

Yang Xiang Dong  
 Form 4  
 November 10, 2009

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Yang Xiang Dong

(Last) (First) (Middle)

C/O ABAX GLOBAL CAPITAL  
 (HONG KONG) LTD., S6708, 67F,  
 2 INTL FIN CTR, 8 FINANCE ST

(Street)

CENTRAL HONG KONG, K3 SAR

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 China Natural Gas, Inc. [CHNG]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 04/01/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy)	\$ 2.45	04/01/2009 <sup>(1)</sup>	A <sup>(1)</sup>		10,000		<sup>(1)</sup>	04/01/2019	Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Yang Xiang Dong C/O ABAX GLOBAL CAPITAL (HONG KONG) LTD. S6708, 67F, 2 INTL FIN CTR, 8 FINANCE ST CENTRAL HONG KONG, K3 SAR	X	X		
Abax Lotus Ltd. C/O ABAX GLOBAL CAPITAL (HONG KONG) LTD. S6708, 67F, 2 INTL FIN CTR, 8 FINANCE ST CENTRAL HONG KONG, K3 SAR		X		
Abax Global Opportunities Fund C/O ABAX GLOBAL CAPITAL (HONG KONG) LTD. S6708, 67F, 2 INTL FIN CTR, 8 FINANCE ST CENTRAL HONG KONG, K3 SAR		X		
Abax Arhat Fund C/O ABAX GLOBAL CAPITAL (HONG KONG) LTD. S6708, 67F, 2 INTL FIN CTR, 8 FINANCE ST CENTRAL HONG KONG, K3 SAR		X		
Abax Upland Fund LLC C/O ABAX GLOBAL CAPITAL (HONG KONG) LTD. S6708, 67F, 2 INTL FIN CTR, 8 FINANCE ST CENTRAL HONG KONG, K3 SAR		X		
Abax Global Capital C/O ABAX GLOBAL CAPITAL (HONG KONG) LTD. S6708, 67F, 2 INTL FIN CTR, 8 FINANCE ST CENTRAL HONG KONG, K3 SAR		X		
Abax Claremont Ltd. C/O ABAX GLOBAL CAPITAL (HONG KONG) LTD. S6708, 67F, 2 INTL FIN CTR, 8 FINANCE ST CENTRAL HONG KONG, K3 0000000000		X		

## Signatures

/s/ Xiang Dong Yang	11/09/2009
**Signature of Reporting Person	Date
/s/ Xiang Dong Yang, Director of Abax Lotus Ltd.	11/09/2009
**Signature of Reporting Person	Date
/s/ Xiang Dong Yang, Director of Abax Global Opportunities Fund	11/09/2009
**Signature of Reporting Person	Date
/s/ Xiang Dong Yang, Director of Abax Arhat Fund	11/09/2009
**Signature of Reporting Person	Date
/s/ Xiang Dong Yang, Director of Abax Upland Fund LLC	11/09/2009
**Signature of Reporting Person	Date
/s/ Xiang Dong Yang, Director of Abax Global Capital	11/09/2009
**Signature of Reporting Person	Date
/s/ Xiang Dong Yang, Director of Abax Claremont Ltd.	11/09/2009
**Signature of Reporting Person	Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Pursuant to a Notice of Grant, the Issuer granted to Yang Xiang Dong a Nonstatutory Option dated April 1, 2009 to purchase shares of common stock at an exercise price of \$2.45 per share. The option vests in increments of 25% of the aggregate number of option shares

(1) each year, beginning on the first anniversary of April 1, 2009, and subject to Yang Xiang Dong's continued status as a member of the Issuer's board of directors. Exercise price and number of shares are subject to proportional adjustment in the event of stock splits, combinations and the like involving the Issuer's common stock.

(2) Not applicable.

(3) Yang Xiang Dong beneficially owns the Options directly. Abax Lotus Ltd. is party to an investor rights agreement with certain shareholders of the Issuer, and if they are deemed to be a "group" by virtue of such arrangement, such group may be deemed a greater than 10% owner. The Reporting Persons expressly disclaim beneficial ownership of the securities of the Issuer that are owned by such shareholders.

(4) (Continuation of Footnote 3) Abax Global Opportunities Fund (the "Fund"), is the sole shareholder of Abax Lotus Ltd.; Abax Arhat Fund ("Arhat") and Abax Upland Fund LLC ("Upland"), each owns 50% of the Fund; Abax Global Capital (the "Arhat Shareholder"), is the sole shareholder of Arhat; Abax Claremont Ltd. (the "Upland Managing Member"), is the managing member of Upland; and Mr. Yang is the controlling member of the Arhat Shareholder and the Upland Managing Member. Each of the Reporting Persons disclaims beneficial ownership except to the extent of its or his pecuniary interest therein.

### Remarks:

Remarks: Yang Xiang Dong beneficially owns the Options directly. Abax Lotus Ltd. is party to an investor rights agreement with certain shareholders of the Issuer, and if they are deemed to be a "group" by virtue of such arrangement, such group may be deemed a greater than 10% owner. The Reporting Persons expressly disclaim beneficial ownership of the securities of the Issuer that are owned by such shareholders. Abax Global Opportunities Fund (the "Fund"), is the sole shareholder of Abax Lotus Ltd.; Abax Arhat Fund ("Arhat") and Abax Upland Fund LLC ("Upland"), each owns 50% of the Fund; Abax Global C (the "Arhat Shareholder"), is the sole shareholder of Arhat; Abax Claremont Ltd. (the "Upland Managing Member"), is the managing member of Upland; and Mr. Yang is the controlling member of the Arhat Shareholder and the Upland Managing M. Each of the Reporting Persons disclaims beneficial ownership except to the extent of its or his pecuniary interest therein.

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Exhibit 99.1 (Joint Filer Information) is incorporated herein by reference.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.