

The past, the present and the future With hands, with heart and eyes

To be successful in an enterprise, we must:

Be unique, seek improvement,

Appoint people according to their abilities and good character,

Be learned and skilled, observe strict self-discipline,

Nurture and treasure talents, upholding high moral standards.

Be innovative, gathering market information,

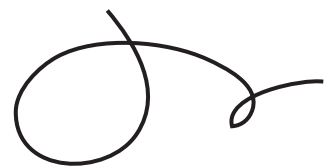
Be creative, as products are market-oriented, all market and human resources must be channelled to meet the market's needs.

Unity and focus on development, ensure consistent progress of an enterprise.

Sensitivity to opportunity and change are the underlying factors to progress.

Be in forefront and take the lead if you want to guide an enterprise to its success.

May it be an encouragement to us all.



Dato' Liew Kuek Hin, DIMP, PJK, JP
Executive Chairman





chairman's statement

On behalf of the Board of Directors,
I am pleased to present to the shareholders an overview
of the performance and results of the Company
for the financial year ended 30 June 2003 and
an assessment of the prospects for the forthcoming year.

Corporate Developments

This year proved to be a significant milestone for the Company with the successful transfer of the listing status of LBB from the Second Board to the Main Board of the Kuala Lumpur Stock Exchange on 5 September 2003. In conjunction with the transfer of listing, a rights issue of up to 10,000,000 new ordinary shares of RM1.00 each on a renounceable basis of one (1) new ordinary share of RM1.00 each for every four (4) existing ordinary shares of RM1.00 each in the Company ("Rights Issue") and a bonus issue of up to 10,000,000 ordinary shares of RM1.00 each on the basis of one (1) bonus share for every one (1) rights share subscribed pursuant to the Rights Issue ("Bonus Issue") was undertaken by the Company and successfully completed on 1 August 2003. As a result of the above exercises, the issued and paid-up capital of the Company was increased from RM40,000,000 to RM60,000,000.

An employees share option scheme was also approved by shareholders and the relevant authorities to be implemented as a means of providing incentives to eligible employees and eligible full-salaried executive directors of the Company.

The Company had also received approval from the relevant authorities and from the shareholders to undertake a proposed private placement of up to 6,000,000 new ordinary shares of RM1.00 each representing not more than 10.0% of the enlarged issued and paid-up share capital of the Company after the Rights and Bonus Issues ("Private Placement"). The Private Placement was completed on 23 October 2003.





Financial Performance

For financial year ended 30 June 2003, the Company recorded an increase in turnover of 20.8% to RM52,743,984 compared to the corresponding financial year. The increase in turnover was mainly attributable to improved sales both locally and from abroad.

Profit before tax increased to RM11,261,112 from RM9,395,953 in the previous financial year, an increase of 19.8%. The improved performance was due to improved sales of higher value added products during the financial year, improved profit margins and increases in production efficiency.

Dividends

The recent Rights and Bonus Issues and Private Placement has resulted in the increase in the total issued and paid-up capital of the Company to RM66,000,000. The proposed first and final dividend for the financial year ended 30 June 2003 is maintained at a tax-exempt 5.0% as per the preceding financial year. However, the absolute quantum of dividends to be paid i.e. RM3,300,000 is higher than the RM2,000,000 paid in the previous financial year.

