


## Executive Summary

Encap Co.,Ltd. was established in 2009 by the Master degree student, College of Innovative Education, Thammasat University. It was initiated from the research finding of Dr. Rangrong Yoksan which was published in IBPG (Innovation business plan grant) under the subject "Preparation of Vitamin C encapsulated in chitosan particles for cosmetic applications". The company, therefore, could see and value the benefits of this innovative research towards the Dermatologists and Cosmetics elements that can be eventually brought to the business opportunities.

Regarding the market value of the skincare products in 2007, it was reported at 5,900 Million baht, the proportions of the skin whitening products reported 50%, Anti-wrinkle products 39%, and Moisturizing creams 11%. It was further reported that the growth of the skin whitening and anti-wrinkle products increased 10% per year. The documentary research also showed that the product containing vitamin C which is equal or more than 10% of the ingredients could result in the indication anti-wrinkle and whitening and brightening. However, the product survey reported that most of the products which were available in the market contained vitamin C ingredient under the standard (under 10%) as vitamin C and/or substances have/has low sustainability toward environment and causing waste during the production process, product development, and others usage. Thus, Dr. Rangrong Yoksan conducted the research regarding the encapsulation with the Biological polymer, chitosan particles to vitamin C (ascorbyl palmitate) in order to sustain vitamin C. The result was an industry success.

The first product of the company was the raw material, chitosan enclosed the vitamin C, used in the cosmetics industry under the trade name . It is in the form of emulsion, single particle, 60-100 nm, and well-released of. Its qualifications are to help in antioxidising, whitening, moisturizing, elastic skin renewal, anti-bacteria, and oily-skin control. More importantly, it could be applied in the cosmetics and skin care industries because  $\text{-NH}_3^+$ , which is in the Chemical formula of chitosan, rapidly adheres to skin as the skin has mucopolysaccharides, protein, and fat, which these are anions.

At initial stage, the company conducted the product research, production, and distribution by establishing a plant to develop the quality of vitamin C, which was imported to Thailand and not too much sustained, used in the cosmetics industry. The company received a patent from Dr. Rangrong Yoksan and would pay the patent fees and share of sales revenue to him. It is planned that the company will hold an official opening in January 2010, and seek for the certified industrial standards such as GMP, ISO to sustain the competitive advantages in long-term. Also, the company will continue conducting R & D for products variety as well as implementing marketing strategies to differentiate the product, pricing strategies, and also determining the market positioning.

The main target of Encap Co.,Ltd. is the cosmetics industry, beauty clinics and beauty care centers, and related hospitals. The company will start to focus the areas within Bangkok Metropolitan Area; Greater Bangkok and then later expand the market to others provinces. The company will continue using the aggressive marketing strategies such as Collaborative Research Alliance, educations, advertisements, public relations, marketing activities and shows to the public for awareness.

The company's management team consists of Ms. Pachuen Koedsirivutithum, Managing director and Production manager, Ms. Angkana Kulsawete, Marketing manager, Ms. Jindapa Leeniwa, Finance manager, and Dhira J. Ramdeja, the President.

Encap Co.,Ltd. has required a total fund at 8 million baht to develop and expand the business. One part of required fund will be raising from the company's management team at 4,080,000 Baht, reflecting the shareholder 51%. The other part of fund at 3,920,000 Baht or 49% will be gained from the external investor(s) who is(are) interested to join the business success together. The investor(s) will be entitled to get 2 management committee positions as well as the annual dividend in return.

The company will have a Net Present Value at 4,918,018 Baht by using Discount rate at 20% as well as an Internal Rate of Return at 40.84%. The payback period is expected to be 2 years and 21 days. However, this is considered only from one product and still not included others products launching of the company in the future.

The investor(s) can be recouping both from dividend and Exit strategy that the company also has plan to apply to list its shares on Market for Alternative Investment (MAI) or sell the equity back to the management team