

**B.C. FORM 51-901F**  
**QUARTERLY AND YEAR END REPORT**

Incorporated as part of:

X	Schedule A
	Schedules B & C

**ISSUER DETAILS:**

**Name of Issuer:** **Fab-Form Industries Ltd.**  
**Issuer Address:** #212 - 6333 148<sup>th</sup> 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:** richard.fearn@fab-form.com  
**Web Site Address:** [www.fab-form.com](http://www.fab-form.com)  
**For Quarter Ended:** 31 March 2003  
**Date of Report:** 29 May 2003

*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.

<b>"Richard Fearn"</b>	Richard Fearn	29 May 2003
<b>"Herb Bentz"</b>	Herb Bentz	29 May 2003

**Fab-Form Industries Ltd.**

**Schedule B – ANALYSIS OF EXPENSES & DEFERRED COSTS**  
**QUARTER ENDING 31 MARCH 2003**

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:

NONE

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**

**QUARTER ENDING 31 MARCH 2003**

### ***Description of Business***

Fab-Form Industries Ltd. is a developer, manufacturer and marketer of forming products using fabric in place of lumber to form and damp proof concrete for the building industry (see [www.fab-form.com](http://www.fab-form.com) for details of products, distribution structure and public company background). Fab-Form is one of the few companies around the world that are commercializing this technology.

Since going public in October of 1999, the Company has been severely constrained with a shortage of working capital. In 2002, the Company achieved profitable operations and this has improved cash flow considerably.

Our long term business goal is to bring fabric forming technologies to main stream distributors, and earn significant profits for our shareholders.

The Company is a reporting issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol Fab-Form Industries Ltd.

### ***Operations***

The first quarter of the year is traditionally slow for concrete forming industry, and the first quarter of 2003 reflected this. Significant efforts were expended on developing the production machinery for the Fast-Tube™, a replacement product for the conventional cardboard tube. As of this date the machinery is operational. We believe this product will have a significant impact on the market because it is:

- easy to install & brace
- can be cut to any length from a 120' pack
- lightweight and compact (1 skid is equivalent to 3 truck loads of cardboard tube)
- easy to strip
- not damaged by water
- replaces an existing product (this is not the case with the footing and pad fabric)

The company is currently introducing the tube to the local market to refine production and packaging methodology.

## **DISCUSSION OF OPERATIONS & FINANCIAL CONDITIONS**

For the three months ended March 31st 2003

### ***Sales***

Sales for the quarter were \$28,081, a 57% decrease over the previous year's \$65,550. In the first quarter of 2002, 59% or \$38,675 was due to a single customer located in California. This quarter the customer did not order. Sales to traditional markets (northern USA and Canada) were constrained by severe winter conditions. Sales of Fastfoot® fabric were up 887% over the previous quarter.

### ***Cost of Goods Sold***

Gross margins for the quarter were 56%, an improvement over the previous quarter's 49%. This was due to higher fabric sales which carry excellent margins. The Cost of Goods Sold consisted of material costs 61%, labour 25% and transportation 14%.

### ***Expenses***

Operating expenses were reduced 6% for the quarter to \$33,947 compared to \$36,131 in 2002. This was mainly due to lower public company expenses.

### ***Statement of Operations & Deficit***

The Company's loss for the quarter was (\$18,093), compared with a loss of (\$3,810) for 2002. This loss was due to lower sales due to severe winter conditions in the Northern USA.

**Fab-Form Industries Ltd.**

## **Schedule C – MANAGEMENT DISCUSSION**

**QUARTER ENDING 31 MARCH 2003**

### ***Working Capital Position***

The Company's working capital position was (\$89,373), compared to (\$350,112) in 2002. This was the result of a debt settlement which took place on April 2<sup>nd</sup>, 2002 as well as profitable operations during 2002.

### ***Finance & Cash Flow***

Operating activities for the quarter used cash of \$23,787, compared with a generation of \$16,946 in 2002. Investing activities totaled \$19,617, compared with \$10,663 in 2002. The investment was primarily machinery for the Fast-Tube™.

## **MATERIAL CONTRACTS**

There were no material contracts in 2003.

## **INVESTOR RELATIONS**

There are no agreements for investor relations.

## **SUBSEQUENT EVENTS**

On May 25<sup>th</sup> the production machinery for the new Fast-Tube™ product became operational. The weld strength in the fabric was excellent, providing a 600% safety factor over concrete pressure requirements. The company is introducing the product in the local market, with full introduction occurring during the summer months.