



Davis Commodities Targets USD 100M Sugar Revenue Growth with Strategic Expansion Across India, Pakistan, and China

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SINGAPORE, June 25, 2025 (GLOBE NEWSWIRE) -- Davis Commodities Limited (Nasdaq: DTCK), a leading Singapore-based trader of agricultural commodities, has announced an ambitious strategic expansion plan aimed at tapping into the surging demand for sugar in key Asian markets as part of its global expansion efforts. Leveraging its expertise in agricultural trade, the company is poised to capitalize on tightening domestic supplies and rising consumption in India, Pakistan, and China.

Execution Priorities with Focused Actions

To achieve its targeted USD 100 million growth in sugar-related revenues, Davis Commodities is implementing a robust execution framework centered on regional adaptability, operational efficiency, and strategic partnerships. Key initiatives include:

- **India:**

The company is actively engaging with large-scale domestic producers to establish long-term procurement and distribution partnerships. Davis Commodities is also working to expand its port access infrastructure in high-demand regions like Gujarat and Maharashtra to ensure efficient logistics and reduce lead times.

- **Pakistan:**

To address regional sugar price volatility and rising export demand from Bangladesh and Central Asia, Davis Commodities is evaluating distribution agreements with top producers such as JDW Sugar Mills*. The company is also enhancing its supply chain by streamlining connections with local mills and improving cross-border logistics to strengthen its foothold in the region.

- **China:**

In response to steady domestic demand of 15.6 million metric tons and declining local production, Davis Commodities is exploring potential collaborations with established distributors like Bright Food Sugar*. The company aims to integrate its export pipelines with high-volume importers in major port cities such as Shanghai and Guangzhou to maximize market penetration.

**Note: These references reflect business development intentions only. No binding commitments or agreements have been executed at this stage.*

- **Operational Enhancements:**

- Expanding procurement pipelines to secure consistent supply amidst seasonal fluctuations.
- Strengthening risk management systems to mitigate pricing volatility and currency exposure.
- Investing in digital tools for real-time market analytics to improve decision-making.

Projected Financial Impact

Davis Commodities anticipates significant financial uplift through these initiatives, including:

- **Sugar Revenue Growth:** An estimated 50% increase in trading volumes, driving an additional USD 100 million in annual sugar-related revenue.
- **Profitability Gains:** Double-digit EBITDA growth from sugar operations, enhancing overall profit margins.
- **Total Revenue Expansion:** The company expects to surpass USD 300 million in total revenue for FY2026, supported by optimized logistics, strategic collaborations, and expanded commodity volumes.

Regional Sugar Market Dynamics

- **India:** Sugar production is projected to decrease by 19% to 25.8 million metric tons in 2024/25, while domestic consumption is expected to reach 29 million metric tons, resulting in a 3.2 million metric ton shortfall. This presents a lucrative export opportunity for Davis Commodities to fill the gap.
- **Pakistan:** Domestic sugar prices have surged beyond Rs168/kg due to strong export demand from neighboring Bangladesh and Central Asia, creating an environment ripe for regional trade expansion.
- **China:** Despite declining local production, sugar demand remains robust at 15.6 million metric tons, signaling a need for imports that Davis Commodities is strategically positioned to address.

Management Insight

"We see a clear opportunity to meet growing demand in high-consumption sugar markets, particularly in Asia, where supply constraints are driving

import needs. While we have yet to finalize any agreements, we are actively engaging with leading regional partners to align our capabilities with market requirements," said the management of Davis Commodities. "This strategy allows us to scale responsibly while enhancing revenue performance and optimizing our supply chain."

About Davis Commodities Limited

Based in Singapore, Davis Commodities Limited is an agricultural commodity trading company that specializes in trading sugar, rice, and oil and fat products in various markets, including Asia, Africa and the Middle East. The Company sources, markets, and distributes commodities under two main brands: Maxwell and Taffy in Singapore. The Company also provides customers of its commodity offerings with complementary and ancillary services, such as warehouse handling and storage and logistics services. The Company utilizes an established global network of third-party commodity suppliers and logistics service providers to distribute sugar, rice, and oil and fat products to customers in over 20 countries, as of the fiscal year ended December 31, 2024.

For more information, please visit the Company's website: ir.daviscl.com.

Forward-Looking Statements

This press release contains certain forward-looking statements, within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, relating to the fundraising plans of Davis Commodities Limited. These forward-looking statements generally can be identified by terms such as "believe," "project," "predict," "budget," "forecast," "continue," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "could," "should," "will," "would," and similar expressions or negative versions of those expressions.

Forward-looking statements are predictions, projections, and other statements about future events that are based on current expectations and assumptions and, therefore, subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements contained in this press release. The Company's filings with the SEC identify and discuss other important risks and uncertainties that could cause events and results to differ materially from those indicated in these forward-looking statements.

Forward-looking statements speak only as of the date on which they are made. Readers are cautioned not to place undue reliance upon forward-looking statements. Davis Commodities Limited assumes no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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