

CHINA

China Seed sprouts anew as CSV Capital *New name reflects new focus, larger deals*



Earl Yen

Shanghai-headquartered venture capital firm [China Seed Ventures](#) has renamed itself CSV Capital Partners. It reflects a broadened investment scope beyond seed stage venture deals.

As part of its business expansion, the firm plans to start raising its second fund later this year, [Earl Yen](#), co-founder and managing director of the firm, told *AVCJ*.

The firm was established in 2004 by Yen alongside [Ralph Ungermann](#) who has 38 years experience of founding, leading

– and creating strong exits for – hi-tech start-ups in the US and Japan.

It is currently operating its \$45 million debut fund launched in 2006. Commitments came from US insurer Massachusetts Mutual Financial Group, Japanese corporate investors The CSK Group and Mizuho Capital, as well as 30 other investors.

Yen said: “The fund has invested about 30%-40% of its committed capital to date and is expected to be fully invested or reserved within the next year. He added

that a second fund is being planned that will be “larger than the first one.”

The firm, which is eyeing all emerging sectors except real estate, acquires minority stakes typically at \$500,000 to \$3 million per investment. CSV’s first fund has 14 portfolio companies that include Chinese businesses SearchMedia, an out-of-home media operator, wood recycling plant operator Woodcycling, and outsource HR service provider CDP Group.

The US venture capital market is currently depressed, with no IPOs between April and July this year, a record for the past 30 years, according to the US

National Venture Capital Association. However it has not directly affected the China market, which Yen said is growing, particularly in the areas of environmental, consumer, retail, medical equipment and media.

CSV invests through 11 full time investment staff and three advisors located in Beijing, Chengdu, Shenzhen, Tokyo and San Francisco.

“To broaden our operation, we expect to establish a presence in one to two additional cities in China and will expand our investment team by two to three professionals during the second half of 2008,” said Yen.

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