

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



株洲南车时代电气股份有限公司

ZHUZHOU CSR TIMES ELECTRIC CO., LTD.

(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 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company is pleased to announce that the Company and Dynex Power Inc. (“**Dynex**”) (a company established under the law of Canada and listed on the TSX Venture Exchange, Toronto, Canada (stock code: DNX) whose 75% equity interest is held by the Company) have entered into (1) a R&D agreement relating to the funding of the R&D Centre in Lincoln and (2) a technical assistance agreement relating to the provision of technical support to the development and ramp up of the Company’s IGBT fabrication facility in China, both for a term of three years commencing from January 2014 to December 2016.

Please refer to the next page for the document which has been published by Dynex on the website of TSX Venture Exchange, Toronto, Canada on 18 March 2014.

By order of the Board
Zhuzhou CSR Times Electric Co., Ltd.
Ding Rongjun
Chairman

Zhuzhou, China, 18 March 2014

As at the date of this announcement, our chairman of the Board and executive Director is Ding Rongjun, our vice chairman of the Board and non-executive Director is Deng Huijin, our other executive Director is Li Donglin, our non-executive Directors are Yan Wu and Ma Yunkun, and our independent non-executive Directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing and Liu Chunru.



For more information:

Dr. Paul Taylor
President and Chief Executive Officer

or

Bob Lockwood
Finance Director and Chief Financial Officer

Dynex Power Inc.

Tel: +44 1522 500 500

Email: investorrelations@dynexsemi.com

FOR IMMEDIATE RELEASE

Listing: TSX Venture Exchange
Symbol: DNX

Dynex signs new R&D funding and technical support agreements

Lincoln, England, March 18th, 2014 – Dynex Power Inc., a leading specialist high power semiconductor company, today announced that two new agreements have been signed with its majority shareholder, Zhuzhou CSR Times Electric Co., Ltd., to share the costs of carrying out R&D projects for high power semiconductor devices and to provide technical assistance to CSR Times Electric's new IGBT fabrication facility in China. These new agreements provide continuity to arrangements that expired at the end of last year.

Originally, Dynex and CSR Times Electric signed a forty month agreement on the funding of the R&D Centre in Lincoln covering the period September 2010 to December 2013. The new R&D agreement covers the funding of the R&D Centre for the period January 2014 to December 2016. It is estimated that the cost of the R&D Centre will be £19.9 million and it is agreed that CSR Times Electric will provide funding of 80% of the costs and that Dynex will contribute 20%. Under the agreement, CSR Times Electric will be making an advance payment of approximately £4.0 million.

The R&D Centre will continue to 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; key products will be IGBT modules, high power thyristors and silicon carbide power devices.

Dynex and CSR Times Electric signed a three year agreement on technical support in January 2011. The new technical assistance agreement covers further technical support for the period January 2014 to December 2016. It is estimated that CSR Times Electric will pay Dynex £2.6 million for support over this period including an advanced payment of approximately £500,000. Under the new agreement, Dynex will provide technical support to the development and ramp up of CSR Times Electric's new IGBT fabrication facility in China. In the future, Dynex will have access to this new, low cost, high volume, medium power facility to complement its own IGBT fabrication facility in the UK which will concentrate on supplying lower volume, higher power modules.

Dr. Paul Taylor, President and Chief Executive Officer said, "I am delighted to have reached agreement on the further funding of the R&D Centre and on the provision of technical assistance to CSR Times Electric. The R&D funding agreement enables us to expand further the R&D work we are doing. This will underpin the development and the growth of the business in the medium and long term. The technical assistance agreement provides Dynex with a continuing source of revenue and helps ensure that we will have access to a low cost, medium power fabrication facility in the future."

Bob Lockwood, Finance Director and Chief Financial Officer, added, “The new R&D agreement continues the successful arrangement that has been in place for the last forty months and enables us to expand further the work we do in R&D. The technical assistance agreement likewise enables us to extend a successful collaboration with CSR Times Electric and will provide us with access to new markets in the future. ”

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.

Press announcements and other information about Dynex Power Inc are available at www.dynexpower.com.

Information about Dynex Semiconductor Ltd and its products can be found 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.