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(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3898)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Ltd.

Please refer to the attached announcement filed by Dynex Power Inc., a company incorporated in Canada having its issued shares listed on the TSX Venture Exchange. Dynex Power Inc. is a 75% owned subsidiary of Zhuzhou CSR Times Electric Co., Ltd.

By order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 13 May 2010

As at the date of this announcement, the chairman of the board and executive director is Ding Rongjun, the other executive director is Li Donglin, the non-executive directors are Deng Huijin, Lu Penghu and Ma Yunkun, and the independent non-executive directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing, Tan Xiao'ao and Liu Chunru.



PRESS RELEASE
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FOR IMMEDIATE RELEASE

Listing: TSX Venture Exchange
Symbol: DNX

Dynex Power Announces Expansion of its R&D Activities

Majority Shareholder Approves Expansion and Promises Additional Financing

Lincoln, England, May 13th, 2010 - Dynex Power Inc., a leading, high power semiconductor company, today announced that its UK operating subsidiary, Dynex Semiconductor Ltd, will expand its Research & Development Activities following the approval of its majority shareholder. The exciting new investment promises to open the door to new high-tech jobs in Lincoln.

News of the further investment at the company's Lincoln factory came during a high-profile visit by Zhao Xiaogang a high-ranking official from China's rail industry. Zhao Xiaogang is Chairman of the China South Locomotive & Rolling Stock Corporation (CSR) – the parent of Dynex's majority shareholder, Zhuzhou CSR Times Electric Co., Ltd.

Mr Zhao made the announcement when touring Dynex's new £12.5 million fabrication facility and launching the first of two new production lines making silicon chips, most of which will be used in railway equipment.

The formation in Lincoln of the new Research and Development Centre will bring together the existing power semiconductor R&D activities of Dynex and CSR Times Electric into a single centre of excellence. At the same time, CSR Times Electric will provide additional finance to more than double the current size of the activity.

This new investment, today named as the "CSR Times Electric Power Semiconductor R&D Centre", will concentrate on developing new products and technologies to meet the growing demand for power semiconductor products both in China and the rest of the world. Key market sectors targeted will be railway transportation, wind power, smart grids and electric cars.

During his visit, Zhao Xiaogang said:

“Research & Development work is critical to Dynex’s ongoing success, and being at the leading edge of technology innovation is vital to our Industry. This is why I am pleased to announce the formation of the CSR Times Electric Power Semiconductor R&D Centre in Lincoln.

The investment will enable Dynex and CSR Times Electric to bring together their excellent R&D talent into one unit, and through further investment will lead the sustainable development of our power semiconductor industry.

That is important, not only for keeping pace with growth in the rail and other transport sectors but also for other industries that are important for the low carbon economy, such as renewable power generation, smart management of electric power grids, and efficient electric vehicles.”

Dynex President and Chief Executive Officer Dr Paul Taylor commented after the visit:

“We were honoured to welcome Zhao Xiaogang and we are looking to further expansion of our high technology business in Lincoln. The formation of the R&D Centre and the launch of the new silicon chip line are key steps in our business development and an excellent model for a successful East-West cooperation.

We are keen to continue providing local opportunities for skilled people and we expect that the new R&D facility should create another 12 to 15 jobs over the next 18 months.

The first of two new production lines, opened by Zhao Xiaogang yesterday is also a superb boost for Dynex, ultimately allowing workers to produce bigger, six-inch diameter silicon wafers and increase the firm’s output of chips tenfold.

This rise in capacity is vital because the company is keen to benefit from the Chinese Government’s decision to spend heavily on upgrading the country’s national rail network and mass transit systems.

UK Trade and Investment figures say this involves about £50 billion being spent on rolling stock between 2009 and 2011 and market analysts suggest that CSR enjoys about a 50 per cent market share of China’s rail equipment.

It is Dynex’s components which have the power to ensure that the new trains and metros run smoothly and large quantities will be needed for the converters and control systems used on the rolling stock”.

The company’s second new production line is due to become operational later this year.

CSR Times Electric is expected to buy most of the silicon chips being produced from the new, larger wafers thus enabling Dynex to benefit from the dynamic growth being experienced in China’s railway sector.

Dynex, which is 75 per cent owned by CSR Times Electric has also recently celebrated the news that it has won the prestigious Queen’s Award for Enterprise.

About Zhao Xiaogang

Zhao Xiaogang, has been the General Manager (the legal representative) and the Deputy Party Secretary of China South Locomotive and Rolling Stock Industry Group Corporation since September 2000. Since December 2007, he has served as the Chairman, an Executive Director and the Party Secretary of CSR. He is also the Vice Chairman of China Enterprise Confederation and Council of China Enterprise Directors Association and a standing council member of the China Communication and Transportation Association and the China Railway Society

About the Company

Dynex designs and manufactures high power bipolar semiconductors, high power insulated gate bipolar transistor (IGBT) modules, high power electronic assemblies and radiation hard silicon-on-sapphire integrated circuits (SOS IC's). The company's power products are used worldwide in power electronic applications including electric power transmission and distribution, renewable and distributed energy, marine and rail traction motor drives, aerospace, electric vehicles, industrial automation and controls and power supplies. Our IC products are used in demanding applications in the aerospace industry. Dynex Semiconductor Ltd is its only operating business and is based in Lincoln, England in a facility housing the fully integrated silicon fabrication, assembly and test, sales, design and development operations. Dynex is majority owned by Zhuzhou CSR Times Electric Co., Ltd.

Zhuzhou CSR Times Electric Co., Ltd. is based in Hunan Province in the People's Republic of China. It is listed on the Hong Kong stock exchange. CSR Times Electric is mainly engaged in the research, development, manufacture and sales of locomotive train power converters, control systems and other train-borne electrical systems, as well as the development, manufacturing and sales of urban railway train electrical systems. In addition, CSR Times Electric is also engaged in the design, manufacturing and sales of electric components including power semiconductor devices for the railway industry, urban railway industry and non-railway purposes.

China South Locomotive & Rolling Stock Corporation Ltd "CSR" was established at the end of December 2007 and has 16 subsidiary companies and more than 80,000 workers, based in 10 provinces and cities around the country. The Corporation is approved by the State-owned Assets Supervision and Administration Commission of the State Council and co-funded by China South Locomotive and Rolling Stock Industry Group Corporation and Beijing Railway Industry Economic and Trade Company.

Press announcements and other information about Dynex are available at www.dynexsemi.com.

Further information on CSR Times Electric can be found at www.timeselectric.cn/en

All monetary values expressed in this release are in Canadian Dollars unless stated otherwise.

The TSX Venture Exchange has neither approved nor disapproved of the information in this press release.