

NEWS RELEASE

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**HIGHWAY HOLDINGS ANNOUNCES PILOT PROGRAM FOR NEW CUSTOMER**

**-- Company's Manufacturing Capabilities in Myanmar Attractive to U.S. Businesses --**

**HONG KONG – October 5, 2020--** Highway Holdings Limited ([Nasdaq:HIHO](#)) today announced the company will commence a pilot program to manufacture a security-related product for a U.S.-based company with a 50-year history in industrial and home security products. The products will be manufactured at Highway Holdings' operations in Myanmar. Terms of the pilot program were not disclosed.

"The location of our operations in Myanmar and the company's top-quality capabilities were important considerations in this customer's selection of Highway Holdings as an alternative to China-based manufacturing. While this customer's initial order volume is relatively small, we believe there is a mutual desire to establish a long-term relationship," said Roland Kohl, chairman, president and chief executive officer.

Kohl emphasized this U.S.-based customer has been actively seeking manufacturing sources outside China to replace current suppliers in that country. The customer's decision was prompted by its current suppliers not offering services outside of China and the escalating trade war between the United States and China. "The selection of Highway Holdings meets this customer's objectives, and we are optimistic that our capabilities will more than meet expectations during the pilot program. Equally important, the selection of Highway Holdings also highlights the ongoing success of our strategy to attract business from U.S.-based and European companies seeking suppliers outside China. We look forward to the successful completion of this pilot program and the opportunity to provide substantial additional manufacturing services to this customer and its numerous product categories," Kohl said.

**About Highway Holdings**

Highway Holdings is an international manufacturer of a wide variety of high-quality parts and products for blue chip equipment manufacturers based primarily in Germany. Highway

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Holdings' administrative offices are located in Hong Kong and its manufacturing facilities are located in Yangon, Myanmar and Shenzhen, China.

*Except for the historical information contained herein, the matters discussed in this press release are forward-looking statements which involve risks and uncertainties, including but not limited to economic, competitive, governmental, political and technological factors affecting the company's revenues, operations, markets, products and prices, and other factors discussed in the company's various filings with the Securities and Exchange Commission, including without limitation, the company's annual reports on Form 20-F.*

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