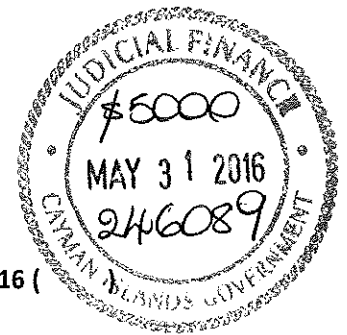
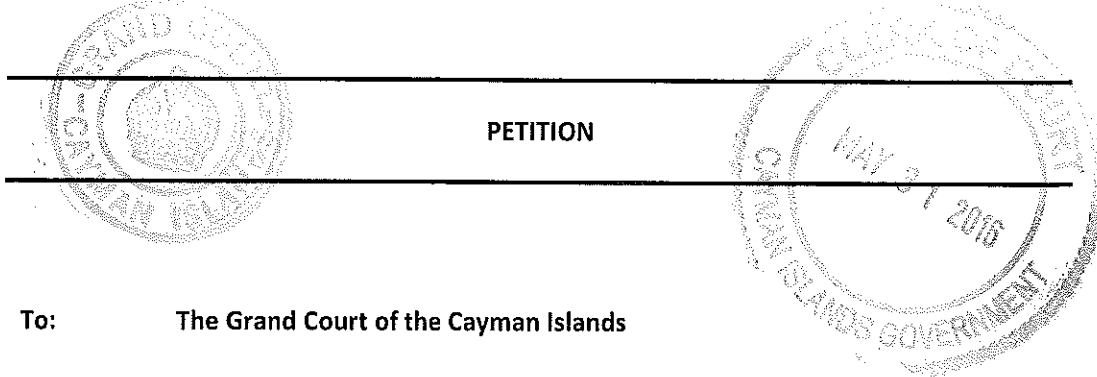


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



CAUSE NO. FSD 75 OF 2016 (

IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)
IN THE MATTER OF HOMEINNS HOTEL GROUP



To: The Grand Court of the Cayman Islands

The humble petition of HOMEINNS HOTEL GROUP whose registered office is care of Maples Corporate Services Limited, PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands (the *Petitioner*) shows that:

Background

1. The Petitioner was incorporated on 30 May 2006 as an exempted limited company under the laws of the Cayman Islands. Immediately prior to the completion of the transaction to which this petition relates, the Petitioner had in issue an aggregate of 98,103,232 ordinary shares with a par value of US\$0.005 per share issued and outstanding. A number of the ordinary shares were represented by American depositary shares (*ADSs*), each representing two ordinary shares, and held by The Bank of New York Mellon, in its capacity as the ADS depository (the *ADS Depository*). The ADSs were listed on the NASDAQ Global Selected Market (*NASDAQ*).
2. On 7 December 2015, the Petitioner announced that it had entered into an agreement and plan of merger dated 6 December 2015 (the *Merger Agreement*) with (1) BTG Hotels Group (HONGKONG) Holdings Co., Limited (*Holdco*), a company incorporated under the laws of the Hong Kong Special Administrative Region; (2) BTG Hotels Group (CAYMAN) Holding Co., Ltd (*Merger Sub*), an exempted company with limited liability incorporated under the laws of the Cayman Islands and a

wholly owned subsidiary of Holdco; and (3) solely for the purposes of certain sections of the Merger Agreement, BTG Hotels (Group) Co., Ltd. (*Parent*), a joint stock company established and existing under the laws of the People's Republic of China.

3. Subject to satisfaction of the terms of the Merger Agreement, Merger Sub was to merge with and into the Petitioner, with the Petitioner continuing as the surviving company (the *Merger*) pursuant to the merger and consolidation regime under Part XVI of the Cayman Islands Companies Law (2013 Revision) (the *Companies Law*). Holdco and Merger Sub were formed solely for the purposes of the Merger.
4. Once the Merger was effected:
 - (a) All of the ordinary shares issued and outstanding immediately prior to the effective time of the Merger (the *Effective Time*), other than the Rollover Shares, the Excluded Shares and the Dissenting Shares (all defined below) and ordinary shares represented by ADSs, would be cancelled and cease to exist in exchange for the right to receive US\$17.90 per share in cash without interest and net of any withholding taxes (the *Per Share Merger Consideration*); and
 - (b) Each ADS issued and outstanding immediately prior to the Effective Time, other than, if any, ADSs representing the Rollover Shares or the Excluded Shares, will represent the right to surrender the ADS in exchange for US\$35.80 per ADS (less cancellation fees of US\$0.05 per ADS pursuant to the terms of the deposit agreement dated 31 October 2006 between the Petitioner, the ADS Depositary, and the holders and beneficial owners of ADSs issued thereunder (the *Deposit Agreement*) in cash without interest and net of any withholding taxes (the *Per ADS Merger Consideration*, together with the Per Share Merger Consideration the *Merger Consideration*).

5. The **Rollover Shares** comprise:
- (a) Each of the 13,446,959 ordinary shares and 1,279,206 ordinary shares represented by ADSs held by Poly Victory Investment Limited;
 - (b) 14,400,765 ordinary shares held by Ctrip Travel Information Technology (Shanghai) Co., Ltd;
 - (c) 375,000 ordinary shares held by Mr Neil Nanpeng Shen;
 - (d) 3,275,389 ordinary shares and 183,356 ordinary shares represented by ADSs held by Smart Master International Limited;
 - (e) 30,138 ordinary shares held by Mr David Jian Sun;
 - (f) 228,806 ordinary shares held by Peace Unity Investment Limited;
 - (g) 74,272 ordinary shares and 10,000 ordinary shares represented by ADSs held by Mr Jason Xiangxin Zhong; and
 - (h) 317,294 ordinary shares represented by ADSs held by Wise Kingdom Group Limited.
6. The **Excluded Shares** comprise each of (1) the ordinary shares held by the Petitioner or any of its subsidiaries and (2) the ordinary shares (including ADSs representing such shares) held by the ADS Depository and reserved for issuance and allocation pursuant to the Petitioner's Amended and Restated 2006 Share Incentive Plan.
7. The **Dissenting Shares** comprise each of the ordinary shares held by shareholders who validly exercise their right to dissent from the Merger, which shares were cancelled and ceased to exist in exchange for the right to receive the payment of fair value of such shares as determined in accordance with section 238 of the Companies Law.
8. As part of this process, on 11 June 2015, the Petitioner's board of directors (the **Board**) determined to establish a committee of independent and disinterested directors (the **Special Committee**) to discuss and consider the Merger.

9. On 14 July 2016, by unanimous written resolution, the Special Committee engaged Simpson Thacher & Bartlett LLP (*Simpson Thacher*) as its US legal counsel, Credit Suisse Securities (USA) LLC (*Credit Suisse*) as its financial advisor, as well as separate Cayman Islands and PRC legal Counsel in connection with its review and evaluation of the Merger.
10. Between mid-July and early December 2015, the Special Committee, on behalf of the Petitioner and assisted by Credit Suisse, Simpson Thacher and other advisors, had extensive negotiations with the representatives and advisors of Holdco and Merger Sub.
11. On 5 December 2015, Credit Suisse provided the Special Committee with an opinion on the fairness of the Merger Consideration, from a financial perspective, to be paid in the Merger (the *Fairness Opinion*). The Fairness Opinion, which was based on a variety of analyses Credit Suisse conducted, including certain financial analyses, found the Merger Consideration to be fair, from a financial perspective, to the holders of ordinary shares and ADSs (other than Rollover Shares) as of 5 December 2015, subject to the limitations, qualifications and assumptions set forth in the Fairness Opinion.
12. Also on 5 December 2015, the Special Committee unanimously determined that the Merger Agreement, the plan of merger in the form attached to the Merger Agreement (the *Plan of Merger*) and the transactions contemplated by the Merger Agreement and the Plan of Merger, including the Merger, were fair to, and in the best interests of, the Petitioner and its shareholders (the *Shareholders*) other than holders of the Rollover Shares. The Special Committee declared it advisable for the Petitioner to enter into the Merger Agreement, the Plan of Merger and the transactions contemplated thereby, including the Merger, and recommended that the Petitioner's Board authorise, approve and recommend the same to the Shareholders.
13. On the same date, the Petitioner's Board approved the Merger Agreement, the Plan of Merger and the transactions contemplated thereby, including the Merger, and

resolved to recommend the approval and authorisation of the Merger Agreement and the Merger to the Shareholders.

14. On 23 February 2016, a proxy statement dated 23 February 2016 (the *Shareholders' Proxy*) was filed as an exhibit to the Schedule 13E-3 transaction statement with the U.S. Securities and Exchange Commission and became publicly available, and was subsequently delivered to the Shareholders. The Shareholders' Proxy included, but was not limited to, a copy of the Merger Agreement entered into between the Petitioner, Holdco and Merger Sub, and solely for the specified purposes therein, BTG Hotels, dated 6 December 2015, a form of Plan of Merger including transactions contemplated therein and the Fairness Opinion for consideration by the Shareholders. The Merger was to be voted upon at an extraordinary general meeting held on 25 March 2016 at the Petitioner's headquarters located at No. 124 Caobao Road, Xuhui District, Shanghai 200235, People's Republic of China (the *EGM*). Relevant notices and proxy forms and extensive disclosure regarding the background of the proposed transactions, including the Merger, were also included in the Shareholders' Proxy.

15. The following special resolutions were set out in the notice convening the EGM:

(a) *"THAT the Agreement and Plan of Merger, dated as of December 6, 2015 (the "Merger Agreement"), among BTG Hotels Group (HONGKONG) Holdings Co., Limited, a company incorporated under the laws of the Hong Kong Special Administrative Region ("Holdco"), BTG Hotels (CAYMAN) Holding Co., Ltd, an exempted company with limited liability incorporated under the laws of the Cayman Islands and a wholly owned subsidiary of Holdco ("Merger Sub"), the Company and, solely for the purposes of Section 6.02(e), Section 6.08, Section 6.09, Section 8.06, Section 9.09 and Section 9.10 thereof, BTG Hotels (Group) Co., Ltd., a joint stock company established and existing under the laws of the People's Republic of China (the Merger Agreement being in the form attached as Annex A to the accompanying proxy statement and to be produced and made available for inspection at the extraordinary general meeting), the plan of merger (the "Plan of Merger")*

required to be registered with the Registrar of Companies in the Cayman Islands (the Plan of Merger being in the form attached as Annex B to the accompanying proxy statement and to be produced and made available for inspection at the extraordinary general meeting) in order to give effect to the merger of Merger Sub with and into the Company, with the Company continuing as the surviving company (the "Merger"), and any and all transactions contemplated by the Merger Agreement and the Plan of Merger (collectively, the "Transactions"), including (i) the Merger and (ii) upon the Merger becoming effective, the amendment and restatement of the existing memorandum and articles of association of the Company (as the surviving company) by the deletion in their entirety and the substitution in their place of the new memorandum and articles of association in the form attached as Appendix II to the Plan of Merger, be authorized and approved" (First Resolution); and

(b) "That each director or officer of the Company be authorized to do all things necessary to give effect to the Merger Agreement, the Plan of Merger and the Transactions, including the Merger" (Second Resolution),

and if necessary, as an ordinary resolution:

(c) "That the extraordinary general meeting be adjourned in order to allow the Company to solicit additional proxies in the event that there are insufficient proxies received at the time of the extraordinary general meeting to pass the special resolutions to be proposed at the extraordinary general meeting." (Third Resolution).

16. At the EGM, 78,204,067 ordinary shares (including ordinary shares represented by the Petitioner's ADSs, each of which represents two ordinary shares) were voted in person or by proxy, representing approximately 80.16% of the Petitioner's total outstanding ordinary shares entitled to vote at the EGM. A quorum was therefore present in accordance with the Articles of Association of the Petitioner.

17. Approximately 99.14% of the ordinary shares voted at the EGM were voted in favour of the proposal to authorise and approve the Merger Agreement, the Plan of Merger and the transactions contemplated by the Merger Agreement and the Plan of Merger, including the Merger.

18. Accordingly, sufficient proxies were received at the time of the EGM to pass the First and Second Resolutions, rendering the Third Resolution unnecessary.

19. Following completion of:

(a) The Merger Agreement by (1) the Petitioner, (2) the Parent and (3) the Merger Sub; and

(b) the Plan of Merger and the Transactions by (1) the Petitioner, (2) the Parent and (3) the Merger Sub,

the Merger was approved on 25 March 2016 and the Plan of Merger was filed with the Registrar of Companies on 29 March 2016. The Certificate of Merger issued by the Registrar of Companies was received by the Petitioner on 1 April 2016, deeming the Merger effective on the same date. The Merger resulted in the ADSs no longer being listed on NASDAQ and the Company being a privately held company.

The Dissenting Shareholders

20. The dissenting shareholders' shareholdings in the Petitioner were as follows:

(a) 106,670 ordinary shares held by Crown/Maso Segregated Portfolio;

(b) 224,268 ordinary shares held by Maso Capital Investments Limited; and

(c) 303,894 ordinary shares held by Blackwell Partners LLC – Series A,

(together the *Dissenting Shareholders*).

Notices of Dissent

21. On 23 March 2016, pursuant to section 238(2) of the Companies Law, the Petitioner received written objections to the Merger from the Dissenting Shareholders.
22. On 28 March 2016, pursuant to section 238(4) of the Companies Law, the Petitioner sent a written notice to each of the Dissenting Shareholders notifying them of the authorisation of the Merger by the Shareholders at the EGM held on 25 March 2016.
23. On 4 April 2016, pursuant to section 238(5) of the Companies Law, the Dissenting Shareholders each sent written notices of dissent in relation to the Merger to the Petitioner, setting out the number and class of shares in respect of which they each dissented (the *Shares*) and demanding payment of fair value of the Shares.
24. On 28 April 2016, the Petitioner's previous attorneys, Campbells, sent written offers to each of the Dissenting Shareholders pursuant to section 238(8) of the Companies Law offering to purchase the Shares at a price the Petitioner determined to be their fair value. The Petitioner made a fair value offer to each of the Dissenting Shareholders of US\$17.90 in cash per ordinary share for the Shares.
25. On 3 May 2016, the Dissenting Shareholders' solicitors, Appleby, wrote to Campbells in response to the Petitioner's offer in paragraph 24. No counter offer was made by the Dissenting Shareholders. Instead, they sought (1) interim payments based on a price per share of US\$17.90 for 100% of their shares pending an outcome of proceedings and (2) provision of substantial documents relating to the Merger.
26. On 13 May 2016, the Petitioner responded to Appleby, through its current solicitors, Harney Westwood & Riegels (*Harneys*), declining to make the requested voluntary interim payments or disclosure of documents ahead of the discovery procedure contained in the Grand Court Rules.
27. On 17 May 2016, Appleby responded to Harneys, but again no counter offer was made.

28. On 25 May 2016, Harneys wrote to Appleby suggesting they particularise the Dissenting Shareholders objections and what they consider to be the fair value of the shares.

29. The period for negotiation contemplated by section 238(8) expired on 28 May 2016 with the Petitioner and Dissenting Shareholders unable to reach an agreement on a price for the Shares. The Petitioner, pursuant to section 238(9)(a), now seeks the Court's determination of the fair value of the Shares.

Your Petitioner therefore humbly prays that:

- (1) The Court determines the fair value of the Shares, together with a fair rate of interest, if any, to be paid by the Petitioner upon the amount determined to be the fair value in accordance with the Companies Law;
- (2) The costs of and occasioned by the Petitioner in these proceedings be paid by the Dissenting Shareholders; and
- (3) The Court make such further order or grant further relief as it deems appropriate.

AND your Petitioner will ever pray etc.

Dated this 30th day of May 2016



Harney Westwood & Riegels

Attorneys-at-Law for and on behalf of the Petitioner

NOTE: This Petition is intended to be served on the Dissenting Shareholders at the addresses stated in the Petitioner's Register of Members.

THIS PETITION was presented by Harney Westwood & Riegels, Attorneys-at-Law for the Petitioner, whose address for service is 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands (Ref: 048218-0001-INM).

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman, Cayman Islands on _____ 2016 at _____ am/pm.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, George Town, Grand Cayman KY1-1106, Cayman Islands; Tel: 3459494296.