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ASIA STANDARD HOTEL GROUP LIMITED

(泛海酒店集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 292)

**CLARIFICATION ANNOUNCEMENT AND
UNUSUAL MOVEMENTS IN SHARE PRICE AND TRADING VOLUME**

Clarification relating to certain press articles on 25 May 2005 and unusual movements in share price and trading volume

CLARIFICATION OF PRESS ARTICLES

The Board of Director (the “Board”) refers to certain press articles in today’s newspaper publications in relation to, inter alias, the possible privatization of the Company, issuance of convertible bonds, and revaluation of assets (“Articles”). The Board would like to clarify that currently, the Company has no intention to privatize nor issue of convertible bonds, and has not received any such plan or proposal of this nature. At the date of this announcement, the Group has not discussed or received any offer from third parties for the acquisition of its hotel properties and is not aware of any proposal for acquisition of the shares of the Company. Furthermore, the Group is in the process of revaluing its properties according to its accounting policy for the preparation of its annual report for the year ended 31 March 2005.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted the decrease in the price and increase in trading volume of the shares of the Company on 25 May 2005 and wish to state that we are not aware of any reasons for such movements.

We also confirm that there are no negotiations or agreements relating to intend acquisitions or realizations which are disclosable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price sensitive nature.

Made by the order of the Board of which individually and jointly accept responsibility for the accuracy of this announcement.

Shareholders and investors are reminded to exercise caution in dealing in the shares of the Company.

By order of the Board
ASIA STANDARD HOTEL GROUP LIMITED
Lim Yin Cheng
Deputy Chairman

Hong Kong, 25 May 2005

As at the date of this announcement, the directors of the Company are Mr. Poon Jing, Mr. Lim Yin Cheng, Mr. Fung Siu To Clement, Mr. Poon Tin Sau Robert, Mr. Wong Shu Pui, Mr. Liang Shangli, Mr. Ip Chi Wai*, Mr. Leung Wai Keung Richard# and Mr. Hung Yat Ming#

** for identification purpose only*

independent non-executive directors