



CHINA CENTURY CAPITAL

華 夏 投 資 發 展 集 團

Appendix 4E Preliminary Final Report

Name of Entity	China Century Capital Limited
ABN	44 109 330 949
Financial year ended	30 June 2010
Previous corresponding period	30 June 2009

Results for announcement to the market

		Percentage increase/(decrease) over previous corresponding period
	\$	
Revenue from ordinary activities	2,025	(99.51%)
Loss from ordinary activities after tax attributable to members	(2,458,468)	(77.84%)
Net loss for the year attributable to members	(2,458,468)	(77.84%)

No interim dividend was paid and it is not proposed to pay any dividends.

Net loss for the year includes loss on impairment of investments and loans \$423,287 (2009: \$10,423,506), finance costs of \$541,317 (2009 – \$458,112) and non cash employee benefits of \$570,000 (2009 – Nil).

	Current period	Previous corresponding period
Net tangible assets per ordinary security	1.22 cents	5.24 cents

This report is based on accounts which are in the process of being audited. The company does not anticipate that the audit result in dispute or qualification.

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REVIEW OF OPERATIONS

Consolidated net loss for the year before minority interests amounted to \$2,658,619 (2009 - \$11,088,297). No income tax expense was incurred.

PAFtec

For the past year, PAFtec has made significant progress in developing its Personal Clean Air devices (PCAs), and is very close to the product commercialization, anticipated in October 2010. The company has completed the design and prototyping for the first model of its PCA devices called CleanSpace 2010. An early user trial was conducted and the feedbacks from the users were very positive.

The company has also lodged an international patent application (PCT), filed a trade mark application in China and currently in the process of a Taiwan patent application. The company has started the product certification process with SAI Global and Test Safe Australia. A quality management system has been established and a production facility set-up is on the way.

The PAFtec website design has been started and now near its completion for initial launch. A series of product promotion has been conducted with some potential buyers showing high interest.

Enegain Pty Ltd

In February 2010, China Century Capital Limited obtained the sole distribution right for the 3Ec Nano Enzyme (3Ec) in Australia and New Zealand. The 3Ec is a 100% natural bio-enzyme that treats coal. It has been proven that it can reduce 20-50% of emissions, as well as increasing the fuel efficiency of the coal power stations by 5-15%.

Since February, the Company has entered into a partnership with a local company in Australia, who has over 20 years business relationship with the power stations, and is working very closely with Enegain in introducing promoting the 3Ec product.

The company has submitted proposals to power stations, and we are hopeful that a product trial will take place later this year.

The Company has also launched its website on the 17 August 2010.

Sinotel Limited

The operations of Sinotel have been stable. The existing 10G bandwidth capacity, which is the maximum capacity currently available, was fully leased out during the year. Given that the existing 10G capacity has been fully leased out, Sinotel has focused on expanding its capacity to take opportunities of the fast growing market in China for bandwidth capacity. The Company is currently in discussions with several potential investors to raise \$6 million USD and the discussions are going reasonably well. The new capital is being raised to enabling the Company to increase the current bandwidth capacity from 10G to 100G on the fibre optic network as well as developing a data centre in Shanghai.

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REVIEW OF OPERATIONS (continued)

Cominco

The operation of Cominco Mineral (Huzhou) Co Ltd (CMH) resumed trial production June 2009, and due to safety regulations, this is still the case as of June 2010. It was advised by Mr. Ying, the managing director of Cominco that the Chinese government is looking at merging the operation in CMH with other existing quarry operations. This would provide an opportunity for China Century Capital Limited to negotiate and exit this investment in the near future if the Company decides to do so.

Further, the Company has entered into a partnership with Minatek Pty Ltd, an Australian company based in Victoria, who has very strong connection in the Zhe Jiang province, especially in the quarry sector. They also have offices in Zhe Jiang province, managing their investments and other operations in China. Mr. Hung, the managing director of Minatek is also looking at ways to capitalize on this investment.

Principal Activities

The principal activities of the consolidated group during the financial year were those of an investment company focusing on projects in the rapidly growing economy in China.

There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

Dividends

The board of directors do not recommend the payment of a dividend at this time. No amount was paid or declared by way of dividend since the commencement of the financial year.

Significant Changes in the State of Affairs

On 29 June 2010, China Century Capital Limited signed a contract with Minatek Pty Ltd to acquire part of its holding in Heng Sheng Mining Corporation (HSMC). Subsequent to the year end, China Century Capital issued 2,500,000 shares and sold 8.8% of its holding in Cominco to Minatek in exchange for 12,600,000 shares in HSMC, representing approximately 0.9% of HSMC.

Minatek is an Australian company based in Victoria. It has operations in both Australia and China, and is very well positioned to assist in bringing the Cominco quarry operating into full production. It has offices in the Zhe Jiang Province of China, and has staffs that are able to oversee day to day operations of the Cominco operation.

Heng Sheng Mining Corporation (HSMC) is a mining company and owns 50% share of Leyte Ironsand Corporation. Leyte Ironsand Corporation acquired mining area of 430 square km, covering almost all the magnetic iron ore body in Leyte province. The Company has obtained two MPSAs. Since 2004, they have completed the exploration work equal to 30% of mine area with more than 3200 drilling holes and 31000 meters in total.

HSMC explores mines and processes the various mining resources to meet the demand of a large number of Chinese customers. On the 11 June, 2010, Department of Philippines Environment and Natural Resources approved the Environment Protection License for the Philippines operation. The office of the Mines and Geosciences Bureau has also approved an export permit for the first batch of 20,000 ton iron ore.

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HSMC has started formal production on 15 June 2010, and is expecting to deliver 20,000 to 30,000 tons of iron sand at 60-62% grade. HSMC plans to reach an annual production capacity of 1-1.5 million tonnes in 2011, and 2 million tonnes in 2012.

PRELIMINARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Interest Income	2,025	140,459
Other income	-	273,339
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Total revenue	2,025	413,798
	<hr/>	<hr/>
Finance costs expense	(541,317)	(458,112)
Employee benefits expense	(1,147,204)	(89,032)
Impairment of investments and loans	(423,287)	(10,423,506)
Loss on sale of investments	-	(39,980)
Depreciation expense	(10,797)	(4,116)
Other expenses	(538,039)	(487,349)
	<hr/>	<hr/>
Loss before income tax	(2,658,619)	(11,088,297)
Income tax expense	-	-
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Loss after income tax expense	(2,658,619)	(11,088,297)
Net loss attributable to minority interest	200,151	(4,143)
	<hr/>	<hr/>
Net loss attributable to members of parent entity	(2,458,468)	(11,092,440)
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	Cents	Cents
Basic loss per share	(1.7)	(9.6)
Diluted loss per share	(1.7)	(9.6)



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PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	2010 \$	2009 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	582,560	33,950
Trade and other receivables	458,131	854,000
Other assets	81,278	30,365
TOTAL CURRENT ASSETS	<u>1,121,969</u>	<u>918,315</u>
NON-CURRENT ASSETS		
Trade and other receivable	28,068	28,068
Financial assets	5,718,302	5,718,302
Intangible asset	612,543	490,000
Property, plant and equipment	20,491	17,645
TOTAL NON-CURRENT ASSETS	<u>6,379,404</u>	<u>6,254,015</u>
TOTAL ASSETS	<u>7,501,373</u>	<u>7,172,330</u>
CURRENT LIABILITIES		
Trade and other payables	669,022	278,096
Financial liabilities	92,781	-
TOTAL CURRENT LIABILITIES	<u>761,803</u>	<u>278,096</u>
NON-CURRENT LIABILITIES		
Financial liabilities	4,249,315	3,559,280
TOTAL NON-CURRENT LIABILITIES	<u>4,249,315</u>	<u>3,559,280</u>
TOTAL LIABILITIES	<u>5,011,118</u>	<u>3,837,376</u>
NET ASSETS	<u>2,490,255</u>	<u>3,334,954</u>
EQUITY		
Issued capital	15,872,825	14,628,905
Reserves	1,389,702	819,702
Accumulated losses	(15,057,978)	(12,599,510)
Parent entity	2,204,549	2,849,097
Minority Interest	285,706	485,857
TOTAL EQUITY	<u>2,490,255</u>	<u>3,334,954</u>



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PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Share Capital Ordinary \$	Accumulated Losses \$	Reserves \$	Minority Interests \$	Total \$
Consolidated Group					
Balance at 30.06.2008	13,226,399	(1,508,278)	142,184	251,208	12,111,513
Prior year adjustment	-	1,208	-	-	1,208
Revaluation increment / (decrement)	-	-	677,518	238,792	916,310
Total income and expenses recognised directly in equity	-	1,208	677,518	238,792	917,518
Loss attributable to members of parent entity	-	(11,092,440)	-	(4,143)	(11,096,583)
Total recognised income and expense for the year	-	(11,092,440)	-	(4,143)	(11,096,583)
Shares issued during the year	1,467,290	-	-	-	1,467,290
Capital Issue Costs	(64,784)	-	-	-	(64,784)
Balance at 30.06.2009	14,628,905	(12,599,510)	819,702	485,857	3,334,954
Revaluation increment / (decrement)	-	-	-	-	-
Total income and expenses recognised directly in equity	-	-	-	-	-
Loss attributable to members of parent entity	-	(2,458,468)	570,000	(200,151)	(2,088,619)
Total recognised income and expense for the year	-	(2,458,468)	570,000	(200,151)	(2,088,619)
Shares issued during the year	1,361,290	-	-	-	1,361,290
Capital Issue Costs	(117,370)	-	-	-	(117,370)
Balance at 30.06.2010	15,872,825	(15,057,978)	1,389,702	285,706	2,490,255

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PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Cash Flows from Operating Activities		
Interest received	2,025	483
Payments to suppliers and employees	(893,386)	(283,662)
Finance cost	(450,578)	(345,240)
	<hr/>	<hr/>
Net Cash Used In Operating Activities	(1,341,939)	(628,419)
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(13,069)	(20,686)
Payment for development costs	(123,117)	-
Proceeds from sale of investments	-	114,560
Cash reduction on sale of subsidiary	-	(35,930)
Loans to third parties	-	(310,052)
	<hr/>	<hr/>
Net Cash Used In Investing Activities	(136,186)	(252,108)
	<hr/>	<hr/>
Cash Flows from Financing Activities		
Proceeds from issue of shares	1,361,290	318,000
Costs of issue	(117,370)	-
Proceeds from borrowings	782,815	552,360
	<hr/>	<hr/>
Net Cash Provided by Financing Activities	2,026,735	870,360
	<hr/>	<hr/>
Net (decrease)/ increase in cash and cash equivalents	548,610	(10,167)
	<hr/>	<hr/>
Cash and cash equivalents at beginning of the financial year	33,950	44,117
	<hr/>	<hr/>
Cash and cash equivalents at end of the financial year	582,560	33,950
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NOTES FORMING PART OF THE PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2010

The Preliminary Final Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly it is recommended that this Preliminary Final Report is read in conjunction with the Annual Financial Report for China Century Capital Limited for the financial year ended 30 June 2009, the December 2009 Half-Year Report and any public announcements made by the Company during the year ended 30 June 2010 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Stock Exchange.

NOTE 1 FINANCIAL ASSETS

Available-for-sale Financial Assets

	2010	2009
	\$	\$
Unlisted shares in other corporation at fair vale	5,718,302	5,718,302
	<u>5,718,302</u>	<u>5,718,302</u>

The total \$5,718,302 include fair value of investments in Cominco Pty Ltd and Sinotel Limited. As at 30 June 2010, CCY owns 20% of total shares in Cominco Pty Ltd. The reason for not equity accounting the associate (Cominco) is the company does not have significant control to treat as an associate company. Impairment of asset occurred during the reporting period amounted to \$Nil (2009 - \$10,275,231).

NOTE 2 TRADE AND OTHER RECEIVABLES

Current

Interest receivables (i)	423,287	846,574
Other receivables	34,844	7,426
	<u>458,131</u>	<u>854,000</u>

(i) This item relates to the current year's interest receivable on the Cominco Convertible Notes which are outside payment terms. A provision of 50% has been provided for as doubtful debts.

NOTE 3 INTANGIBLE ASSETS

Intellectual Property	518,399	490,000
Design, research and development	94,144	-
	<u>612,543</u>	<u>490,000</u>

NOTE 4 FINANCIAL LIABILITIES

Current

Unsecured – Other loans (i)	92,781	-
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Non Current

Unsecured - Other loans (i)	1,249,315	559,280
Unsecured Convertible Notes (ii)	3,000,000	3,000,000
	<u>4,249,315</u>	<u>3,559,280</u>

(i) This represents loans from shareholders and directors of the company.

(ii) These convertible notes mature on 30 September 2012, however the holder has the right to convert at 30 September or 31 March each year. The notes carry an interest of 12% per annum. No voting rights are attached to the convertible notes.



NOTES FORMING PART OF THE PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2010

NOTE 5 ISSUED CAPITAL

Share Capital

	2010	2009
	\$	\$
Issued and fully paid ordinary shares	15,872,825	14,628,905

A) ORDINARY SHARES

Date	2010	2009
	Number	Number
At beginning of reporting Period	130,698,341	93,332,758
Aug New Issue of shares	-	13,100,000
Nov New Issue of shares	-	15,833,333
Dec New Issue of shares	19,600,000	-
June SPP Issue of shares	3,132,074	8,432,250
At reporting date	153,430,415	130,698,341

B) OPTIONS

Date	Number	Number
At beginning of reporting Period	8,432,250	-
Oct New options granted	25,000,000	-
June New Issue of options	-	8,432,250
At reporting date	33,432,250	8,432,250

The options issued in June 2009 (8,432,250 units) have an exercise price of 5 cents each and will expire on 31 August 2010. The options approved by the shareholders in October 2009 (25,000,000 units) have an exercise price of 9 cents each and will expire on 12 October 2011 (5,000,000 units) and 12 October 2012 (10,000,000).

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NOTES FORMING PART OF THE PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2010

NOTE 6 EVENTS SUBSEQUENT TO REPORTING DATE

Other than those set out below, there has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company, the results of the Company, or the state of affairs of the Company in future financial years.

On 7 July 2010, China Century Capital signed an alliance agreement with a resource investment group Jinji Resources Pty Ltd. Jinji focuses its investments on ASX-listed junior mining shares, as well as researching resources companies in Australia for Japanese institutional investors and high net worth investors. The alliance with Jinji would allow China Century Capital to have a first chance opportunity to collaborate with them on any of their major projects.

On 12 August 2010, an extraordinary general meeting was convened and the shareholders of the Company have approved the allotment of the SPP shortfall shares to the underwriter's nominated investors. Shareholders have also approved the Company's investment into Heng Sheng Mining Corporation (HSMC). This would give China Century Capital a total holding of 2% in HSMC.

On 13 August 2010, the Company convened a noteholder meeting, seeking approval from noteholders to amend the terms and conditions of the Convertible Notes Trust Deed. Approval to the amendments was granted, where the maturity date of the \$3 million Convertible Notes has been extended for another 2 years to 30 September 2012. The noteholders have also approved the amendment of the Conversion Ratio to 1/ (90% X VWAP), which is equivalent of 10% discount of the VWAP price.

P Kao
Company Secretary

Date: 31 August 2010