

Sherman H. David
Form 3
January 20, 2010

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 Sherman H. David

(Last) (First) (Middle)

38 HOMEWOOD ROAD

(Street)

NEWTON,Â MAÂ 02468

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)

01/06/2010

3. Issuer Name and Ticker or Trading Symbol

CHINA HGS REAL ESTATE INC. [CAHS]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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)

Date Exercisable Expiration Date

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

Title Amount or Number of Shares

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security:
Direct (D)
or Indirect (I)
(Instr. 5)

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

Stock Option (1) 01/06/2015 Common 12,000 \$ 2.6 D

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sherman H. David 38 HOMEWOOD ROAD NEWTON, MA 02468	<u> </u> X	<u> </u>	<u> </u>	<u> </u>

Signatures

/s/ H. David 01/18/2010
Sherman

 Signature of Date
Reporting Person

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) This Option will become exercisable ("vest") as to 20% of the original number of Shares on the Grant Date and 10% of the Shares at the end of every quarter thereafter.

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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