

DRAGON PHARMACEUTICAL INC
 Form 4
 October 04, 2005

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 *
 Liu Xuemei

(Last) (First) (Middle)

C/O DRAGON
 PHARMACEUTICAL, INC., 1055
 WEST HASTINGS ST., SUITE
 1900

(Street)

VANCOUVER, A1 V6E 2E9

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 DRAGON PHARMACEUTICAL
 INC [DRUG]

3. Date of Earliest Transaction
 (Month/Day/Year)
 09/30/2005

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)

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)		
				(A) or (D)	Code	V	Amount	(D)	Price

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)

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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
Options	\$ 0.74	09/30/2005		A	200,000	09/30/2005	09/30/2010	Common	200,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Liu Xuemei
 C/O DRAGON PHARMACEUTICAL, INC.
 1055 WEST HASTINGS ST., SUITE 1900
 VANCOUVER, A1 V6E 2E9

X

Signatures

/s/ Xuemei Liu by Maggie Deng
 POA

10/01/2005

**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) Includes stock options only. Does not include 428,240 "Additional Closing Dragon Shares" which have already been reported. 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.

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