

Wang Yuejian
Form 4
May 09, 2008

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Wang Yuejian

(Last) (First) (Middle)

C/O CHINA DIRECT, INC., 431
FAIRWAY DRIVE

(Street)

DEERFIELD BEACH, FL 33441

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

China Direct, Inc. [CDS]

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

05/07/2008

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)

Chief Executive Officer

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	05/07/2008		M	18,940 A	\$ 2.5 18,940 (1) (2)	D	
Common Stock	05/07/2008		S(3)	18,940 D	\$ 10.03 0 (1) (2)	D	
Common Stock	05/08/2008		M	23,000 A	\$ 2.5 23,000 (1) (2)	D	
Common Stock	05/08/2008		S(3)	23,000 D	\$ 10.1 0 (1) (2)	D	

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 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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 2.5	05/07/2008		M		18,940		01/01/2006	01/01/2011	Common Stock	18,940
Stock Option (Right to Buy)	\$ 2.5	05/08/2008		M		23,000		01/01/2006	01/01/2011	Common Stock	23,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Wang Yuejian C/O CHINA DIRECT, INC. 431 FAIRWAY DRIVE DEERFIELD BEACH, FL 33441	X	X	Chief Executive Officer	

Signatures

/s/ Yuejian
Wang

05/09/2008

**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) Does not include 4,000,000 shares of common stock owned by Dragon Fund Management, LLC ("Dragon Fund"). The reporting person owns 1% of the membership interests in Dragon Fund which ownership interest has 50% of the voting control of Dragon Fund. The

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reporting person's spouse, Lei Li: (i) owns 1 % of the membership interests in Dragon Fund which ownership interest has 50% of the voting control, (ii) owns 3% of the non-voting interests in Dragon Fund; and (iii) is co-trustee of Lotus Capital Trust and Tiger Fund Trust which collectively own 95% of the non-voting membership interests in Dragon Fund. Lotus Capital Trust is an irrevocable trust established by the reporting person for the benefit of his spouse. Tiger Fund Trust is an irrevocable trust established by the reporting person for the benefit of his daughter. Ms. Li is a co-trustee of the Lotus Capital Trust and Tiger Fund Trust.

The reporting person disclaims beneficial ownership of the Company's securities owned by Dragon Fund except to the extent of his

- (2) pecuniary interest in Dragon Fund and this filing should not be construed as an admission that the reporting person is the beneficial owner of these securities.
- (3) Shares sold by the reporting person pursuant to a 10b5-1 trading plan adopted November 29, 2007.

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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