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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

The Board of Directors (the “Board”) of Asia Standard Hotel Group Limited (“the Company”) wishes to clarify certain matters reported in a press on 31 August 2005 in relation to, amongst other things, the possible acquisition of four hotels in Hong Kong and Mainland China.

Shareholders and investors should be cautious when dealing in the shares of the Company.

The Board of the Company refers to an article in a press on 31 August 2005 in relation to the possible acquisition of four hotels in Hong Kong and Mainland China. The Company would like to clarify that instead of acquiring four hotels, the Company is now negotiating management contracts together with possible acquisition of some equity stakes, if necessary, in a number of hotels in Hong Kong and Mainland China. Due diligence is currently in progress. At the date of this announcement, no binding agreement in relation to the possible transaction has been entered into.

The Company also intends and is exploring opportunities for possible investment in Macau. However, there are no concrete proposal under discussion.

Shareholders and investors should be cautious when dealing in the shares of the Company.

Save as disclosed above, the Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

By order of the board of directors
Asia Standard Hotel Group Limited
Lim Yin Cheng
Deputy Chairman

Hong Kong, this 31st day of August, 2005.

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

** for identification purpose only*