

VIVACE SEMICONDUCTOR ACQUIRES GENERAL CIRCUITS, LTD.

7.5 Million in Series A Financing Led by Kodiak Venture Partners Funds Acquisition

BEVERLY, Mass. and BEIJING – November 6, 2006 – Vivace Semiconductor, a fabless semiconductor company that develops next-generation multi-function media processing chips, today announced it has acquired General Circuits, Ltd. (GCI) of Beijing . The wholly-owned foreign subsidiary, now named Vivace China, will focus on the market opportunity in China and the whole of Asia Pacific for video-based consumer electronics.

The transaction was supported by a US\$7.5 million Series A round of equity financing led by Kodiak Venture Partners, and includes Shanghai-based Dragonvest Partners. Dave Furneaux of Kodiak Venture Partners will join Dave French, CEO of Cirrus Logic, and Cary Ussery, founder of Vivace, on the Vivace board of directors.

Vivace develops high performance, low-power semiconductors for developers and manufactures of portable media player (PMP), mobile media handsets, and integrated displays/digital televisions (DTV) products. The acquisition of GCI enhances Vivace’s ability to sell into China and the entire APAC region more effectively than from North America . Vivace’s on-the-ground presence in China enables the company to leverage the range of government-backed initiatives designed to accelerate growth of the Chinese mobile TV and video electronics market, and infrastructure.

“The Vivace platform can truly enable the China consumer electronics industry to deliver a total portable entertainment solution never before seen,” said Xu Xiatian, secretary general for the China Semiconductor Industry Association.

The acquisition of GCI, which has established relationships with consumer product developers and government entities, immediately adds a team of 45 engineers to Vivace’s design and development efforts. They will work in concert with Vivace’s US-based team to implement, customize and expand the company’s technology roadmap.

“This acquisition enables us to become a direct supplier into the world’s largest consumer electronics industry,” said Cary Ussery, president and CEO of Vivace. “With the addition of GCI’s relationships and development team, we are optimized for rapid adoption and deployment in China and the full APAC market.”

GCI co-founders Weixin Ni and Jin Luo will head the Vivace team in China : Ni will become the vice president of China operations, Lu will serve as vice president of China R&D operations for Vivace China. Cary Ussery, Vivace's founder, president, and CEO will retain his position in the new entity.

“Vivace has a management team with deep consumer systems experience and an innovative and proprietary technology, and this acquisition further improves the company's ability to execute its Chinese market strategy” said Dave Furneaux , founder and managing general partner of Kodiak Venture Partners, “We look forward to working with Vivace and Dragonvest to realize the immense market opportunity in China.”

About Vivace

Vivace Semiconductor develops high-performance, low-power video processing chips that are optimized for the needs of high-growth consumer market segments. Its chips support a full range of video and audio standards, are based on the company's proprietary ViViD™ Media engine and include a complete software suite for media processing and a fully programmable, open platform for additional software integration. Its initial product line is aimed at developers of portable media players and integrated digital display/TV products. The company is headquartered in Beverly , Massachusetts . More information can be found at www.vivacesemi.com