

B.C. FORM 51-901F

QUARTERLY AND YEAR END REPORT

Incorporated as part of:

	Schedule A
<u>X</u>	Schedules B & C

ISSUER DETAILS:

Name of Issuer: Fab-Form Industries Ltd.
Issuer Address: #212 - 6333 148th Street, Surrey, B.C. V3S 3C3
Issuer Fax No.: (604) 501-6090
Issuer Telephone No.: (604) 596-3278
Contact Name: Mr. Richard Fearn
Contact Position: President
Contact Telephone Number: (604) 596-3278
Contact Email Address: rfearn@fab-form.com
Web Site Address: www.fab-form.com
For Quarter Ended: 30 June 2002
Date of Report: 28 August 2002

CERTIFICATE:

THE TWO SCHEDULES REQUIRED TO COMPLETE THIS REPORT ARE ATTACHED AND THE DISCLOSURE CONTAINED THEREIN HAS BEEN APPROVED BY THE BOARD OF DIRECTORS. A COPY OF THIS REPORT WILL BE PROVIDED TO ANY SHAREHOLDER WHO REQUESTS IT.

<u>"Richard Fearn"</u>	Richard Fearn	28 August 2002
<u>"Herb Bentz"</u>	Herb Bentz	28 August 2002

Fab-Form Industries Ltd.

Schedule B

Second Quarter 2002

ANALYSIS OF EXPENSES AND DEFERRED COSTS

See consolidated financial statements for details.

1. RELATED PARTY TRANSACTIONS

See consolidated financial statements for details.

2. SUMMARY OF SECURITIES ISSUED AND OPTIONS GRANTED DURING THE PERIOD

a) Securities issued:

On April 2nd, 2002 a debt settlement was completed wherein \$172,992 of debt was settled by the issuance of 961,058 common shares at a deemed price of \$0.18.

b) Options granted:

NONE

3. SUMMARY OF SECURITIES AS AT THE END OF THE REPORTING PERIOD

a) Authorized share capital:

See consolidated financial statements for details.

b) Shares issued and outstanding:

See consolidated financial statements for details.

c) Options, warrants and convertible securities outstanding:

See consolidated financial statements for details.

d) Shares subject to escrow or pooling agreements.

See consolidated financial statements for details.

4. NAMES OF DIRECTORS AND OFFICERS AS AT THE DATE THIS REPORT IS SIGNED AND FILED

Richard Fearn - President, Director, CEO, CFO

Herb Bentz - Director, Corporate secretary

Chris Mattock - Director

Fab-Form Industries Ltd.

Schedule C – MANAGEMENT DISCUSSION

Second Quarter 2002

DESCRIPTION OF BUSINESS

Fab-Form Industries Ltd. is a developer, manufacturer and marketer of innovative forming products that use fabric in place of lumber to form and damp proof concrete for the building industry.

The Company is currently marketing the following products: (see www.fastfoot.com for details):

Fastfoot®

This system consists Fastfabric® 2x4s and stakes to form concrete footings. Steel brackets, called Fast-Yokes™ are used on rocky ground staking is difficult.

Fastbags®

Fabric 'bags' form point load footings, and are an economic and environmental improvement to using lumber and stakes.

The Company is developing the following products:

Fast-Ring™

This product will use a 'ring' of fabric to form pier pads, and will be pre-printed with the name of the distributor or ready mix supplier. The distributor will obtain site branding on each job site, and the contractor will obtain a cost effective method of forming pad footings.

Fastfabric® DPM

Indoor air quality studies confirm that concrete absorbs and transports moisture to interior building spaces. This moisture comes from either outside the concrete wall in the surrounding earth which leads to moisture wicking through the concrete wall to the interior where it vaporizes within the basement of the structure; or below the footing water where the water wicks up into the concrete footing and into the wall before vaporizing inside the building. Fastfabric® DPM will act as a waterproof membrane (DPM) that prevents water from wicking into the footing, allowing builders to construct drier, healthier concrete structures and interior spaces.

Fabwall™

This wall forming system uses fabric to form the outside membrane, and consists of the following components:

- An (external) fabric form that doubles as a damp proofing membrane
- An expanded polystyrene (EPS) or extruded polystyrene (XPS) inside form that provides required insulation levels
- Drop stitches in the fabric that act as ties between the inside and outside form.

MANAGEMENT DISCUSSION & ANALYSIS

Analysis of Financial Results for the Quarter

Profitable Operations

For the first time since going public, the company has achieved profitable operations both for the second quarter and the first half of the year. This is a significant event for the Company as it enables the partial release of escrowed shares to original investors.

Working Capital Position

The Company's working capital position was (\$178,983) at the end of the second quarter, compared to (\$242,681) in 2001. This was the result of the Debt Settlement which took place on April 2nd, 2002.

Fab-Form Industries Ltd.

Schedule C – MANAGEMENT DISCUSSION

Second Quarter 2002

Finance & Cash Flow for the Second Quarter

Operating activities for the second quarter generated cash of \$10,546 (compared with \$16,002 in 2001). Investing activities totaled \$15,634, half the level of \$28,523 in 2001. The investment was primarily in the development of machinery for fabric production.

Sales

Sales for the second quarter were \$75,473, a 21% increase over the previous year's \$62,428.

Cost of Goods Sold

Gross margins for the first half year were 52%, an improvement over the previous year's 46%. This was due to higher fabric sales which carry better margins than steel. The Cost of Goods Sold consisted of material costs 63%, labour 27% and transportation 10%.

Expenses

Operating expenses were reduced 38% for the quarter to \$32,913 compared to \$53,032 in 2001. This was due to a reduction in professional fees and investor relations.

Profit Before Other Items

For the second quarter, Fab-Form recorded a profit of \$7,432 or \$0.002 per share, a significant improvement over the loss of \$18,049 or \$0.003 per share in 2001. For the half year, Fab-Form recorded a profit of \$3,622 or \$0.001 per share, a significant improvement over the loss of \$44,545 or \$0.006 per share in 2001. Increased profitability was due to increased sales of higher yielding gross margins.

MATERIAL CONTRACTS

There were no material contracts in the second quarter of 2002.

INVESTOR RELATIONS

There are no agreements for investor relations at present.

SUBSEQUENT EVENTS

There are no subsequent events.