

YUN HE
Form 4
October 16, 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 *
YUN HE

2. Issuer Name and Ticker or Trading Symbol
CHINA CLEAN ENERGY INC
[CCGY.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
01/09/2008

____ Director
 Officer (give title below) _____ Other (specify below)
Vice President of Sales

C/O CHINA CLEAN ENERGY INC., 20 STERLING CIRCLE, SUITE 204

(Street)

4. 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

WHEATON, IL 60187

(City) (State) (Zip)

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) |
|---|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | Code V | Amount | (A) or (D) | Price |
| Common Stock, par value \$0.001 per share | 01/30/2009 | | J ⁽¹⁾ | | 235,293 | D | \$ 0 ⁽²⁾ |
| | | | | | 884,357 | ⁽¹⁾ | D |

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

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option (right to buy) | \$ 2.5 | 01/09/2008 | | A | 50,000 | <u>(2)</u> 01/09/2018 | Common Stock | 50,000 |
| Employee Stock Option (right to buy) | \$ 3 | 01/09/2008 | | A | 50,000 | <u>(2)</u> 01/09/2018 | Common Stock | 50,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

YUN HE
C/O CHINA CLEAN ENERGY INC.
20 STERLING CIRCLE, SUITE 204
WHEATON, IL 60187

Vice President of Sales

Signatures

/s/Yun He 10/14/2009

**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).

- (1) On January 30, 2009, the reporting person transferred 235,293 shares of common stock to each of the investors in the Issuer's \$15,000,000 January 9, 2008 private placement for no consideration due to the Issuer's failure to achieve certain performance targets.
- (2) The option vests 1/12 every three months beginning April 9, 2008.

Remarks:

Item 3 (Date of Earliest Transaction) - The Issuer first registered its shares of common stock under Section 12(g) of the Securities Exchange Act of 1934, as amended, on August 24, 2009.

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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