

China Natural Gas, Inc.
Form 3
November 10, 2009

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 Abax Nai Xin A Ltd. (Last) (First) (Middle) | 2. Date of Event Requiring Statement (Month/Day/Year) 05/01/2009 | 3. Issuer Name and Ticker or Trading Symbol China Natural Gas, Inc. [CHNG] | 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) | 5. If Amendment, Date Original Filed(Month/Day/Year) |
|---|--|---|--|--|

C/O ABAX GLOBAL CAPITAL
(HONG KONG) LTD., Â SUITE
6708/F, TWO INTL., 8
FINANCE ST.

(Street)

CENTRAL HONG
KONG, Â K3 Â 0000000000

(City) (State) (Zip)

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) |
|------------------------------------|--|---|--|
| None | 0 | D | Â |

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

SEC 1473 (7-02)

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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 | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership |
|---|---|--|---------------------------|----------------------|--|
|---|---|--|---------------------------|----------------------|--|

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| | Date Exercisable | Expiration Date | (Instr. 4) Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | (Instr. 5) |
|----------|------------------|-----------------|---------------------|----------------------------|------------------------------|--|------------|
| Warrants | 01/29/2008 | 01/29/2015 | Common Stock | 1,104,266 ⁽³⁾ | \$ 7.3652 | D ⁽¹⁾ ⁽⁴⁾ | Â |
| Warrants | 01/29/2008 | 01/29/2015 | Common Stock | 310,734 ⁽³⁾ | \$ 7.3652 | D ⁽²⁾ ⁽⁴⁾ | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Abax Nai Xin A Ltd. C/O ABAX GLOBAL CAPITAL (HONG KONG) LTD. SUITE 6708/F, TWO INT'L., 8 FINANCE ST. CENTRAL HONG KONG, K3 0000000000 | Â | Â X | Â | Â |
| Abax Jade Ltd. SUITE 6708/F, TWO INT'L. FINANCE CTR. 8 FINANCE STREET HONG KONG, K3 0000000000 | Â | Â X | Â | Â |

Signatures

| | |
|--|------------|
| /s/ Xiang Dong Yang, Director of Abax Nai Xin A Ltd. | 10/09/2009 |
| **Signature of Reporting Person | Date |
| /s/ Xiang Dong Yang, Director of Abax Jade. Ltd. | 10/09/2009 |
| **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) Directly owned by Abax Nai Xin A Ltd.
- (2) Directly owned by Abax Jade Ltd.
Abax Nai Xin A Ltd. directly owns Warrants to purchase 1,104,266 shares of Common Stock. Abax Jade Ltd. directly owns Warrants to purchase 310,734 shares of Common Stock. The Warrants are exercisable, at any time, for the Issuer's common stock (the "Common Stock"). The initial exercise price for each share of Common Stock is \$7.3652 subject to adjustment pursuant to the terms of the Warrant Agreement governing the Warrants but in no event less than \$3.6826 per share of Common Stock (all share amounts and dollar figures being subject to proportional adjustment for stock splits, combinations and the like). The Warrants expire on January 29, 2015.
- (4) Abax Nai Xin A Ltd. and Abax Jade Ltd. own the Warrants directly. Such Warrants may be deemed to be beneficially owned indirectly by: Abax Global Opportunities Fund (the "Fund"), which is the sole shareholder of each of Abax Nai Xin A Ltd. and Abax Jade Ltd.; Abax Arhat Fund ("Arhat") and Abax Upland Fund LLC ("Upland"), each of which owns 50% of the Fund; Abax Global Capital (the "Arhat Shareholder"), which is the sole shareholder of Arhat; Abax Claremont Ltd. (the "Upland Managing Member"), which is the managing member of Upland; and Mr. Yang, who 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.

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Remarks:

Remarks: Exhibit 99.1 (Joint Filer Information) is incorporated herein by reference. Abax Nai Xin A. are parties to an investor rights agreement with certain shareholders of the Issuer, and if they are a "group" by virtue of such arrangement, such group may be deemed a greater than 10% owner. I disclaim beneficial ownership of the securities of the Issuer that are owned by such shareholders.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

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