+ redesigned core processes help support future growth and re-gain lost grounds in PC, wearables and others; and to leapfrog competitors outside our core business.
3. In PC and at-scale CM, we will **streamline operations** to focus on our strongest expertise, delivering valuable salutations to key partners.
4. Outside of PC and at-scale CM, we will **rationalize opportunities, and double-down on high-potential areas.**
5. **Invest in “big bet” growth pillar** to lift overall company growth and profitability. For example, in server, we are starting in the areas where Compal has the most right to win. To succeed, we will need support and buy-in from the entire organization.

04

Wrapping Up BOOST CCM 2



Boost CCM 2 officially launched on August 11 and ran for 12 weeks. October 31 marked the final day of Phase 2 of our cultural transformation program. Thank you all for your dedication and participation!

In this phase, we focused on **three key behavioral goals under the theme of Empowerment: Paving the way for success, Keeping an open mindset, and Coaching to improve performance.** We believe everyone has gained valuable insights, and we look forward to seeing these behaviors reflected in your daily work—creating meaningful changes and impactful results!

05

Celebration Theme Award Winner Announcement

Coach for performance



Kim Chan, SCM

Led inventory and E&O reduction to optimize stock, defined control logic for No-Demand items with IO, and used data to forecast monthly savings and drive L2 improvements.



Elaine Qiu, MGF KSP3

Saved through project cost controls. Improved IWPP, CPB, MVA, RO, and MPT logic. Managed DAO / CD shifts while supporting cost reduction.



Woody Lin, Technology

Used 9 LLMs to boost R&D problem solving. Streamlined RAG design to protect data and save resources.

Put the business first



T89 Team, MFG KSP4

T89 project shipped over 100,000 units in 3 months, exceeding goals and building a reusable teamwork model.



Emilia Hsieh, MFG VN

Exceeded monthly L4 targets from June – October, while facing DAO transfer and ambitious goals



PeggyPJ Chiang, PCBG

Actively led communication and requirement gathering during Use Case 18.3 development

ON THE HORIZON What's Coming Next?



Theme of November : END-TO-END OWNERSHIP

I am accountable for my goals and find effective solutions to keep my promises.

End-to-End Ownership means...

As a manager, I take responsibility for my team's results by stepping in when they need help and involving the right people at the right time.

As a team member, I take full responsibility for meeting my goals. I propose solutions and step in to help the team make it happen.

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