

NEWS RELEASE

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**HIGHWAY HOLDINGS ANNOUNCES MANUFACTURING ORDER  
FOR VIDEO GAMING CONSOLES**

**HONG KONG – October 15, 2020--** Highway Holdings Limited ([Nasdaq:HIHO](#)) today announced that the company has received an initial manufacturing order valued at approximately \$1.5 million from Playmaji, a California-based company, for an innovative gaming console designed to play new and legacy video games with premium quality and patent-protected modular gaming technology.

The order is the first order received under an exclusive two-year contract to manufacture Playmaji's new Polymega game consoles and accessories. The exclusive manufacturing agreement, if fully utilized during the two-year period, represents a value of not less than \$8.8 million.

"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. However, the initial order will be produced at the company's facility in China due to current travel restrictions in order to meet delivery schedules for the expected holiday seasonal demand. We anticipate this product line will contribute meaningfully to the company's sales during the next few years, supported by exciting consumer marketing initiatives by Playmaji and increasing home entertainment demand due to the worldwide impact of the coronavirus. We look forward to mutual success and a long-term relationship," said Roland Kohl, chairman, president and chief executive officer.

Kohl noted that the manufacturing contract was the result of a cooperative spirit over a considerable time period, and an extensive prototype development program.

"Given our strict quality requirements and risks associated with today's ever-changing geopolitical climate, we found great value in the investments that Highway Holdings made to expand its operations into Myanmar, while also maintaining a presence in South China -- a large hub for our international supply chain. The team at Highway Holdings has been critical to executing our vision of Polymega brand products to date, and we are excited to bring Polymega

into market this year in cooperation with the company's expert production team," said Bryan Bernal, chief executive officer and co-founder of Playmaji.

As part of the exclusivity agreement, Highway Holdings was granted a two-year option to purchase up to 10% of the equity of Playmaji.

#### **About Playmaji**

Playmaji is a California-based specialty developer, producer, and manufacturer of next-generation video game related products for new and legacy game consoles. Additional information is available at [www.polymega.com](http://www.polymega.com).

#### **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 Holdings' administrative offices are located in Hong Kong and its manufacturing facilities are located in Yangon, Myanmar and Shenzhen, China. Additional information is available at [www.highwayholdings.com](http://www.highwayholdings.com)

*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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