

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16
OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of December 2024

Commission File Number: 001-41804

Davis Commodities Limited

**10 Bukit Batok Crescent, #10-01, The Spire
Singapore 658079**
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F Form 40-F

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

On December 17, 2024, Davis Commodities Pte. Limited (the “**Subsidiary**”), a wholly owned subsidiary of Davis Commodities Limited (the “**Company**”) accepted a S\$10,000,000 banking facility (the “**Facility**”) agreement (the “**Agreement**”). Pursuant to the terms and conditions contained in the Agreement, and any applicable law and regulations, the Facility is available for 12 months beginning on December 17, 2024 (“**Term**”).

The Agreement outlines certain allocations and purposes of the Facility, amongst others: (i) irrevocable sight and/or usance letters of credit to enhance import capabilities; (ii) trust receipts financing, supporting import and invoice financing activities; (iii) receiving immediate cash flow from the export letters of credit; (iv) receiving immediate cash for bills of exchange related to shipped goods; and (v) receiving financing for export invoices shortly after the goods reach their respective destinations.

The interest rates applicable to the Facility are tailored to reflect the specific needs and risks associated with each allocated purposes of the Facility. For Singapore Dollar denominated bills, the interest is charged at 2.50% per annum over the Singapore Overnight Rate Average (SORA) for trust receipts and import bill financing. For U.S. Dollar drawdowns, the rates are determined according to the CME Term Secured Overnight Financing Rate (SOFR).

Additionally, the Facility is subject to several material covenants that the Company shall adhere to. These include ensuring that Davis & KT Holdings Pte. Ltd. remains the major shareholder with more than 60% shareholding of the Company during the Term, and routing all sales collections through specified accounts maintained with the Facility provider. The Subsidiary is also required to comply with operational covenants, such as submitting regular financial reports and maintaining insurance coverage as specified by the Facility provider.

Pursuant to the terms and conditions of the Agreement, amongst other securities, the Company has executed a continuing unlimited guarantee (“**Guarantee**”) in favour of the Facility provider. The Guarantee specifies that the Company shall pay or discharge on a full indemnity basis all monies and liabilities being due or incurred by the Subsidiary payable to the Facility provider.

Information Relating to Forward-Looking Statements

This report contains forward-looking statements. These statements are statements that are not historical facts and are based on the management’s current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words “anticipates”, “believes”, “estimates”, “expects”, “plans”, “can” and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated December 23, 2024

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Davis Commodities Limited

By: /s/ Li Peng Leck

Name: Li Peng Leck

Title: Executive Chairperson and Executive Director (Principal Executive Officer)

Date: December 23, 2024

Davis Commodities Limited Secures S\$10 Million Banking Facility to Fuel Strategic Growth

SINGAPORE – Dec 23, 2024 — Singapore-based Davis Commodities Limited (NASDAQ: DTCK) (the "Company" or "Davis Commodities"), has recently finalized a significant financial agreement, entering into a S\$10,000,000 banking facility to fortify its operational capacities and propel strategic expansion efforts. This substantial facility stands as a part of foundation in supporting the Company's strategic expansion endeavors. With a well-structured financial framework in place, Davis Commodities is poised to leverage these allocated funds effectively, driving growth, and enhancing operational efficiency in the competitive landscape of commodity trading and financing.

To achieve greater profitability through our current resources and the bank facility requires a carefully crafted strategy customized to a company's unique operations, industry landscape, and risk appetite. Davis Commodities have set several strategic directions to stimulate growth and enhance financial outcomes.

Working Capital Optimization

One key avenue for optimizing the bank facility is through working capital management. By strategically allocating funds towards inventory purchases of high-margin, Davis Commodities can unlock significant value:

- Negotiating bulk discounts with suppliers for large volume deals.
- Enhancing cash flow by swiftly turning over inventories, thereby boosting revenue.

Expand Trade Credit

Extending trade credit to reliable customers and offering financing terms for larger orders can significantly boost sales volume and margins:

- Providing short-term credit to customers.
- Charging a small financing fee to enhance profitability.

Invest in Supply Chain Efficiencies

Investing in supply chain improvements is crucial for cost reduction and enhanced operational efficiency:

- Allocating funds to streamline logistics operations and reduce delivery costs.
- Establishing partnerships with shipping companies to secure lower rates and improve profit margins.

Hedging & Arbitrage Opportunities

Another strategy involves capitalizing on price differentials in various markets through hedging and arbitrage:

- Using funds to hedge against price fluctuations using futures contracts or options.
- Exploiting price differentials by purchasing commodities in markets with lower prices and selling in regions with higher demand.

Leverage Financing for Higher ROI Projects

Identifying high-yield investment opportunities and utilizing debt responsibly to fund growth initiatives can drive substantial returns:

- Investing in projects with good potential returns.
- Ensuring that financing costs are covered by profit margins.

By effectively hedging positions and leveraging market disparities, Davis Commodities can secure profit margins and optimize returns on investments.

Secure Strategic Partnerships

By utilizing the bank facility as collateral and engaging in strategic partnerships, Davis Commodities can enhance its market position and product offerings through the following strategies:

- Establishing joint ventures with suppliers or buyers.
- Co-investing in commodity processing to improve margins and product value.

By implementing these strategic initiatives effectively, Davis Commodities can leverage its current resources and the bank facility to generate consistent profits, scale operations sustainably, and fortify its competitive edge in the dynamic commodity trading landscape.

About Davis Commodities Limited (NASDAQ: DTCK)

Davis Commodities Limited is a Singapore-based investment holding company with an extensive footprint in the global agricultural commodities market. The company specializes in the trading and distribution of staples such as sugar, rice, and edible oils, with a strong presence across Asia, Africa, and the Middle East. As a Nasdaq-listed entity, Davis Commodities is committed to delivering value through diversification, innovation, and sustainable business practices.

#NasdaqDTCK # BankingFacility #AgriculturalCommodities