

Bursa Mailey in Squal idea for the (Oo No 38888 3 W)
Issues & Lading Oro to Regulation

29 SEP 2004

29th September 2004

Our Ref:NMSC/LTR(KLSE31.3.04)

Listing & Issuance Department Bursa Malaysia Securities Berhad 9 Floor, Exchange Square, Bukit Kewangan 50200 Kuala Lumpur

Attn: Cik Roseliliwati Md Ghazali

Dear Madam,

NOVA MSC BERHAD ERRATA ON PAGE 15 & 52 OF THE ANNUAL REPORT FOR FINANCIAL YEAR ENDED 31 MARCH 2004

Referring to the above, we wish to inform that there is an error made on page 15 & 52 of the Annual Report for financial year ended 31 March 2004.

Please find enclosed 30 copies of errata page and the pdf file in a diskette for your further action.

We apologise for any inconvenience caused.

Yours faithfully, For NOVA MSC Berhad

Tan Chee Ping Financial Controller



STATEMENT OF INTERNAL CONTROL

(continued)

• The Company's subsidiaries are accredited with ISO9001:2000. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are consucted twice a year by assessors of the ISO certification body to ensure that the standard operating procedures are being adhered to.

INTERNAL AUDIT

Presently the Group does not have an internal audit department. The Company has engaged a professional consulting firm in March 2004 to carry out the internal audit services, which provides support to the Audit Committee in discharging it's duties with respect to the adequacy and integrity of the system of internal controls within the Group. Subsequent to their appointment, our third party internal auditors carried out audits based on the internal audit plan approved by the Audit Committee. The audit findings are deliberated and resolved with the senior management. The Audit Committee on behalf of the Board, reviews internal control issues identified and recommendations from reports by internal and external auditors on a regular basis.

Some internal control weaknesses were identified from the internal audits conducted and are being addressed by management. None of these weaknesses have resulted in any material loss that would require disclosure in the Group's Annual Report.

CONCLUSION

Although there is an informal system to identify principal risks within the Group, the Board expects to further strengthen its existing internal control systems through risk assessment and the evaluation framework with the assistance of external professionals.

NOTES TO THE FINANCIAL STATEMENTS

(continued)

13. OPERATING PROFIT

	Group		Company	
	01.04.2003 to	09.09.2002 to	01.04.2003 to	09.09.2002 to
	31.03.2004	31.03.2003	31.03.2004	31.03.2003
	(RM)	(RM)	(RM)	(RM)
Operating profit is arrived at after charging:				
Allowance for doubtful receivables	-	14,973	-	-
Amortization of intangible assets	3,270,400	1,486,683	-	-
Auditors' remuneration	65,470	42,325	22,000	10,000
Directors' fees	120,876	-	120,876	-
Directors' remuneration	1,242,256	818,891	156,000	-
Depreciation	601,395	417,321	83,156	3,367
Office rental	1,562,511	1,010,443	152,107	-
Unrealized loss on foreign exchange	-	-	-	44,568
and after crediting:				
Rental income:	74,486	200,738	-	-

14. EMPLOYEE BENEFITS

The number of employees of the Group and of the Company (including 2 Directors) at the end of the year was 117 (2003 - 117) and 31 (2003 - 14), respectively. Included in the staff costs of the Group and of the Company are contributions to defined contribution schemes of RM1,621,561 (2003 - RM1,143,780) and RM128,091 (2003 - RM44,260), respectively.