

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
September 27, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12438

In the Matter of

**China Continental, Inc. and
Xcelera, Inc.,**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS AND
NOTICE OF HEARING PURSUANT TO
SECTION 12(j) OF THE SECURITIES
EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission (“Commission”) deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. China Continental, Inc. (“CHCL”)¹ (CIK No. 789877) is a revoked Nevada corporation located in Hong Kong with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). The company is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-Q for the period ended September 30, 2003, which reported a net loss of \$5,799,770 for the prior nine months. As of August 21, 2006, the company’s common stock was quoted on the Pink Sheets, had thirteen market makers, and was eligible for the piggyback exemption of Exchange Act Rule 15c2-11(f)(3). CHCL’s common stock had an average daily trading volume of 102,763 shares during the year ended May 26, 2006.

2. Xcelera, Inc. (“XLACF”) (CIK No. 792857) is a Cayman Islands corporation located in the Principality of Monaco with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). The company

¹ The short form of each issuer’s name is also its stock symbol.

is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 20-F for the period ended January 31, 2003. As of August 21, 2006, the company's common stock was quoted on the Pink Sheets, had sixteen market makers, and was eligible for the piggyback exemption of Exchange Act Rule 15c2-11(f)(3). XLACF's common stock had an average daily trading volume of 39,999 shares during the year ended May 26, 2006.

B. DELINQUENT PERIODIC FILINGS

3. Both of the Respondents are delinquent in their periodic filings with the Commission (*see* Chart of Delinquent Filings, attached hereto as Appendix 1), were quoted on the Pink Sheets as of August 21, 2006, had average daily trading volumes in excess of 39,000 shares during the year ended May 26, 2006, have repeatedly failed to meet their obligations to file timely periodic reports, and are headquartered overseas.

4. Each of the Respondents either failed to cure their delinquencies in response to delinquency letters sent to them by the Division of Corporation Finance requesting compliance or, through their failure to maintain a current address on file with the Commission as required by Commission rule, did not receive such letters.

5. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports (Forms 10-K or 10-KSB), and Rule 13a-13 requires issuers to file quarterly reports (Forms 10-Q or 10-QSB).

6. As a result of its failure to make required periodic filings, CHCL failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

7. As a result of its failure to make required periodic filings, XLACF failed to comply with Exchange Act Section 13(a) and Rule 13a-1 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors that public administrative proceedings be instituted to determine:

A. Whether the allegations contained in Section II of this Order are true, and to afford the Respondents an opportunity to establish any defenses to such allegations; and

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months or to revoke the registrations of securities of the Respondents identified in Section II pursuant to Section 12 of the Exchange Act.

IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS HEREBY FURTHER ORDERED that each Respondent shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If a Respondent fails to file the directed Answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice [17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310].

This Order shall be served forthwith upon each Respondent personally, by certified or express mail, or by any other means permitted by the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris
Secretary

Attachment

Appendix 1

Chart of Delinquent Filings *In the Matter of China Continental, Inc.*

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
<i>China Continental, Inc.</i>					
	<i>10-K</i>	12/31/03	03/30/04	Not filed	30
	<i>10-Q</i>	03/31/04	05/17/04	Not filed	28
	<i>10-Q</i>	06/30/04	08/16/04	Not filed	25
	<i>10-Q</i>	09/30/04	11/15/04	Not filed	22
	<i>10-K</i>	12/31/04	03/31/05	Not filed	18
	<i>10-Q</i>	03/31/05	05/16/05	Not filed	16
	<i>10-Q</i>	06/30/05	08/15/05	Not filed	13
	<i>10-Q</i>	09/30/05	11/14/05	Not filed	10
	<i>10-K</i>	12/31/05	03/31/06	Not filed	6
	<i>10-Q</i>	03/31/06	05/15/06	Not filed	4
	<i>10-Q</i>	06/30/06	08/14/06	Not filed	1
Total Filings Delinquent	11				
<i>Xcelera, Inc.</i>					
	<i>20-F</i>	01/31/04	07/29/04	Not filed	26
	<i>20-F</i>	01/31/05	08/01/05	Not filed	13
	<i>20-F</i>	01/31/06	07/31/06	Not filed	2
Total Filings Delinquent	3				