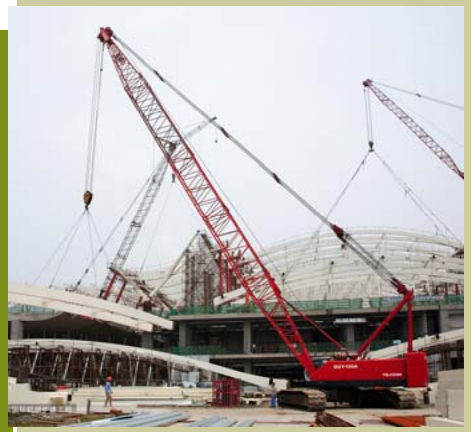
LYC begin batch supplying Slewing bearings for crawler cranes

LYC Slewing bearings are being produced for 750 ton crawler cranes, close monitoring of these bearings are providing outstanding results. This shows yet again that LYC's research and development and capability to produce large capacity bearings for large tonnage crawler cranes are leading the way in domestically produced Slewing bearings, this further consolidates LYC's leading position of Slewing bearings in the high-end market of construction equipment. At present LYC is batch supplying Slewing bearings for 50~900 ton crawler cranes. (January 1st 2010)



Crawler cranes

Four achievements of LYC were awarded in 2009 China National Machinery and Industrial Science and Technology Award

Recently the result of 2009 China National Machinery and Industrial Science and Technology Award was announced. Four of the achievements for LYC were awarded, second and third prizes. The categories were in the extra sized precise spindle bearings for 400 tons CNC horizontal lathe. The second prize and the other three achievements were for Swashplate Bearings and extra-sized Slewing bearings for a chain bucket ship unloader and the R&D of the Double-row taper roller spindle bearings for the MW class direct drive and semi-direct-drive. Wind turbine bearings were awarded the third prize. (January 8th 2010)

New LYC Project enters into the full installation phase of equipment

The main bodies of the 3 steel structural plants on the construction site of New LYC Project have already been completed. All ground floor works have been completed, in addition to piping services. The divisions for Automobile bearings, Wind-turbine bearings and Precision bearings are entering into their final phase. The installation phase for equipment is in transition (January 15th 2010)

LYC bearing awarded two Laurels 24th January

On January 24th at the annual summit forum of the 7th China market user for successful brands LYC bearing were awarded two laurels: These awards were for the most influential brand leader in China within the bearing industry. Being the bearing markets first choice for customer satisfaction.

LYC new product development and the number of patent applications for invention hit an all-time high record in 2009

In 2009 being confronted with a severe situation of financial crisis LYC capitalized on a golden opportunity of being able to implement a national revitalization plan in the equipment for the manufacturing industry and vigorous promotion of new product development. The annual quantity of new designs and the development of products have year-on-year increased by 182% over the same period as last year. This period allowed the acceptance of 22 patents including 12 items for invention patent. This is the highest number of patents in the company's history.

LYC bearing short listed

Many of LYC's crucially developed products are short listed (Guidelines of major equipment independent innovation). This has been jointly released by four departments, including the Department of Public Works, Ministry of Science and Technology, Ministry of Finance, State Property Management Commission of the State Council. The third generation of Hub bearing has completed its design phase and is entering into a trial phase. Taper roller bearings for the high-speed passenger train have completed their trial production and have begun lab testing. The Soil pressure balance shield for the main bearing sample process is nearing the end of manufacturing and will complete assembly very soon; the research and development of many major bearings for the Wind turbine industry have been completed one after another and are moving into a full manufacturing cycle.

LYC acquires robots for industrial upgrading projects. 23rd February

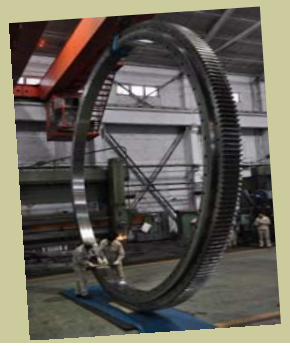
LYC's continual equipment upgrading for technical projects allows them to purchase Robotics. LYC have purchased 3+1 processing units with world class cutting edge technology. At this time this is the only one in China's domestic industry. The grinding machine is operated by an intelligent robot, this will greatly improve the production efficiency and the products precision, and increase productivity, reduce labor intensity and innovate the production process so as to place LYC in the leading position of the domestic bearing manufacturers. This will allow LYC to have the advantage in occupying, heavily, the domestic market and allow it to launch deeply into the high-end international market.

New high nitrogen corrosion resistant bearing steel has been developed successfully by LYC 23rd February

LYC Corporation in association with the Beijing Iron & Steel Research Institute has completed a new bearing material research and development program for the development of high nitrogen corrosion resistant bearing steel. The first batch of trial products has been completed. Testing shows that it successfully passed 50 hours and 100 hours bearing performance testing, this also included the customers testing criteria, the results are also in accordance with the MS standard. This development has added a new member to the antirust for the bearing steel family.

China's largest bearing was born in Luoyang LYC Co. LTD 1st March

On the March1st an extra large size Slewing bearing with fully independent intellectual property rights was produced by LYC. This bearing has an OD of 6.25 metres with a weight of 14.07 tons and has a precision class of up to P5. The bearing has successfully passed the field acceptance by the customer. This bearing has broken the previous record of 6.07metres' OD. This record was also held by LYC, this increase in size takes the national bearing manufacturing technology into a new dimension. (See photo)



Annual Conference held on March 28th is the largest Conference in China's bearing industry

LYC's 2010 Dealers' Annual Conference was held on March 28th in Luoyang city, this has become the largest in China's bearing industry. The theme of this year's annual meeting was to observe the Technical Achievements associated with the LYC brand, for the benefit of both its customers and dealers. More than 300 dealers' representing LYC in China attended the conference. One 'AAA class' dealer, ten 'best in class' dealers and thirty 'excellent' dealers in 2009 took their honors and were awarded eleven cars and thirty PC's.

LYC was listed as national Supportive Companies of Industrialization of Wind Energy Generating Equipment

LYC has been listed as a national Support to Companies of Industrialization for Wind Energy Generating Equipment and has been awarded a special fund of CNY 8 million. LYC continues to successfully develop Wind turbine bearings from 300 KW to 3 MW in different types to match all of the popular types/sizes for the Wind turbine industry in China and the rest of the World. LYC's products and quality have reached an internationally advanced level and are comparable, if not superior to others in the market today.

LYC was ranked 59th in the Top 100 National Machinery Enterprises in 2009

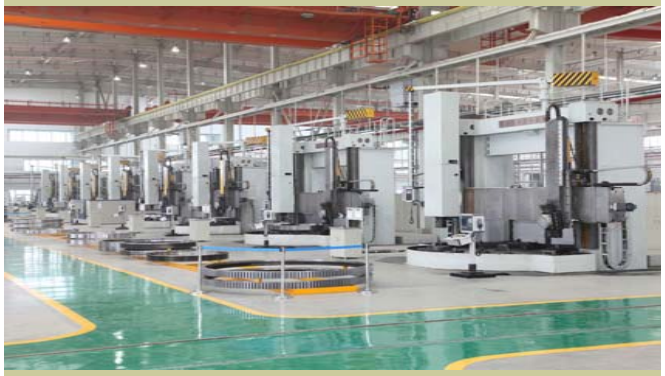
On April 28th LYC was ranked 59th in the Top 100 National Machinery Enterprises This was published by China Machinery Industry Federation. LYC's ranking number jumped by 15 from number.74 in 2008.

LYC's key project to produce an extra-large forged ring has successfully passed testing

On May 5th LYC's key project to produce an extra large forged ring for production successfully passed a development run, thereafter a trial production began. This launches LYC into its own manufacturing for large size forged rings up to 4 metress.

The first batch of products is off the line in the New LYC Project

On July 6th the Wind turbine bearing and Automobile bearing project of "New LYC" project successfully launched their production trials. The offline products all conformed to process control standards and the requirement of their customers. After strict and detailed inspections the first batches of products have been dispatched to the customer.



Wind turbine bearing production line

Automobile bearing production

On July10th President Hu Jintao came to visit the New LYC Project and had a cordial conversation with the management and workers on the site.

LYC tapered roller bearing project for high speed railway passenger cars has passed acceptance

LYC have completed their 'tapered roller bearing for high speed railway passenger cars' project. The bearing has successfully been awarded approval by the China Machinery Industry Federation (CMIF). Through the implementation of this project LYC have finished establishing one of the high speed railway passenger bearing production lines, they have also made one practical national patent certificate, established one national standard, built four modules of software, and been awarded software copyright. LYC developed the 250km-350km high speed railway passenger taper roller bearing, with a tolerance grade at P4. These bearings have passed the bearing performance bench test.

Six-row cylindrical roller combined slewing bearing offline

August 10th, a self owned intellectual property for a six row cylindrical roller combined slewing bearing was produced at LYC. This bearing was produced for a large tonnage crawler crane with a tonnage of over 1,000 tons. The success in developing this bearing not only improved the theoretical research level of LYC's design and development group, but, also enhanced LYC's bearing processing and inspection experience. This also provided the advantage to the product group of LYC and improved LYC's brand market competitiveness.

Aug.12th Mr. Wan Gang, Minister of Science and Technology lead a research survey group within LYC to provide a scientific investigation.

LYC will carry out multilevel and all-round cooperation with both domestic and overseas enterprise

LYC have adjusted their development strategy for their "12th five year plan" The intention is to accelerate the company's development speed, and strengthen their external cooperation via joint ventures in the automobile bearing market, railway transportation bearings, industrial mechanical bearings, wind turbine bearings to co-develop Chinese and Global Markets.

LYC bearings provided a major contribution for the Chinese's outer space exploration program

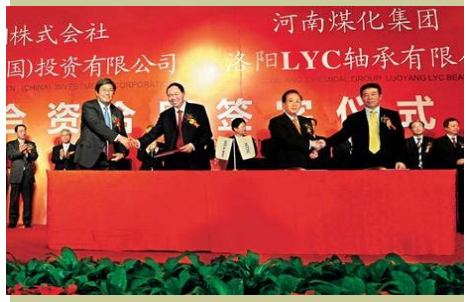
At 6:59:57 pm on October 1st **Change II** began its journey to the Moon. LYC faced unprecedented technical challenges during the bearings development the main factors being the distance covered, the length of run times, large temperature differences, strong radiation and orbital changing accuracy etc. LYC bearings are not only used on the **Change II** satellite but are also used in some critical positions such as ground based radar systems and the carrier rocket.

LYC brand was approved and identified as "China Famous Trademark"

October 2010. LYC brand was approved as "China Famous Trademark" by CTMO this holds a great significance to promote the LYC brand value and further develop the domestic and international markets.

LYC establishes a Joint Venture with the Bearing manufacture NTN

October 11th 2010. LYC and NTN held their official signing ceremony of the JV at LYC. The new Joint Venture provides both LYC & NTN the ability to manufacture 2nd and 3rd generation hubs and needle roller bearings with world advanced technology. The capacity is allocated at 50 million pieces per year the goal is to provide optimum quality and high end added-value services to both home and overseas customer base in 2012.



LYC took part in Shanghai Bearing and Equipment Exhibition

September 21st. LYC took part in the Shanghai Bearing and Equipment Exhibition. The chairman of LYC attended the Exhibition Summit Forum and cut the ribbon for the opening ceremony with other guests. At the exhibition LYC showed various kinds of bearings used within railway, automobile, metallurgy, mining machine, aerospace, military, and the wind turbine industry etc. The products on show truly reflected the R &D and manufacturing capabilities of LYC today.

The EPBS (Earth Pressure Balance Shield) bearing test equipment under the "863 ministry project" has been successfully developed

November 18th 2010. The EPBS the main bearing test equipment under the national 863 project was successfully and independently launched by LYC. This test equipment will allow LYC to begin the evaluation of friction torque, temperature, and vibration sensing with harmonics, this testing will be applicable to a whole array of bearings. The data gathered from these evaluations will provide critical reference data for future R&D programs from which LYC will be able to improve their reliability and productivity of existing and future product range.