

Home Inns to Acquire Top Star Hotel Chain

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Acquisition of 26 Hotels with Approximately 4,200 Rooms to Expand the Home Inns Network

Home Inns & Hotels Management Inc. (NASDAQ:HMIN) , announced today that it has agreed to acquire the Top Star hotel chain, which consists of 26 economy hotels with approximately 4,200 rooms across 18 cities in China. Established in 2005, Top Star is a popular economy hotel brand among domestic business and leisure travelers in China. The addition of these hotels will allow Home Inns to further expand its hotel chain to more than 320 hotels in more than 80 cities, and to leverage both Home Inns' and Top Star's customer bases.

Home Inns' consideration for the acquisition will consist of the assumption of approximately RMB 172 million in debt, which Home Inns plans to repay shortly after the completion of the acquisition, the issuance of up to 655,831 Home Inns' ordinary shares (which equals 327,916 of Home Inns' American depositary shares), as well as cash payment of up to RMB 88 million, for aggregate value of up to RMB 340 million if all conditions and targets are met by Top Star.

Home Inns plans to retain the Top Star brand while adding Home Inns' logo to the acquired hotels. Home Inns expects to control the operation of the Top Star hotels beginning November 1, 2007, and the closing of the acquisition is expected to occur by the end of 2007. Home Inns plans to leverage its customer network, technology platform as well as operations expertise to improve the earnings and cash flow of the Top Star hotels in the near future.

"We are extremely excited to bring into our portfolio an additional 26 hotels," said David Sun, Home Inns' Chief Executive Officer. "By doing so, we are solidifying our leadership position in China's economy hotel market. In addition, we are demonstrating our ability to grow rapidly through acquisition as well as organically. We are committed to achieving great performance at the Top Star hotels that we are acquiring, just as we do at all of our Home Inns hotels."

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