

Vivace Buys Chinese Chip Co. , Raises \$7.5M Series A

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Vivace Semiconductor Inc. has raised \$7.5 million in a first round of venture capital, and acquired Beijing-based chip developer General Circuits Ltd. in an all-stock deal.

Kodiak Venture Partners led the Series A round, which closed in October with participation from Shanghai-based Dragonvest Partners. Vivace, of Beverly , Mass. , plans to use the money to expand its reach into Asia, building on General Circuits' 37-person Beijing staff and adding to its 12-person U.S. staff, said Chief Executive Cary Ussery.

The new financing will help Vivace continue development and begin production of its semiconductors, which are designed for video-based consumer electronics. "If you really look at where the market is going, China is becoming the consumer electronics hub for the hardware side," said Ussery.

General Circuits previously worked on analog and mixed signal semiconductor technology, said Dragonvest Co-Founder Jesse Parker. "In China the value of a semiconductor company is exclusively the people, and we were looking to find a way for them to use their talent in a high-growth opportunity," said Parker.

The two companies began talks earlier this year largely thanks to Parker, who was considering an investment in General Circuits, and Kodiak Managing General Partner Dave Furneaux, who was exploring an investment in Vivace.

"The partnerships you need to establish, the customers...and the suppliers you need to work with have shifted to Asia ," said Furneaux.