44. EXPLANATION OF TRANSITION OF MFRSS (CONT'D.)

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statement for the year ended 31 March 2018, except as discussed below:

(a) Transition from FRSs to MFRSs Framework

(i) Property, plant and equipment

Under the FRS accounting framework, the Group and the Company elected to account for the freehold land, leasehold land and buildings included within property, plant and equipment using the revaluation model. The Group and the Company have elected to use the previous revaluation as deemed cost under MFRS. Accordingly, the carrying amounts of these property, plant and equipment have not been restated and the previous revaluation reserve of the Group and the Company were reclassified to retained earnings.

(ii) Foreign currency translation difference

Under FRSs, the Group recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation deficit in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

(b) Adoption of MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 and amends the previous requirements in three main area (i) classification and measurement of financial assets; (ii) impairment of financial assets, mainly by introducing a forward looking expected loss impairment model and (iii) hedge accounting including removing some of the restrictions on applying hedge accounting in MFRS 139. With the exeption of hedge accounting, the Group has applied MFRS 9 retrospectively, with the initial application date of 1 April 2018 and adjusting the comparative information for the period beginning 1 April 2017.