

DRAGON PHARMACEUTICALS INC
 Form 3
 January 18, 2005

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 *
 2. Date of Event Requiring Statement
 3. Issuer Name and Ticker or Trading Symbol
 4. Relationship of Reporting Person(s) to Issuer
 5. If Amendment, Date Original Filed(Month/Day/Year)

Â Liu Xuemei
 (Last) (First) (Middle)
 C/O DRAGON PHARMACEUTICAL INC.,Â 1055 WEST HASTINGS, SUITE 1900
 (Street)

01/12/2005

DRAGON PHARMACEUTICALS INC [DRUG]

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

VANCOUVER,Â A1Â V6E 2E9
 (City) (State) (Zip)

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)
Common Stock	4,450,200 ⁽¹⁾	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)
Option	01/12/2005	01/12/2010	Common Stock	200,000	\$ 1.18	D	Â
Additional Closing Dragon Shares ⁽²⁾	Â ⁽²⁾	Â ⁽²⁾	Common Stock	428,240	\$ 0	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Liu Xuemei C/O DRAGON PHARMACEUTICAL INC. 1055 WEST HASTINGS, SUITE 1900 VANCOUVER, A1 V6E 2E9	Â X	Â	Â	Â

Signatures

Xuemei Liu by Maggie Deng pursuant to a power of attorney 01/18/2005

__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) 2,653,340 shares are held in escrow to be released in two installments on the first and second anniversary dates from January 12, 2005, provided there are no claims made by the Issuer against Reporting Person in connection with the Oriental Wave Share Purchase Agreement.
- (2) Under the terms of the June 11, 2004 Share Purchase Agreement, Ms. Liu received Additional Closing Dragon Shares in order to maintain her pro rata interest in the Company in the event certain options and warrants outstanding as of the closing date are subsequently exercised. The Additional Closing Dragon Shares may be issued or cancelled depending on whether or not such outstanding options or warrants are exercised or cancelled. Such Additional Closing Dragon Shares are held in escrow and are not assumed outstanding until released from escrow.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.