



## Davis Commodities Limited to Sign USD 15 Million Agarwood Oil Distribution MOU with Dadvance Agarwood Solutions

December 17, 2024

SINGAPORE, Dec. 17, 2024 (GLOBE NEWSWIRE) -- *Strengthening its portfolio with a high-value wellness and luxury commodity, Davis Commodities takes another strategic step toward market diversification.*

Davis Commodities Limited (NASDAQ: DTCK), a Singapore-based global leader in agricultural commodity trading, proudly announces the signing of a Memorandum of Understanding (MOU) with **Dadvance Agarwood Solutions Sdn. Bhd.**, Malaysia's foremost agarwood biotech company. This partnership positions Davis Commodities as the exclusive distribution partner for Dadvance's premium-grade agarwood oil, with the agreement valued at **USD 15 million**.

This strategic move aligns with Davis Commodities' mission to expand its product offerings and cater to the growing demand for sustainable, high-value commodities in wellness and luxury markets worldwide.

### Strengthening Davis Commodities' Portfolio with "Liquid Gold"

Agarwood oil, often referred to as "liquid gold," is one of the most sought-after commodities in the global wellness and luxury markets due to its rarity, purity, and diverse applications in **high-end perfumery, aromatherapy, and therapeutic products**. By integrating agarwood oil into its portfolio, Davis Commodities enhances its competitive position in regions where demand for premium wellness products is soaring, including the **Middle East, Asia-Pacific, and Africa**.

This partnership will capitalize on:

- **Dadvance's Exceptional Production Capabilities :**
  - With approximately **147,000 agarwood trees** and a cutting-edge biotech process achieving an **85% resin formation success rate**, Dadvance produces **Grade A+ agarwood oil** renowned for its purity and aroma.
- **Davis Commodities' Global Distribution Expertise :**
  - Leveraging its robust supply chain network across Asia, Africa, and the Middle East, Davis Commodities will ensure efficient market penetration and volume scalability.



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### **Davis Commodities: Driving Value and Diversification**

As a Nasdaq-listed company, Davis Commodities has a strong reputation for supplying high-demand staples such as sugar, rice, and edible oils to global markets. This partnership signals a strategic pivot toward **high-margin, specialty products**, demonstrating the company's ability to adapt to changing market dynamics and capitalize on emerging trends.

#### **Key Benefits of the Partnership:**

1. **Revenue Growth:** Expanding into the luxury wellness segment is expected to generate significant revenue opportunities, enhancing shareholder value.
2. **Market Diversification:** Adding agarwood oil to its portfolio strengthens Davis Commodities' position as a versatile player in both staple and specialty markets.
3. **Sustainability Alignment:** Partnering with Dadvance aligns with global sustainability trends, as their production practices prioritize environmental responsibility.

### **Unlocking a \$1.5 Billion Market Opportunity**

The global agarwood oil market, valued at **USD 1.5 billion in 2023**, is projected to grow at a **CAGR of 6.2% through 2030**. This growth is driven by:

- Increasing demand for high-end wellness and therapeutic products.
- The expanding luxury perfumery market, particularly in the Middle East.
- Rising consumer preference for natural and sustainably sourced products.

With Davis Commodities' expertise in global trade and Dadvance's production capacity, the partnership is poised to capture a significant share of this burgeoning market.

### **Davis Commodities' Commitment to Innovation and Growth**

This agreement underscores Davis Commodities' commitment to innovation and diversification. By entering the **luxury commodity segment**, the company not only strengthens its competitive edge but also enhances its value proposition for shareholders.

### **A Forward-Looking Partnership**

The partnership reflects Davis Commodities' strategic foresight and ability to leverage global trends. As the company continues to explore high-value opportunities, this MOU serves as a testament to its ambition to remain at the forefront of agricultural and specialty commodity markets.

#### **CEO Statement:**

Ms Li Peng Leck, Executive Chairwoman and Executive Director of Davis Commodities Limited, commented:

*"This partnership with Dadvance Agarwood Solutions represents a transformative moment for Davis Commodities as we expand our portfolio into high-value wellness and luxury commodities. By combining our global distribution expertise with Dadvance's innovative production capabilities, we are poised to meet the growing demand for sustainable, premium-grade agarwood oil. This is a key step in our growth strategy, and we look forward to a successful collaboration that benefits our shareholders and customers alike."*

### **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.

### **About Dadvance Agarwood Solutions Sdn. Bhd.**

Dadvance Agarwood Solutions is Malaysia's leading biotech company specializing in the sustainable production of premium-grade agarwood oil. With a portfolio of over 147,000 agarwood trees and cutting-edge biotechnology, Dadvance produces Grade A+ agarwood oil, recognized for its purity and therapeutic properties, catering to the global luxury and wellness markets.

As part of its growth and global expansion strategy, Dadvance Agarwood Solutions has initiated steps toward a Nasdaq IPO. This strategic move underscores the company's commitment to leveraging the capital markets to enhance production capacity, expand market reach, and solidify its position as a global leader in the luxury and wellness commodity space.

This partnership between Davis Commodities Limited and Dadvance Agarwood Solutions marks a significant milestone in both companies' growth journeys, paving the way for innovation, sustainability, and value creation in the global commodities market.

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**#NasdaqDTCK #AgarwoodOil #SustainableCommodities #GlobalWellness #LuxuryMarkets**

A photo accompanying this announcement is available at:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/e565bc3a-4655-45f2-a9d9-f0a19822e253>



#### Agarwood oil



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Source: DAVIS COMMODITIES Ltd