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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 by Zhuzhou CSR Times Electric Co., Ltd. (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited.

Dynex Power Inc. (“**Dynex**”), a company incorporated in Canada having its issued shares listed on the TSX Venture Exchange and a 75% owned subsidiary of the Company, announced its unaudited quarterly results for the six months ended 30 June 2010. Please refer to the attached unaudited quarterly results announcement for the six months ended 30 June 2010 (the “**Dynex Announcement**”) filed by Dynex for details.

The financial information contained in the Dynex Announcement have not been reviewed by the Company’s auditors or audited by certified public accountants. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 11 August 2010

As at the date of this announcement, our chairman of the Board and executive Director is Ding Rongjun, our other executive Director is Li Donglin, our non-executive directors are Deng Huijin, Lu Penghu and Ma Yunkun, and our 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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Dr. Paul Taylor
President and Chief Executive Officer

or

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Finance Director and Chief Financial Officer

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FOR IMMEDIATE RELEASE

Listing: TSX Venture Exchange

Symbol: DNX

Second Quarter Results in Line with Expectations

Company Prepares for Growth in 2011

Lincoln, England, August 11th, 2010 – Dynex Power Inc., a leading specialist high power semiconductor company, today announced results for the second quarter of 2010.

Summary financial information in Canadian dollars for the three and six months ended June 30th, 2010 is as follows:

	June 30, 2010	June 30, 2009	YTD 2010	YTD 2009
	\$'000	\$'000	\$'000	\$'000
Revenue	9,233	9,722	19,665	20,725
Gross Margin	1,893	2,035	4,444	5,314
Earnings before Tax	549	568	1,697	2,213
Net Earnings	389	725	1,175	1,890
No. of Common Shares-average	80,418,571	40,194,834	80,405,074	40,194,834
Earnings per Share in Dollars-diluted	0.00	0.02	0.01	0.05

Sales remained robust in the second quarter, but reported revenue was 5% lower than the corresponding quarter of last year as a result of a 15% decline in the value of Sterling against the Dollar. Measured in Sterling terms, sales increased 12% over the corresponding quarter of 2009. Revenues from the Power Electronic Assemblies Group and the Power Modules Group were higher than the corresponding quarter of last year despite the currency movement. Revenue from the Bipolar Discrete Group was lower in Dollar terms but was higher than last year when measured in Sterling. The Integrated Circuit Group experienced an anticipated decline, reflecting the fact that this is no longer a core business. Overall, revenue was in line with expectations.

Year to date revenue was 5% lower than in the same six-month period last year, more than accounted for by the 15% decline in the value of Sterling. The Power Electronic Assemblies Group was the strongest performer, reporting growth even when measured in Dollars. There was a 6% decrease in revenue reported by the Bipolar Discrete Group, although growth had been achieved in Sterling revenue. Significant decreases were reported in Power Modules and Integrated Circuit revenues. Nevertheless, management was pleased with the Company's revenue performance in the challenging economic environment.

The gross profit margin for the second quarter of 2010 was 20.5% compared to 20.9% in the corresponding quarter of 2009. The year to date gross profit margin was 22.6% compared to 25.6% last year. The decline in gross margins was caused by the additional depreciation relating to the first new 6 inch IGBT line and the costs of running test batches through the new line. Similar costs will arise in the next two quarters, temporarily depressing the gross margin. It is expected that the line will begin producing revenue early in 2011.

Dynex reported earnings before income taxes of \$549,000 in the quarter and \$1.7 million for the year to date, compared to \$568,000 for the second quarter and \$2.2 million for the year to date in 2009. Given the weakness of Sterling, the additional costs related to the new 6 inch IGBT line and the tougher market environment currently being encountered, management was pleased with this level of earnings.

Dynex's order book contracted during the quarter reflecting the tougher market conditions now being encountered. However, the order book at the end of June remains strong with an equivalent to just over 6 months revenue at current levels.

Following the exhaustion of UK tax losses last year, tax has been provided for on UK earnings at the statutory tax rate of 28%. The Company will be able to defer this tax charge and so there will be no tax payments being made in the UK this year.

Dr Paul Taylor, President and Chief Executive Officer said, "Management is focussed on the installation and commissioning of the new IGBT lines and on qualifying our products for use in CSR Times Electric applications. This initiative, in concert with the softer market for our products, is currently affecting our performance. However, we are making good progress and are well prepared to respond with a strong growth in earnings once our expansion and product qualification programmes are completed and the high power semiconductor market returns to growth."

Bob Lockwood, Chief Financial Officer, added, "The level of earnings in the second quarter was pleasing, given the weaker market and the disruptions and additional costs being experienced in the business. A foreign exchange loss and a full tax charge also impacted on earnings. We remain committed to controlling our costs through this difficult period, as reflected in our expense ratio of 12.3%. This was the second lowest quarterly ratio ever reported by the Company and is testimony to the effort we are putting into cost control. Looking forward, revenue is expected to continue at levels similar to or just below those seen in the second quarter. This should enable the business to continue reporting quarterly profits for the balance of the year despite the impact of the work being done to position the company for growth in 2011 and beyond."

Li Donglin, Chairman of Dynex and General Manager of CSR Times Electric, said, "These are challenging times for Dynex, with the disruption caused by expansion, the need to qualify their products for use by CSR Times electric and the softer market conditions. However, I am pleased with the way Dynex is performing during this time. Balancing these different demands will remain difficult for the rest of 2010 but I look forward to seeing improved performance in 2011."

Forward-looking Statements

In commenting on its expectations, the Company cautioned existing and potential shareholders about relying on the Company's expectations in that the Company's expectations contain forward looking statements and assumptions which are subject to the risks and uncertainties of the markets and the future, which could cause

actual results to differ materially from expectations, and which are each difficult and subjective to forecast. Certain of those risks and uncertainties are discussed in the Management's Discussion and Analysis for the quarter ended June 30th, 2010 and include, among other things, risks and uncertainties relating to: the level of worldwide demand for power semiconductors and power semiconductor assemblies; the level of investment in power electronic equipment, electrification of transport systems, alternative power generation and high quality power transmission and distribution; the worldwide demand for and supply of silicon; and fluctuations in exchange rates between Canadian Dollars, Sterling, US dollars and Euros. As a consequence of these and other risks and uncertainties, shareholders and potential investors must make their own independent judgments about the accuracy and reliability of the Company's expectations. Dynex disclaims any intention or obligation to update or revise any forward looking statement whether as a result of new information, future events or otherwise.

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. Its 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.

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

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

DYNEX POWER INC.

Consolidated Statements of Earnings and Deficit (Unaudited)

Quarters Ended June 30th, 2010 and 2009

	3 months	3 months	YTD	YTD
	Jun 30th	Jun 30th	Jun 30th	Jun 30th
	2010	2009	2010	2009
Revenue	\$ 9,232,568	\$ 9,722,367	\$ 19,665,367	\$ 20,725,091
Cost of sales	7,339,515	7,687,471	15,221,365	15,410,635
Gross margin	1,893,053	2,034,896	4,444,002	5,314,456
Expenses				
General and administration	646,025	725,963	1,647,320	1,650,138
Sales and marketing	238,354	225,804	450,699	518,557
Research and development	229,371	234,385	561,359	490,304
Interest expense	20,848	125,336	68,951	261,932
	1,134,598	1,311,488	2,728,329	2,920,931
Earnings before other income (expenses) and income taxes	758,455	723,408	1,715,673	2,393,525
Other income (expenses)				
Interest and other income	69,968	80,765	129,709	119,387
Foreign exchange loss	(279,066)	(235,936)	(148,155)	(300,169)
	(209,098)	(155,171)	(18,446)	(180,782)
Earnings before income taxes	549,357	568,237	1,697,227	2,212,743
Income taxes	(160,208)	156,997	(521,837)	(322,821)
NET EARNINGS	389,149	725,234	1,175,390	1,889,922
DEFICIT, BEGINNING OF PERIOD	(2,969,230)	(6,004,456)	(3,755,471)	(7,169,144)
DEFICIT, END OF PERIOD	\$ (2,580,081)	\$ (5,279,222)	\$ (2,580,081)	\$ (5,279,222)

DYNEX POWER INC.**Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**

Quarters Ended June 30th, 2010 and 2009

	3 months		3 months		YTD		YTD	
	Jun 30th		Jun 30th		Jun 30th		Jun 30th	
	2010		2009		2010		2009	
Net earnings	\$	389,149	\$	725,234	\$	1,175,390	\$	1,889,922
Other Comprehensive income (loss), net of tax:								
Unrealized foreign exchange gain (loss) on translating financial statements of self-sustaining foreign operations		917,876		541,355		(1,708,325)		670,789
OTHER COMPREHENSIVE INCOME (LOSS)		917,876		541,355		(1,708,325)		670,789
COMPREHENSIVE INCOME (LOSS)	\$	1,307,025	\$	1,266,589	\$	(532,935)	\$	2,560,711

DYNEX POWER INC.**Consolidated Statements of Accumulated Other Comprehensive Loss and Deficit (Unaudited)**

As at June 30th, 2010 and December 31st, 2009

	Jun 30th		Dec 31st	
	2010		2009	
Accumulated other comprehensive loss, beginning of period	\$	(1,853,191)	\$	(1,380,101)
Other comprehensive loss		(1,708,325)		(473,090)
Accumulated other comprehensive loss		(3,561,516)		(1,853,191)
Deficit		(2,580,081)		(3,755,471)
TOTAL ACCUMULATED OTHER COMPREHENSIVE LOSS AND DEFICIT				
	\$	(6,141,597)	\$	(5,608,662)

DYNEX POWER INC.**Consolidated Balance Sheets (Unaudited)**

As At June 30th, 2010 and December 31st, 2009

	Jun 30th	Dec 31st
	2010	2009
CURRENT ASSETS		
Cash	\$ 3,246,561	\$ 22,942,550
Accounts receivable	6,035,016	6,439,200
Inventories	8,385,658	8,872,155
Amounts owing from parent company	1,011,292	218,568
Income tax recoverable	56,040	96,413
Prepaid expenses and deposits	521,316	794,170
	19,255,883	39,363,056
PROPERTY, PLANT & EQUIPMENT		
	19,772,483	17,420,677
	\$ 39,028,366	\$ 56,783,733
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,606,001	\$ 4,964,864
Short-term loan	1,589,800	16,273,732
Amounts owing to parent company	218,225	955,026
Current portion of long-term debt	7,453	24,921
Current portion of obligation under capital leases	108,210	113,602
Current portion of deferred revenue	469,535	1,174,803
	5,999,224	23,506,948
LONG-TERM DEBT		
	-	942
OBLIGATION UNDER CAPITAL LEASES		
	419,431	512,935
LONG-TERM DEFERRED REVENUE		
	829,947	949,290
FUTURE INCOME TAXES		
	870,428	380,756
	8,119,030	25,350,871
SHAREHOLDERS' EQUITY		
Share capital	37,050,933	37,041,524
Deficit	(2,580,081)	(3,755,471)
Accumulated other comprehensive loss	(3,561,516)	(1,853,191)
	30,909,336	31,432,862
	\$ 39,028,366	\$ 56,783,733

DYNEX POWER INC.

Consolidated Statements of Cash Flows (Unaudited)

Quarters Ended June 30th, 2010 and 2009

	3 months	3 months	YTD	YTD
	Jun 30th	Jun 30th	Jun 30th	Jun 30th
	2010	2009	2010	2009
OPERATING				
Net earnings	\$ 389,149	\$ 725,234	\$ 1,175,390	\$ 1,889,922
<u>Items not affecting cash</u>				
Amortization	363,797	149,407	641,826	270,417
Gain on disposal of property, plant and equipment	(29,797)	(35,219)	(62,071)	(69,829)
Future income taxes	159,008	-	519,466	-
Non-cash interest	270	1,771	901	3,825
Provision for inventory obsolescence	(196,643)	422,577	143,628	478,558
Changes in non-cash operating working capital	900,965	1,124,949	(699,507)	(410,671)
	1,586,749	2,388,719	1,719,633	2,162,222
FINANCING				
Shares issued for cash	9,409	-	9,409	-
Cost of share issue	(42)	-	(308,069)	-
Increase in amounts owing to parent company	-	-	-	2,521,141
Decrease in amounts owing to parent company	(920,356)	(779,425)	(1,473,358)	(1,064,030)
Increase in short-term loans	1,541,100	6,375,250	1,541,100	6,375,250
Decrease in short-term loans	-	(1,123,314)	(15,790,230)	(2,198,850)
Payments on capital leases	(23,587)	(9,761)	(61,170)	(36,734)
Decrease in long-term debt	(5,936)	(1,197,265)	(17,921)	(1,210,245)
	600,588	3,265,485	(16,100,239)	4,386,532
INVESTING				
Proceeds of disposal of property, plant and equipment	-	-	14,280	263
Purchase of property, plant and equipment	(2,580,379)	(2,496,530)	(4,764,580)	(2,931,153)
	(2,580,379)	(2,496,530)	(4,750,300)	(2,930,890)
Effect of foreign currency translation on cash	27,726	(97,945)	(565,083)	(78,712)
NET (DECREASE) INCREASE IN CASH	(365,316)	3,059,729	(19,695,989)	3,539,152
Cash, beginning of period	3,611,877	884,061	22,942,550	404,638
CASH, END OF PERIOD	\$ 3,246,561	\$ 3,943,790	\$ 3,246,561	\$ 3,943,790