

Wang Yuejian
Form 4
March 02, 2010

FORM 4

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

OMB APPROVAL

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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 *
Wang Yuejian

(Last) (First) (Middle)

C/O CHINA DIRECT INDUSTRIES, INC., 431 FAIRWAY DRIVE, SUITE 200

(Street)

DEERFIELD BEACH, FL 33441

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

China Direct Industries, Inc. [CDII]

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

02/26/2010

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$.0001 par value	02/26/2010		A ⁽¹⁾		213,700	A	Ⓣ
					213,700	(2)	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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 2.5	02/26/2010		D ⁽¹⁾	27,400	01/01/2006	01/01/2011	Common Stock	27,400
Stock Option (Right to Buy)	\$ 5	02/26/2010		D ⁽¹⁾	400,000	01/01/2008	01/01/2012	Common Stock	400,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Wang Yuejian C/O CHINA DIRECT INDUSTRIES, INC. 431 FAIRWAY DRIVE, SUITE 200 DEERFIELD BEACH, FL 33441	X	X	Chief Executive Officer	

Signatures

Yuejian Wang 03/02/2010
 __Signature of Date
 Reporting Person

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).

On February 26, 2010, the Issuer cancelled, pursuant to the Issuer's option exchange program, 27,400 options exercisable at \$2.50 per share granted to the reporting person on January 1, 2005 and 400,000 options exercisable at \$5.00 per share granted to the reporting person on January 1, 2005. In exchange for the options, the reporting person received 53,425 shares of stock plus 160,275 shares of restricted stock which vests in equal thirds on April 1, 2010, July 1, 2010 and October 1, 2010. All shares were issued pursuant to the Issuer's 2008 Executive Stock Incentive Plan.

(2) Amount does not include 4,000,000 shares of the Issuer's common stock held by Dragon Fund Management LLC ("Dragon Fund"), an entity in which the reporting person owns 1% of the membership interests and holds 50% of the voting control. The reporting person disclaims beneficial ownership of the Issuer's securities owned by Dragon Fund except to the extent of his 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.

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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