

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>JAYHAWK CAPITAL MANAGEMENT LLC</u> (Last) (First) (Middle) <u>8201 MISSION ROAD SUITE 110</u> (Street) <u>PRAIRIE VILLAGE KS 66208</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LSB INDUSTRIES INC [LSBD]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>11/01/2003</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)			4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price				

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Class C Preferred Series 2	\$0 ⁽²⁾	11/01/2003		S		54,700		08/08/1988	08/08/1988	Common Stock	236,796	\$40 ⁽¹⁾	245,150 ⁽³⁾	I ⁽⁴⁾	By Jayhawk Investments, L.P. and Jayhawk Institutional Partners, L.P. ⁽⁴⁾

Explanation of Responses:

- Jayhawk Investments, L.P. exchanged 54,700 shares of Class C Preferred Stock Series 2 for a non-controlling interest in another entity for \$40 per share. The reporting person is the general partner of Jayhawk Investments, L.P.
- Each share of Class C Preferred Series 2 Stock is convertible into 4.329 shares of Common Stock.
- Of this amount, the reporting person is the indirect beneficial owner of 159,500 shares of Class C Preferred Stock Series 2 directly owned by Jayhawk Institutional Partners, L.P. and 85,600 shares of Class C Preferred Stock Series 2 directly owned by Jayhawk Investments, L.P.
- The reporting person is the indirect beneficial owner of 159,550 shares of Class C Preferred Stock Series 2 directly owned by Jayhawk Institutional Partners, L.P. and 85,600 shares of Class C Preferred Stock Series 2 directly owned by Jayhawk Investments, L.P.

Kent C. McCarthy 11/04/2003

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.