

## **Lexifone to open a Development Center in China**

*The Israeli startup signed a MOU with the City of Changzhou, which is hoping to become the "Silicon Valley" of Israelis in China. The agreement was declared at a seminar organized by MIT Entrepreneurship Forum and PTL Group.*

The City of Changzhou, represented by its Deputy Mayor, Mr. Fang Guoqiang, has signed a memorandum of understanding (MOU) with the Israeli translation software firm Lexifone, headed by Dr. Ike (Isaac) Sagie, Founder and CEO. The agreement was signed during a visit by a Changzhou economic delegation to Israel, headed by Mr. Fang. During the visit, the delegation had several meetings and signed agreements with Israeli technology companies.

The initiation of this MOU and its future execution fall under the responsibility of PTL Group, managed by Zvi Shalgo, Chairman of the Israeli Chamber of Commerce in Shanghai. Since it was founded in 2000, PTL Group has been involved in the operation of various Israeli technology companies in China, Changzhou included. PTL Group is also a partner in the Matrix Global development center established in Changzhou, based on an agreement signed a year ago. Matrix began training the first group of engineers on March 17, 2013.

Lexifone's technology provides simultaneous translation between two interlocutors, when each of them speaks a different language. The translation system is based on online access to computer smart servers. At present, it can translate languages such as Chinese, French, English, German, Spanish, Russian, Italian, Portuguese, and more.

The services provided by the company translate telephone calls in real time, from one language to another and vice versa, enabling people with no common language to communicate over the phone.

According to the agreement, Lexifone intends to recruit a group of 10 people in China, consisting mainly of Chinese linguists as well as service employees. The company is planning to develop a component of the software, customizing it to the Chinese market. The China-based staff will be guided closely by the Lexifone major development center in Israel. Lexifone intends to raise funds of some \$10 million to expand its activity around the world, China included.

"China has in recent years become a great economic power, and the language barrier is still a difficulty in international business" Lexifone CEO Dr. Ike Sagie said.

"Changzhou has already proved its capabilities and its ambition to provide a strong local support to Israeli companies. The city's open attitude and its passion for innovation resulted in it joining us in the development of a complex platform of management and support services for companies penetrating and operating in the Chinese market. These services allow independent growth for small and medium companies", said Zvi Shalgo, CEO of PTL Group. "It is our intention to enhance significantly the cooperation with Israeli technology companies. We are working toward building an Israel-China technology park in Changzhou", Fang said.

In a cocktail reception held in the offices of Gemini Capital in honor of the Chinese delegation - with the participation of the Chinese Ambassador to Israel Gao Yanping, and Ed

Melavsky, Chairman of the MIT Forum and a Partnering Founder in Gemini – Fang mentioned that he had read the book StartUp Nation, and that he believes, that soon a new chapter will have to be added to the book, to describe the intensive activity of Israeli technology companies in the City of Changzhou, also known as "Dragon City".

Changzhou's successful track record with Israeli industry currently includes 20 companies. In addition to Matrix Global, the city also caters to the biotech enterprise Lycored (of the Makhteshim Agan Group), an industrial incubator for Israeli companies, as well as an exhibition center of the Israeli Export Institute for Medical devices. All these projects enjoy the broad support of the local government of Changzhou. The city has dedicated a fund of \$150 million annual budget toward encouraging cooperation and business ties with Israeli and foreign companies in the city. Also, the local government has established an initiative of direct investment in Israeli companies interested in operating in China, in association with Catalyst, an Israeli Private Equity, and PTL Group.

The MOU was declared at a seminar held at the Tel Aviv University by MIT Entrepreneurship Forum and PTL Group, titled: "Establishing a Commercial Activity and a Competitive Management in Renewing China". Some of the speakers at the event were: H.E. Gao Yanping, Ambassador of the P.R. of China to Israel, Dr. Ed Melavsky – Chairman of the MIT Forum, Prof. Asher Tishler – Dean of the Business Administration at the T.A. University, Zvi Shalgo – CEO of PTL Group, Dr. Ike Sagie – CEO of Lexifone, Ran Cohen – Chairman of the Israel Asia Chamber of Commerce, Erez Dothan – CEO iScan Robotics, Ofer Assif – VP Asia at the OptiTex software company, Udi Tirosh – Business development manager at IDE, Dr. Graham Jackson – Head of the Int'l MBA Program at the Haifa University, and others.

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