

Wan Hai issues US\$320 million of bonds after loss

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Wan Hai container ship

Wan Hai Lines is issuing US\$320 million of bonds to improve its financial structure, after the Taiwanese liner operator sank into the red.

Wan Hai incurred a net loss of US\$188.5 million in 2023, which deteriorated from a net profit of US\$3.04 billion in 2022, ending 13 straight profitable years. The last time Wan Hai reported a net loss was in 2009, when the global financial crisis resulted in red ink of US\$50.56 million that year.

Primarily an intra-Asia carrier, Wan Hai re-entered long-haul lanes in mid-2020, lured by record-high freight rates during the Covid-19 pandemic. The company started a solo Asia-US West Coast service that year, followed by a standalone Asia-US East Coast service in 2021. To support this expansion, Wan Hai acquired eighteen 13,000 TEU newbuildings.

However, Wan Hai's fortunes began evaporating when the pandemic-powered boom evaporated from mid-2022, and the company incurred a loss for 4Q 2022. The company's losses have continued since then, although Wan Hai has asserted it remains committed to its Transpacific routes even as other opportunistic long-haul entrants departed from the segment.

The announcement of the bond issuance came on 13 March, the same day the 2023 financial results were released. No further details, such as the maturity period and the interest, were disclosed.

As of 31 December 2023, Wan Hai remained in a net asset position, with equity of US\$6.73 billion, while total liabilities stood at US\$4.11 billion.

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