

Notes to the **Financial Statements**

As at 31 March 2019

**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: (cont'd.)

**(b) Adoption of MFRS 9 Financial Instruments (cont'd.)****(ii) Impairment of financial assets**

MFRS 9 also replaces the loss model in MFRS 139 with ECL model. Under MFRS 9, loss allowances will be measured on either 12-months ECLs or lifetime ECLs.

**(c) Adoption of MFRS 141 Agriculture**

Under the MFRS framework, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116 Property, Plant and Equipment. After initial recognition, the bearer biological assets will be measured at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The Group currently measures the bearer biological assets at fair value less accumulated impairment losses recognised after the date of valuation. Upon adoption of MFRS framework, the Group decided to apply the cost model for accounting the bearer plants, the change in accounting framework will result in the reclassification of the bearer assets from biological assets to property, plant and equipment, and the revaluation amount on the transition date to be recorded as deemed costs of the bearer plants which will subsequently be stated at cost less any accumulated impairment losses.

The amendments also require produce that grows on bearer plants to be within the scope of MFRS 141 measured at fair value less cost to sell. Changes in fair value less cost to sell are recognised in profit or loss.