

# Taiwan's Hon Hai quarter profit falls on iPhone X costs

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Taiwanese tech giant Foxconn said Tuesday its third-quarter profit dropped by more than a third, dragged by costs associated with producing the latest iPhone model.

Also known as Hon Hai, the firm is the world's biggest contract electronics maker and assembles Apple's iPhones.

Its net income in July-September fell 39.3 percent from a year earlier to Tw\$21 billion (\$696 million), lower than the Tw\$37.2 billion estimate compiled by Bloomberg.

Revenue in the third quarter only increased a marginal 0.33 percent to Tw\$1.08 trillion, according to a Hon Hai statement Tuesday.

Analysts say that the quarter's profit took a hit due to the costs of producing the iPhone X, Apple's most expensive flagship device.

The new gadget—which marks the 10th anniversary of the first iPhone release—went on sale earlier this month with long queues at Apple stores around the globe.

Hon Hai's fourth-quarter results should improve on sales of the iPhone X, which appears to be strong so far, analysts say.

The firm's billionaire founder Terry Gou—known for his aggressive dealmaking—has been snapping up investments from Japan to India as a

bid to diversify from simply being an assembler of electronics.

It acquired troubled electronic giant Sharp last year to gain its cutting-edge LCD screen technology despite having to absorb the Japanese firm's huge losses and debts.

In July, Foxconn announced a \$10 billion investment to build a plant in Wisconsin, a move praised by US President Donald Trump.

Gou said then the firm will continue to invest in other US states.

He attempted to bid for Toshiba's memory chip unit but was rebuffed when the Japanese firm said in September it signed an agreement to sell to a consortium led by US investor Bain Capital and includes Apple.

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