

China Natural Gas, Inc.
Form 3
August 14, 2008

FORM 3

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

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *

Â Yang Xiang Dong

(Last) (First) (Middle)

C/O ABAX GLOBAL CAPITAL
(HONG KONG) LTD.,Â SUITE
6708, 67/F, TWO INT'L.
FINANCE CTR

(Street)

8 FINANCE STREET,
CENTRAL,Â K3Â SAR

(City) (State) (Zip)

2. Date of Event Requiring
Statement

(Month/Day/Year)

08/06/2008

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

4. Relationship of Reporting
Person(s) to Issuer

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

(Check all applicable)

☒ Director ☐ 10% Owner
☐ Officer ☐ Other
(give title below) (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 Beneficially Owned

1. Title of Security
(Instr. 4)

2. Amount of Securities
Beneficially Owned
(Instr. 4)

3. Ownership
Form:
Direct (D)
or Indirect
(I)
(Instr. 5)

4. Nature of Indirect Beneficial
Ownership
(Instr. 5)

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

SEC 1473 (7-02)

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form displays a
currently valid OMB control number.**

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security
(Instr. 4)

2. Date Exercisable and
Expiration Date
(Month/Day/Year)

3. Title and Amount of
Securities Underlying
Derivative Security
(Instr. 4)

4. Conversion
or Exercise
Price of
Derivative

5. Ownership
Form of
Derivative
Security:

6. Nature of Indirect
Beneficial Ownership
(Instr. 5)

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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Warrants	Â (1)	Â (1)	Common Stock, par value \$.0001	2,830,000	\$ (1)	I	Warrants owned by Abax Lotus Ltd. (1) (2)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Yang Xiang Dong C/O ABAX GLOBAL CAPITAL (HONG KONG) LTD. SUITE 6708, 67/F, TWO INT'L. FINANCE CTR 8 FINANCE STREET, CENTRAL, Â K3Â SAR	Â X	Â	Â	Â

Signatures

/s/ Xiang Dong
Yang

08/12/2008

__Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

- (1) Abax Lotus Ltd. owns seven year warrants to purchase 2,830,000 shares of common stock, par value \$.0001, of the Company at an initial exercise price equal to \$7.3652 per share, subject to adjustments as set forth in the warrant agreement. The warrants were issued on January 29, 2008 and are exercisable at any time until their expiration on January 28, 2015. Abax Lotus Ltd. also owns 5.0% Guaranteed Senior Notes due 2014 in principal amount of RMB 283,000,000.
- (2) Mr. Yang may be deemed a controlling person of Abax Lotus Ltd.

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.