

Shanghai Bound

By Scott Kirsner, Globe Staff | August 30, 2004

And in other global technology news:

Adam Bornstein believes that China presents a big opportunity for venture capital investing, but not if you try to invest from afar. So Bornstein, a recent graduate of Boston University's international management program, is moving to Shanghai next month.

Western VCs, in Bornstein's opinion, don't find out about the best Chinese start-ups until they're too far along. "These guys are investing in companies that are already pretty mature," he says. "They're just barely pre-IPO, and the returns haven't been wonderful. There are no organized seed funds that are solely based in China."

So Bornstein is pairing up with Frank Chen, a former vice president of the Chinese Internet portal Sina.com, to launch the [Ymer Greater China Fund](#).

Bornstein already has secured a commitment from the Shanghai Science and Technology Investment Corporation, a government-backed VC firm, for \$3 million, and he's hoping to raise another \$1.5 million to \$2 million from US venture firms and individual investors.

Bornstein, an Osterville native who speaks Mandarin, was earlier part of the founding team of Boom.com, a Hong Kong-based online brokerage.

"We're looking at wireless technology, e-commerce, and software," Bornstein says. "I think our first deal will be focused on social networks," software that tries to leverage users' personal contact networks.

Bornstein hopes to invest in local entrepreneurs starting companies around Beijing and Shanghai, but he also wants to lure Chinese-born entrepreneurs living in the United States back to their homeland, to take advantage of their experience in the US business world.

"There's a real opportunity to invest in these guys who got educated over here, became entrepreneurs, and want to go back overseas," Bornstein says.

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