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HIGHWAY HOLDINGS ANNOUNCES SHARE REPURCHASE PROGRAM

HONG KONG — March 8, 2010 — Highway Holdings Limited (**Nasdaq:HIHO**) today announced its board of directors has authorized a share repurchase program of up to \$1.0 million of the company's outstanding common stock from time to time in the open market at prices deemed appropriate by management. The share repurchase program will expire on December 31, 2010.

Highway Holdings has approximately 3.8 million shares outstanding on a diluted basis.

“We believe the current stock price does not adequately represent the value of the company and, therefore, that the share repurchase is a good investment of our available funds. This share repurchase program is consistent with our recently announced plans to proactively enhance shareholder value and does not preclude various other initiatives such as appropriate partnerships, complementary acquisitions and other related activities,” said Roland Kohl, president and chief executive officer of Highway Holdings.

About Highway Holdings

Highway Holdings produces a wide variety of high-quality products for blue chip original equipment manufacturers -- from simple parts and components to sub-assemblies. It also manufactures finished products, such as LED lights, radio chimes and other electronic products. Highway Holdings' principal office is located in Hong Kong and it currently operates two manufacturing facilities in the People's Republic of 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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