

CHINA NATURAL RESOURCES INC
Form 6-K
December 02, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of December 2009.

Commission File Number 0-26046

China Natural Resources, Inc.

(Translation of registrant's name into English)

Room 2205, 22/F, West Tower, Shun Tak Centre,

168-200 Connaught Road Central, Sheung Wan, Hong Kong

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T
Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T
Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby
furnishing the information to the Commission pursuant to Rule 12b3-2(b) under the Securities Exchange Act of 1934.
Yes No

If "Yes" is marked, indicated below the file number assigned to the registrant in connection with Rule 12b3-2(b):
82-_____.

Unaudited Results of Operations

Filed herewith on behalf of China Natural Resources, Inc. are the following:

(a)

Unaudited Financial Statements:

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Condensed Consolidated Statements Of Operations And Comprehensive Income (Loss) (Unaudited) For The Three and Six Months Ended June 30, 2009 and 2008.

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Condensed Consolidated Balance Sheets as of June 30, 2009 (Unaudited) and December 31, 2008

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Condensed Consolidated Statements Of Cash Flows (Unaudited) For The Six Months Ended June 30, 2009 and 2008

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Notes to Condensed Consolidated Financial Statements (Unaudited)

(b)

Management's Discussion and Analysis of Financial Condition and Results of Operations

The press release furnished herewith as Exhibit 99.1 shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, and is not incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibits

99.1

Press Release dated December 2, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHINA NATURAL RESOURCES, INC.

Date: December 2, 2009

By: /s/ Li Feilie

Li Feilie

Chairman and Chief Executive Officer

CHINA NATURAL RESOURCES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

THREE AND SIX MONTHS ENDED JUNE 30, 2009 AND 2008

(Amounts in thousands, except share and per share data)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2008 RMB	2009 RMB	2009 US\$	2008 RMB	2009 RMB	2009 US\$
NET SALES	29,722	12,999	1,903	38,268	17,563	2,571
COST OF SALES	(12,141)	(12,371)	(1,811)	(16,023)	(16,268)	(2,381)
GROSS PROFIT	17,581	628	92	22,245	1,295	190
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES, including share-based compensation expense of RMB13,008 (US\$1,904) for the six months ended June 30, 2009 (2008: RMB13,008) and RMB6,504 (US\$952) for the three months ended June 30, 2009 (2008: RMB6,504)	(9,157)	(12,870)	(1,884)	(21,658)	(26,409)	(3,867)
OPERATING INCOME (LOSS) FROM CONTINUING OPERATIONS	8,424	(12,242)	(1,792)	587	(25,114)	(3,677)
INTEREST INCOME	372	65	9	1,121	421	61
OTHER INCOME, NET	67			48	529	78
LOSS ATTRIBUTABLE TO INVESTMENT IN UNCONSOLIDATED INVESTEE	(2,306)	(2,960)	(433)	(4,437)	(5,665)	(829)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	6,557	(15,137)	(2,216)	(2,681)	(29,829)	(4,367)
INCOME TAXES	(4,304)	(714)	(105)	(4,941)	(1,266)	(185)

INCOME (LOSS) FROM CONTINUING OPERATIONS	2,253	(15,851)	(2,321)	(7,622)	(31,095)	(4,552)
DISCONTINUED OPERATIONS						
INCOME (LOSS) FROM DISCONTINUED OPERATIONS (Note 10)	20,207	5	1	24,451	(15,052)	(2,204)
NET INCOME (LOSS)	22,460	(15,846)	(2,320)	16,829	(46,147)	(6,756)
OTHER COMPREHENSIVE INCOME (LOSS)						
Foreign currency translation adjustments						
Attributable to CHNR Shareholders	(3,504)	(60)	(9)	(15,753)	438	64
Attributable to non-controlling interests						
COMPREHENSIVE INCOME (LOSS)	18,956	(15,906)	(2,329)	1,076	(45,709)	(6,692)
Less comprehensive loss attributable to non-controlling interests		833	122		7,567	1,108
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO CHNR SHAREHOLDERS	18,956	(15,073)	(2,207)	1,076	(38,142)	(5,584)
NET INCOME (LOSS) ATTRIBUTABLE TO:						
CHNR Shareholders	22,460	(15,013)	(2,198)	16,829	(38,580)	(5,648)
Non-controlling interests		(833)	(122)		(7,567)	(1,108)
	22,460	(15,846)	(2,320)	16,829	(46,147)	(6,756)
NET INCOME (LOSS) ATTRIBUTABLE TO CHNR SHAREHOLDERS:						
Continuing operations	2,253	(15,016)	(2,198)	(7,622)	(29,549)	(4,326)
Discontinued operations	20,207	3		24,451	(9,031)	(1,322)
	22,460	(15,013)	(2,198)	16,829	(38,580)	(5,648)
INCOME (LOSS) PER SHARE:						
Basic						

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Income (loss) from continuing operations	0.12	(0.71)	(0.10)	(0.40)	(1.42)	(0.21)
Income (loss) from discontinued operations	1.05			1.29	(0.43)	(0.06)
Net income (loss) per share	1.17	(0.71)	(0.10)	0.89	(1.85)	(0.27)

Diluted

Income (loss) from continuing operations	0.10	(0.71)	(0.10)	(0.34)	(1.42)	(0.21)
Income (loss) from discontinued operations	0.88			1.10	(0.43)	(0.06)
Net income (loss) per share	0.98	(0.71)	(0.10)	0.76	(1.85)	(0.27)

WEIGHTED AVERAGE
NUMBER OF
SHARES OUTSTANDING

Basic	19,323,416	21,123,416	21,123,416	18,982,757	20,883,085	20,883,085
Diluted	22,926,151	21,123,416	21,123,416	22,235,670	20,883,085	20,883,085

See notes to condensed consolidated financial statements

CHINA NATURAL RESOURCES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

AS OF JUNE 30, 2009 AND DECEMBER 31, 2008

(Amounts in thousands, except share and per share data)

		December 31,	June 30,	June 30,
		2008	2009	2009
		RMB	RMB	US\$
	Notes		(Unaudited)	(Unaudited)
ASSETS				
CURRENT ASSETS				
Cash		120,888	158,504	23,205
Trade receivables:				
Related parties		70,830		
Others		4,157	1,755	257
Bills receivable		1,460		
Note receivable		96,166		
Inventories	4	66,245	5,614	822
Deferred tax assets		5,470	966	141
Other assets		25,061	42,670	6,247
		390,277	209,509	30,672
ASSETS CLASSIFIED AS HELD FOR SALE	10		442,543	64,790
TOTAL CURRENT ASSETS		390,277	652,052	95,462
INVESTMENT IN UNCONSOLIDATED INVESTEES	7	22,210	17,489	2,560
ADVANCES TO UNCONSOLIDATED INVESTEES, NET	6	39,290	38,346	5,614
PROPERTY AND EQUIPMENT, NET	5	238,591	185,545	27,164
DEPOSITS FOR BUSINESS ACQUISITIONS AND OTHER		119,741	48,119	7,045
TOTAL ASSETS		810,109	941,551	137,845
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Bills payable			10,000	1,464
Accounts payable		7,361	17,100	2,504
Advance from customers		15,261	2,781	407
Accrued liabilities		8,014	3,001	439
Income tax and other taxes payable		12,368	1,192	175

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Other payables		25,485	26,933	3,943
Current portion of related party capital lease obligation	6, 10	9,977		
Related party payable	6	18,316	168,396	24,654
		96,782	229,403	33,586
LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE				
TOTAL CURRENT LIABILITIES	10	96,782	107,174	15,690
NON CURRENT LIABILITIES				
Related party capital lease obligation, net of current portion	6, 10	10,780		
Long term loan			100,000	14,640
Other payables		10,087	82,612	12,095
TOTAL NON-CURRENT LIABILITIES		20,867	182,612	26,735
TOTAL LIABILITIES		117,649	519,189	76,011
EQUITY				
China Natural Resources, Inc. equity:				
Preferred shares, no par:				
Authorized - 10,000,000 shares;				
Common shares, no par:				
Authorized - 200,000,000 shares;				
Issued and outstanding	19,623,416 and 21,123,416 shares			
at December 31, 2008 and June 30, 2009, respectively		312,081	312,081	45,689
Reserves		7,331	7,331	1,073
Additional paid-in capital	8	228,752	288,159	42,187
Excess of purchase price over net asset value	3	(7,149)	(313,139)	(45,844)
Retained earnings		173,087	134,507	19,692
Other comprehensive loss		(35,561)	(35,123)	(5,142)
TOTAL CHINA NATURAL RESOURCES, INC. EQUITY		678,541	393,816	57,655
NON-CONTROLLING INTERESTS		13,919	28,546	4,179
TOTAL LIABILITIES AND EQUITY		810,109	941,551	137,845

See notes to condensed consolidated financial statements.

CHINA NATURAL RESOURCES, INC. AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)****SIX MONTHS ENDED JUNE 30, 2009 AND 2008**

(Amounts in thousands)

	Six months ended June 30,		
	2008	2009	2009
	RMB	RMB	US\$
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(69,545)	33,344	4,882
<u>INVESTING ACTIVITIES</u>			
Purchase of property and equipment	(6,612)	(84,116)	(12,315)
Proceeds on partial disposal of a subsidiary		96,166	14,079
Investment in an unconsolidated investee	(900)		
Net cash received (paid) o			