

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or what action you should take, you should immediately consult your stockbroker, bank manager, solicitor or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). The whole of this Document should be read, but your attention is in particular drawn to the section entitled “Risk Factors” at Part III of this Document.

If you have sold or otherwise transferred all of your existing holding of Ordinary Shares before the date on which the Existing Ordinary Shares are marked “ex” entitlement to the Open Offer, please forward this Document and the enclosed Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction or other jurisdiction where doing so may constitute a violation of local securities laws or regulations. If you have sold or otherwise transferred, or if you sell or otherwise transfer, Existing Ordinary Shares held in an uncertificated form prior to the ex-entitlement date, a claim transaction will automatically be generated by Euroclear which, on settlement will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee through CREST. If you have sold or otherwise transferred, or if you sell or otherwise transfer, some only of your Existing Ordinary Shares held in certificated form before the ex-entitlement date you should immediately consult the stockbroker, bank or other agent through or by whom the sale or transfer was effected and refer to the instructions regarding split applications which will be set out in the Application Form.

This Document does not constitute a prospectus for the purpose of the Prospectus Rules of the UK Financial Conduct Authority or listing particulars for the purpose of the Listing Rules. This Document has not been approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to Rule 13.2.1 of the Listing Rules. This Document has not been approved for the purposes of Section 21 of FSMA.

HIGHWAY CAPITAL PLC

(incorporated and registered in England and Wales with registered number 02991159)

Open Offer to Qualifying Shareholders of up to 794,563 New Ordinary Shares (the “Open Offer Shares”) at 14 pence per Open Offer Share

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 28 August 2013. The procedure for application and payment for Qualifying Shareholders is set out in Part II of this Document, and, where relevant, will be set out in the Application Form to be sent to Qualifying non-CREST Shareholders.

The Open Offer Shares have not been and will not be registered under the US Securities Act of 1933, (as amended) (the “Securities Act”) or under the applicable securities laws of any state or other jurisdiction of the United States or any other Restricted Jurisdiction. The Open Offer Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States, or any Restricted Jurisdiction, or to any US Person (as such term is defined in Regulation S promulgated under the Securities Act) or to any national resident or citizen of, or any corporation, partnership or other entity created or organised under the laws of any Restricted Jurisdiction, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States and any relevant Restricted Jurisdiction. The New Ordinary Shares are being offered and sold either (i) outside the United States in offshore transactions within the meaning of and in accordance with Regulation S under the Securities Act or (ii) in the United States in private placement transactions not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the Securities Act provided by Section 4(2) under the

Securities Act or another applicable exemption therefrom. There will be no public offer of the New Ordinary Shares in the United States.

None of the New Ordinary Shares, the Application Form, the Form of Proxy, this Document or any other document connected with the Open Offer has been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the New Ordinary Shares, the Application Form, the Form of Proxy or the accuracy or adequacy of this Document or any other document connected with the Open Offer. Any representation to the contrary is a criminal offence.

The distribution of this Document, the Application Form and rights under Open Offer Entitlements in jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and this Document, the Application Form and Open Offer Entitlements do not form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for Open Offer Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this Document, the Application Form or any rights under the Open Offer Entitlements comes should inform themselves about and observe any such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

Application will be made for the New Ordinary Shares to be admitted to listing on the Official List of the FCA and the main market of the London Stock Exchange.

Cautionary note regarding forward-looking statements: This Document contains statements about Highway Capital plc that are or may be “forward-looking statements”. All statements, other than statements of historical facts, included in this Document may be forward-looking statements and are subject to, inter alia, the risk factors described in Part III of this Document. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, “would”, “could”, “continue” or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: managements’ strategic vision, aims and objectives. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the Listing Rules and the Disclosure and Transparency Rules), Highway Capital plc does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Highway Capital plc or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors of Highway Capital plc at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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INDICATIVE TIMETABLE

Record Date and time for entitlements under the Open Offer	5.00 p.m. on 9 August 2013
Existing Ordinary Shares marked 'ex' by the LSE	8.00 a.m. on 12 August 2013
Posting of the Document and Application Form	13 August 2013
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	by 13 August 2013
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements form Crest	4.30p.m on 22 August 2013
Latest time for depositing Open Offer Entitlements and Excess Open Offer Entitlements into Crest	3.00pm on 23 August 2013
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00pm on 26 August 2013
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 28 August 2013
Latest time and date for receipt of Forms of Proxy	10.30 a.m. on 10 September 2013
General Meeting	10.30 a.m. on 12 September 2013
Results of Open Offer announced through RNS	12 September 2013
Admission and commencement of dealings in Open Offer Shares	13 September 2013
Open Offer Shares to be held in uncertificated form credited to CREST stock accounts	13 September 2013
Despatch of definitive share certificates for Open Offer Shares to be held in Certificated form	Within ten days of Admission

Notes:

⁽¹⁾ *References to times in this Document are to London time (unless otherwise stated).*

⁽²⁾ *The dates and timing of the events in the above timetable and in the rest of this Document are indicative only and may be subject to change.*

⁽³⁾ *If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through an RNS.*

⁽⁴⁾ *In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part II of this Document and, where relevant, complete the Application Form to be sent to Qualifying non-CREST Shareholders. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Neville Registrars on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131. Calls to the Registrar are charged at applicable national or international rates.*

OPEN OFFER STATISTICS

Market price per Existing Ordinary Share ⁽¹⁾	15 pence
Discount to Existing Ordinary Share price ⁽²⁾	6.7 per cent
Number of Existing Ordinary Shares in issue ⁽³⁾	7,945,638
Entitlement of Qualifying Shareholders under the Open Offer	One Open Offer Share for every 10 Existing Ordinary Shares
Issue Price of each New Ordinary Share	14 pence
Maximum number of Open Offer Shares to be offered by the Company	794,563
Maximum proceeds of the Open Offer (before expenses) ⁽⁴⁾	£111,239
Maximum percentage of Enlarged Share Capital represented by the New Ordinary Shares ⁽⁴⁾	9.1 per cent.

Notes:

⁽¹⁾ Closing Price on the Daily Official List of the LSE on 9 August 2013, being the last Business Day prior to the announcement of the Open Offer.

⁽²⁾ Being the percentage discount which the Open Offer Price represents to the Closing Price on the Daily Official List of the LSE on 9 August 2013.

⁽³⁾ As at 9 August 2013, being the last Business Day prior to the announcement of the Open Offer.

⁽⁴⁾ Assuming full take up of the Open Offer.

DEFINITIONS

The following definitions apply throughout this Document and in the accompanying Application Form unless the context requires otherwise:

“Accredited Investor”	an “accredited investor” as defined in Rule 501 of Regulation D of the Securities Act;
“Act”	the Companies Act 2006, as amended;
“Admission”	the admission of the New Ordinary Shares to be issued pursuant to the Open Offer to the Official List and to trading on the London Stock Exchange’s main market becoming effective in accordance with the Listing Rules and the LSE Admission Standards
“Application Form”	the personalised application form on which Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) may apply for Open Offer Shares under the Open Offer;
“Basic Entitlement”	means one Open Offer Share for each 10 Existing Ordinary Shares, rounded down to the nearest integer;
“Board” or “Directors”	the directors of Highway whose names are set out on page 10 of this Document;
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England;
“certificated form”	not in an uncertificated form;
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange;
“Company” or “Highway”	Highway Capital plc;
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, as amended) as published by Euroclear;

“CREST member”	a person who has been admitted by Euroclear as a system participant (as defined in the CREST Regulations);
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
“CREST payment”	shall have the meaning given in the CREST Manual;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended);
“CREST sponsor”	a CREST Participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all-CREST Personal Members);
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
“Document”	this Document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) nor listing particulars (under the Listing Rules);
“enabled for settlement”	in relation to Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and USE transactions;
“Enlarged Share Capital”	the issued Ordinary Share capital of Highway immediately following completion of the Open Offer;
“EU”	the European Union;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Excess Shares”	means any number of Open Offer Shares applied for by Qualifying Shareholders in excess of their Basic Entitlement under the Open Offer;
“Existing Ordinary Shares”	each Ordinary Share in issue as at the Record Date;
“Form of Proxy”	the form of proxy enclosed with this Document for use by Shareholders in connection with the General Meeting;
“FCA”	the Financial Conduct Authority;

“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“General Meeting”	the general meeting of Highway convened by the notice set out in this Document to be held at 10.30 a.m. on 12 September 2013;
“ISIN”	International Securities Identification Number;
“Issue Price”	14 pence per New Ordinary Share;
“KBR”	Keith, Bayley, Rogers & Co. Limited;
“LSE”	London Stock Exchange plc;
“Member Account ID”	the identification code or number attached to any member account in CREST;
“New Ordinary Shares”	up to 794,563 new Ordinary Shares to be issued pursuant to the Open Offer;
“Notice of General Meeting”	the notice of the General Meeting, which is set out at the end of this Document;
“Official List”	the Official List of the FCA;
“Open Offer Entitlement”	the entitlement of a Qualifying Shareholder to apply for Open Offer Shares on the basis of 1 Open Offer Share for every 10 Existing Ordinary Shares held and registered in their name as at the Record Date;
“Open Offer Shares”	up to 794,563 new Ordinary Shares to be offered pursuant to the Open Offer;
“Open Offer”	the conditional offer to be made by the Company to Qualifying Shareholders of Open Offer Shares on the terms and conditions set out in this Document and, where relevant, in the Application Form;
“Ordinary Shares”	the ordinary shares of 2 pence each in the capital of the Company;
“Overseas Shareholders”	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK;
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant;
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC;
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form;

“Qualifying non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of Highway on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with, and subject to the further provisions of, the terms and conditions set out in Part II of this Document;
“Record Date”	the record date for the Open Offer, being 5.00 p.m. on 9 August 2013;
“Registrars”	Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA
“Resolution”	the resolution to be proposed at the General Meeting, as set out in the notice of General Meeting included in this Document;
“Restricted Jurisdictions”	the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa;
“RNS”	a regulatory information service operated by the LSE;
“Securities Act”	the US Securities Act of 1933, as amended;
“Shareholders”	holders of Ordinary Shares whose names appear on the register of members of Highway;
“Sterling” or “£”	the lawful currency of the United Kingdom;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part V of FSMA;
“uncertificated form”	Ordinary Shares recorded on the share register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred within the CREST settlement system;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended;
“VAT”	value added tax;
“USE”	unmatched stock event;

PART I
LETTER FROM THE CHAIRMAN OF HIGHWAY CAPITAL PLC

(Incorporated and registered in England and Wales with registered number 02991159)

Directors:

Dominic Marius Dennis Anthony Wheatley (non-executive Chairman)
Edward Patrick Levey BA(Hons) FCCA (non-executive director)
Maciej Szytko (non-executive director)

Registered Office:

Eden House
Reynolds Road
Beaconsfield
HP9 2FL

13 August 2013

Dear Shareholder

Open Offer and Notice of General Meeting

1. Introduction

The Company yesterday announced that it proposes to raise up to £111,239 (before expenses) by means of an Open Offer at a price of 14 pence per new Ordinary Share. The Issue Price represents a discount of approximately 6.7 per cent. to the price of 15 pence per share, being the Closing Price of the Company's Ordinary Shares on 9 August 2013.

This letter explains why the Board believes that the Open Offer is in the best interests of the Company and the Shareholders as a whole and unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting to be held at 10.30 a.m. on 12 September 2013 as the Directors intend to do in respect of their own holdings of Ordinary Shares.

2. Background to and reasons for the Open Offer

Highway is a "cash shell" and the board continues to identify and evaluate target companies as it seeks opportunities to maximize the value of the Company. In the meantime, the Company continues to keep expenditure to a minimum in order to preserve its cash resources. The Company had cash at bank and in hand of £54,721 at 28 February 2013.

In May 2013, the Company issued a circular containing proposals to transfer the listing of the Ordinary Shares from the premium segment to the standard segment of the Official List and these proposals became effective on 11 July 2013. As a result, the Company will have greater flexibility to raise new capital and effect transactions will lower attendant costs.

In June 2013 one of the directors, Maciej Szytko, indicated that he would make a loan facility of £150,000 available to the Company to provide short term liquidity and, following the approval of Shareholders to increase the Company's borrowing powers, the Company is now able to draw on that facility.

For the year ended 28 February 2013 the Company reported an operating loss of £116,772. Although the loan facility described above would be sufficient to finance an operating loss of similar proportions for the current year, the Directors consider it prudent to seek to raise further capital and believe the Open Offer is an effective way of achieving this.

If fully subscribed, the Open Offer would provide net proceeds which, taking into account the loan facility described above, would extend the life of the Company as a going concern by more than 12 months and give it sufficient funds to conduct initial due diligence on a target acquisition. The Directors consider, however, that in order to carry out full due diligence on and implement any prospective acquisition, significant further funds will need to be raised. If the shareholder approval necessary for the implementation of the Open Offer is not granted or, in the opinion of the Directors, the funds raised

under the Open Offer are insufficient to permit the Company to extend its life for a meaningful period of time, they will consider alternative strategies for the Company, which could include arranging alternative sources of finance, cancellation of the Company's listing, or winding up the Company and returning surplus funds (if any) to shareholders.

The Directors believe that they have a record of successful business development. Their biographies are summarised below.

Dominic Wheatley, 54, was appointed a non-executive director and Chairman on 19 September 2011, and was previously on the board from 2001 to 2006. Mr Wheatley is CEO of Catalis SE. He also founded Bright Things, the company which is now named SocialGO, in September 2004. He served as CEO of the company until 2010, when he became Chairman of SocialGO. Before starting Bright Things, Mr Wheatley had considerable executive management experience in the video games industry. He co-founded Domark in 1984, a video games company that he later reversed into Eidos. In 1992 he established Domark's US subsidiary in California. The company changed its name and Mr Wheatley served as CEO of Eidos Interactive until 1997. He then became an investor in various companies, some of which he joined as a Director and helped float on the London Stock Exchange (Statpro plc, Kuju plc, and Telecom Plus plc). He also has commercial interests in France.

Edward Levey BA(Hons) FCCA, 62, was appointed to the board on 10 March 1995 as finance director and company secretary. Under an agreement dated 5 June 2003 his position changed to that of a non-executive director and he continues to act as company secretary. He has held a number of directorships in manufacturing, engineering and service industry companies during the past 24 years.

Maciej Szytko, 30, was appointed as a non-executive director on 19 September 2011. He is a Commercial Studies graduate from the University of Westminster. Over the past 6 years, he has held a number of managerial positions in the hospitality industry. He is currently a self-employed adviser and active investor in public and private companies with a focus on the Commonwealth of Independent States (CIS) and the Warsaw Stock Exchange (WSE), where his first financial successes occurred.

The Directors are seeking an acquisition in areas commensurate with their experience and expertise. In particular, they are focussing on businesses in the services and support sector based in the European Union. The Directors consider that, on the basis of the Open Offer being fully subscribed, the Company can make significant progress towards its objective within the next 12 months.

The principal risks and uncertainties that the Company faces are in identifying and acquiring a suitable target company.

3. Details of the Open Offer

Highway is proposing to raise up to £111,239 (before expenses) pursuant to the Open Offer. The expenses of the open Offer are estimated to be £25,000. The proposed Issue Price of 14 pence per Open Offer Share, is a discount of 6.7 per cent. to the mid market price at the close of business on 9 August 2013, the last day of trading prior to the announcement of the Open Offer.

Part II of this Document sets out the terms and conditions of the Open Offer and is provided, for information only, to all Shareholders.

The Open Offer is being made by the dispatch of Application Forms (included with this document) to Qualifying non-CREST Shareholders and the credit to the stock accounts of Qualifying CREST Shareholders of Open Offer Entitlements admitted to CREST. The date on which the Open Offer is being made is 13 August 2013. The Open Offer will close at 11.00 a.m. on 28 August 2013 and is not underwritten. The Open Offer will provide Qualifying Shareholders with the opportunity to apply to subscribe for Open Offer Shares at the Issue Price pro rata to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

1 Open Offer Share for every 10 Existing Ordinary Shares

(the Basic Entitlement as defined in this Document). Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded.

Qualifying Shareholders may apply for fewer Open Offer Shares than the number of Open Offer Shares which represents their Basic Entitlement.

Qualifying Shareholders may also apply for and, if they do so, may under certain circumstances be allotted Excess Shares up to the extent that other Qualifying Shareholders do not subscribe for up to their Basic Entitlement and such Excess Shares are as a consequence available for allotment to applicants for Excess Shares.

In the event of aggregate applications including applications for Excess Shares exceeding the aggregate number of Open Offer Shares being offered in the Open Offer, each Qualifying Shareholder applying for Excess Shares will be allotted:

- (i) Open Offer Shares to the extent of the shareholder's Basic Entitlement in full; and
- (ii) Excess Shares in the ratio that the shareholder's application for Excess Shares bears to the aggregate number of Open Offer Shares remaining after satisfaction of all applications from Qualifying Shareholders for Basic Entitlements.

Open Offer Shares for which valid applications are received will be allotted even if the Open Offer is not subscribed in full.

The Open Offer is subject to the Resolution being approved by Shareholders at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 13 September 2013 (or such later date being not later than 8.00 a.m. on 20 September 2013, as the Company may determine).

If these conditions are not satisfied by such date the Open Offer will lapse and all application monies will be returned (at the applicant's risk) without interest by cheque or CREST payment as soon as is practicable after that date. Interest earned on monies held will be retained for the benefit of the Company. The Company shall have no other liability or obligation to any person applying for New Ordinary Shares in the event that the Open Offer lapses.

Shareholders should note that the Open Offer is not a rights issue.

Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document or a document of title, and cannot be traded.

Settlement and dealings

Application will be made for the New Ordinary Shares allotted to Shareholders under the Open Offer to be admitted to listing on the Official List. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 13 September 2013. Further information in respect of settlement and dealings in Open Offer Shares is set out in paragraph 6 of Part II of this Document.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 5 of Part II of this Document.

Open Offer Entitlements

Application will be made for the Open Offer Entitlements for Qualifying CREST Shareholders to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST on 13 August 2013. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled, or by a person entitled by virtue of a bona fide market claim in accordance with paragraph 2.2(b) of Part II of this Document, to such Open Offer Entitlement.

If you are a Qualifying non-CREST Shareholder an Application Form which gives details of your Open Offer Entitlement is included with this document. If you wish to apply for Open Offer Shares under the Open Offer, you should complete the Application Form in accordance with the procedure for application set out in paragraph 2.1 of Part II of this Document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA or delivered by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 28 August 2013.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you but you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements under the Open Offer. You should refer to the procedure for application set out in paragraph 2.2 of Part II of this Document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 28 August 2013.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 28 August 2013. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

4. General Meeting

In order to implement the Open Offer, the Directors will need approval from the Shareholders to allot the Open Offer Shares. Accordingly, they have convened a General Meeting of the Company to be held at 10.30 a.m. on 12 September 2013 for this purpose. The formal Notice of Meeting is set out at the end of this document.

A Form of Proxy for use in connection with the General Meeting is enclosed. Whether or not you intend to attend the General Meeting, you are requested to complete, sign and return the Form of Proxy by hand or by post to Neville Registrars Limited, Proxy Department, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA in accordance with the instructions printed thereon.

Please return the completed Form of Proxy as soon as possible and in any event so as to arrive not later than 10.30 a.m. on 10 September 2013. Completion and return of a Form of Proxy will not prevent you from attending and voting at the General Meeting in person if you wish to do so.

5. Effect of the Open Offer

Upon completion of the Open Offer Admission, and assuming full take up of all New Ordinary Shares offered under the Open Offer, the Enlarged Share Capital is expected to be 8,740,201 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 9.1 per cent. of the Company's Enlarged Share Capital.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the then existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their Admission.

6. Takeover Panel considerations

The Company has been advised by the Takeover Panel that Maciej Szytko, who currently holds 2,383,691 Ordinary Shares, representing 29.99 per cent. of the Existing Ordinary Shares, by virtue of his being a director and therefore a proposer of the Open Offer, will be able to subscribe only up to such number of Ordinary Shares as represents less than 30 per cent. of the Enlarged Share Capital without

incurring an obligation under Rule 9 of the Takeover Code to make an offer to acquire the Ordinary Shares not already owned by him.

The Company has been further advised by the Takeover Panel that Mr R. B. Rowan, who holds 2,375,745 Ordinary Shares, representing 29.90 per cent. of the Existing Ordinary Shares, by virtue of his not being a Director and therefore not involved in the proposal of the Open Offer, will be able to take up his full Basic Entitlement. Notwithstanding that as a result he might hold 30 per cent. or more of the Enlarged Share Capital, the Takeover Panel has advised the Company that Mr Rowan would not be required under Rule 9 of the Takeover Code to make an offer to acquire the Ordinary Shares not already owned by him. However, Mr. Rowan will not be permitted to apply for Excess Shares without incurring an obligation to make an offer to acquire the Ordinary Shares not already owned by him.

Except as indicated above, the Directors will not allot new Ordinary Shares if such allotment would result in the allottee (together with persons presumed or known to be acting in concert with such allottee) holding 30 per cent. or more of the Enlarged Share Capital.

7. Financial Information

The most recently published audited accounts of the Company are for the twelve month period ending on 28 February 2013 (the "last accounts") and the most recently published unaudited interim statements of the Company are for the six month period ending on 31 August 2012 (the "last interims"). Electronic copies of the last accounts and last interims are available from the Company's website www.highwaycapital.co.uk.

8. Additional Information

Your attention is drawn to the Risk Factors and Additional Information set out in Parts III and IV of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this Part I.

9. Intentions of the Directors in relation to the Open Offer

The Directors have agreed to subscribe for Open Offer Shares as follows:

<i>Director:</i>	<i>Number of Open Offer Shares</i>
D. Wheatley	39,604
E. P. Levey	1,000
M. Szytko	Up to 238,369, or such lower number that would result in Mr Szytko's aggregate holding not representing 30 per cent. or more of the Enlarged Share Capital

10. Recommendation

As stated above, the Company's funds have been depleted and the Directors consider that the Open Offer together with the loan facility described above will provide adequate resources for the Company to identify and carry out initial due diligence on potential targets. Accordingly, the Board considers the Open Offer to be in the best interests of the Company and the Shareholders as a whole and, accordingly, unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting as they intend to do in respect of their own holdings of Ordinary Shares, in aggregate 2,789,731 Ordinary Shares, representing 35.10 per cent. of the Existing Ordinary Shares.

Yours faithfully

Dominic Wheatley
Chairman

13 August 2013

PART II FURTHER DETAILS OF THE OPEN OFFER

1. *The Open Offer*

Shareholders should be aware that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should also note that their Application Forms are not negotiable documents or documents of title and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled, or by a person entitled by virtue of a bona fide market claim in accordance with paragraphs 2.1(b) or 2.2(b) of Part II of this Document. Shareholders who do not participate in the Open Offer will have no rights under the Open Offer.

The Existing Ordinary Shares are in registered form, are admitted to listing and are not traded on any other exchange. Open Offer Shares will also be in registered form, will be issued credited as fully paid and will rank *pari passu* in all respects with the issued Existing Ordinary Shares. Open Offer Shares will be issued only pursuant to the Open Offer and, subject as set out in this Part II, will not otherwise be marketed or made available in whole or in part to the public.

Open Offer Shares are not being made available except under the terms of the Open Offer in accordance with regulation 43 at the Financial Services and Market Act 2000 (Financial Promotions) Order 2005 and within the financial limit provided for in paragraph 9 of Schedule 11A of FSMA.

Overseas Shareholders are referred to the section entitled "Overseas Shareholders" set out in paragraph 5 of Part II of this Document.

2. *Procedure for application and payment*

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his Open Offer Entitlement or a Qualifying Shareholder has Open Offer Entitlements credited to his CREST stock account.

It will be possible to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 2.2(e) of Part II of this Document.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders, however, are encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy.

2.1 *If you receive an Application Form in respect of your entitlement under the Open Offer*

(a) General

Subject as provided in paragraph 5 of Part II of this Document in relation to Overseas Shareholders, Application Forms are being sent to Qualifying non-CREST Shareholders with this document. The Application Form will show the number of Existing Ordinary Shares registered in their name as of the Record Date. It will also show the maximum number of Open Offer Shares for which they are entitled to apply under their Open Offer Entitlement. Qualifying non-CREST Shareholders may apply for less than

their maximum Open Offer Entitlement should they wish to do so. A Shareholder may, subject to paragraph 5 of Part II of this Document, also hold such an Application Form by virtue of a bona fide market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer to Qualifying non-CREST Shareholders.

(b) Market claims

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a bona fide market claim in relation to a market purchase of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" for the purposes of entitlement to participate in the Open Offer. The Application Form is not a negotiable document or document of title and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" for the purposes of entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty.

Qualifying non-CREST Shareholders who have sold all of their Existing Ordinary Shares should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send the Application Form, together with this Circular, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any Restricted Jurisdiction or otherwise in breach of paragraph 5 of Part II of this Document. Box 11 of the Application Form must be completed and signed by the person(s) to whom the Existing Ordinary Shares the subject of such bona fide market claim have been sold or otherwise transferred if he or she or it wishes to apply using such Application Form for Open Offer Shares.

Qualifying non-CREST Shareholders who have sold, before the date upon which the Existing Ordinary Shares were so marked "ex", part only of their registered holding of Existing Ordinary Shares, should complete Box 10 on the Application Form and immediately send the Application Form to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA accompanied by a letter stating the number of pro rata entitlements of Open Offer Shares to be included in each split Application Form. The number of pro rata Open Offer Entitlements to apply to each split Application Form must be stated and the aggregate must not exceed the number shown in Box 4 of the Application Form. Box 10 of the Application Form on each split Application Form will be marked "Declaration of Sale duly made". The latest time and date for splitting is 3.00pm on 26 August 2013.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 2.2 below.

(c) Application procedures

Qualifying non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be sent by post to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA or delivered by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA, with a cheque or banker's draft drawn in Sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of those companies. Cheques should be drawn on the personal account to which the Shareholder has sole or joint title. Third party cheques will not be accepted with the exception of bankers drafts or building society cheques where the bank or building society has endorsed the back of the draft by adding the Shareholder's details and the branch stamp. Such cheques or banker's drafts must bear the

appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Applications must be received by the Registrars (at the address detailed above) no later than 11.00 a.m. on 28 August 2013, after which time Application Forms will not be valid. Once submitted, applications are irrevocable. If an Application Form is being sent by post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery. Cheques should be made payable to "Neville Registrars Limited Re: Highway Capital plc" and crossed "A/C Payee Only". It is a condition of application that cheques will be honoured on first presentation and Highway may in its absolute discretion elect not to treat as valid any application in respect of which a cheque is not so honoured. Highway may, in its sole discretion but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. Highway further reserves the right (but shall not be obliged) to accept either Application Forms received after 11.00 a.m. on 28 August 2013 with the envelope bearing a legible postmark not later than 11.00 a.m. on 28 August 2013 or applications in respect of which remittances are received before 11.00 a.m. on 28 August 2013 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days. Multiple applications will not be accepted.

Cheques and banker's drafts are liable to be presented for payment upon receipt. If they are presented before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account until the conditions are fully met. If the condition of the Open Offer is not fulfilled on or before 8.00 a.m. on 13 September 2013, or such later date as the Company may determine (being no later than 8.00 a.m. on 20 September 2013), the Open Offer will lapse, all applications to subscribe New Ordinary Shares pursuant to the Open Offer shall be void and of no effect and all application monies will be returned (at the applicant's risk) without interest by cheques or CREST payment as soon as is practicable after that date. Interest earned on monies held will be retained for the benefit of the Company. The Company shall have no other liability or obligation to any person applying for New Ordinary Shares under the Open Offer in the event that the Open Offer so lapses.

Cheques, which must be drawn on the personal account where the Qualifying Shareholder has sole or joint title to the funds, should be made payable to "Neville Registrars Limited Re: Highway Capital plc". Third party cheques, other than building society cheques or banker's drafts, where the building society or bank has confirmed that you have title to the underlying funds by detailing the account name on the back of the cheque/draft and adding the bank stamp, will not be accepted.

Post-dated cheques will not be accepted.

(d) Effect of application

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form the applicant:

- (i) requests that the Open Offer Shares to which he has applied for be issued to him on the terms set out in this Document and subject to the articles of association of Highway;
- (ii) agrees that all applications under the Open Offer and contracts resulting therefrom, shall be governed by, and construed in accordance with, the laws of England;
- (iii) confirms that, in making the application, the applicant is not relying on any information or representation other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof shall have any liability for any such information or representation not so contained;
- (iv) represents and warrants that, if the applicant received some or all of their Open Offer Entitlements from a person other than Highway, the applicant is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a bona fide market claim;

(v) represents and warrants that it is not a person who by virtue of being resident in or a citizen of any country outside the United Kingdom is prevented by the law of any relevant jurisdiction from lawfully applying for Open Offer Shares;

(vi) represents and warrants that; (a) it is not in the United States, any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares or to use the Application Form in any manner in which it has used or will use it; (b) it is not acting for the account or benefit of a person located within the United States, or any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares and was not acting for the account or benefit of such a person at the time the instruction to apply for Open Offer Shares was given; and (c) it is not acquiring Open Offer Shares with a view to the offer, sale, resale, delivery or transfer, directly or indirectly, of any such Open Offer Shares into the United States, or any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares, in each case except where proof satisfactory to the Company has been provided that such applicant is entitled to take up its entitlement without any breach of applicable law;

(vii) confirms that Open Offer Shares have not been offered to the applicant by the Company, KBR or any of their affiliates, by means of any: (a) "directed selling efforts" as defined in Regulation S under the Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the Securities Act; and

(viii) represents and warrants that it is not, and nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986.

Further representations and warranties are contained in the Application Form.

Should you need advice with regard to these procedures, please contact Neville Registrars Limited on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant, quoting the entitlement number of your Application Form. Calls to the Registrars' number are charged from landlines within the UK at your service provider's standard network rate. Calls to the Registrars' number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars Limited cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. Qualifying Shareholders who do not wish to apply for Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

2.2 If you have Open Offer Entitlements credited to your stock account

(a) General

Subject as provided in paragraph 5 of Part II of this Document in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Open Offer Entitlements.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, on 13 September 2013, or such later time and/ or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying

non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The Open Offer Entitlements will constitute securities for the purposes of CREST and will have the ISIN number stated at paragraph 2.2(d)(II) of Part II of this Document. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) USE instructions

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

(i) the crediting of a stock account of the Registrar under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and

(ii) the creation of a CREST payment, in accordance with the payment arrangements, in favour

of the payment bank of the Registrar in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 2.2(c)(i) above.

(d) Content of USE instruction

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Neville Registrars Limited:

(ii) the ISIN of the Open Offer Entitlements. This is GB00B970SF64 in respect of the Basic Entitlement and GB00B96HRW86 in respect of Excess Shares;

(iii) the participant ID of the accepting CREST member;

(iv) the member account ID of the accepting CREST member from which the Open Offer

Entitlements are to be debited;

(v) the participant ID of Neville Registrars Limited in its capacity as a CREST receiving agent. This is 7RA11;

(vi) the member account ID of Neville Registrars Limited in its capacity as a CREST receiving agent is HIGHWAY;

(vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;

(viii) the intended settlement date. This must be on or before 11.00 a.m. on 28 August 2013; and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 28 August 2013.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(i) a contact name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 28 August 2013 in order to be valid is 11:00 a.m. on that day.

If the condition of the Open Offer is not fulfilled on or before 8.00 a.m. on 13 September 2013 or such later time and date as the Company may determine (being no later than 8.00 a.m. on 20 September 2013), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Neville Registrars Limited will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(e) Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the file name of a person entitled by virtue of a bona fide market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the Open Offer Entitlements are reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 28 August 2013.

In particular, having regard to normal processing times in CREST and on the part of Neville Registrars Limited, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00pm on 23 August 2013, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30p.m on 22 August 2013, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in

connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 28 August 2013.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to Highway and Neville Registrars Limited by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" in the Application Form, and a declaration to Highway and Neville Registrars Limited from the relevant CREST member(s) that it/ they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a bona fide market claim.

(f) Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 28 August 2013 will constitute a valid application under the Open Offer.

(g) CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 28 August 2013. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(h) Incorrect or incomplete applications

If a USE instruction includes a CREST payment for an incorrect sum, Highway, through Neville Registrars Limited, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price (or, if lower, the maximum number of Open Offer Shares the subject of the relevant Qualifying Shareholder's Open Offer Entitlement), refunding any unutilised sum to the CREST member in question: and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction (or, if lower, the maximum number of Open Offer Shares the subject of the relevant Qualifying Shareholder's Open Offer Entitlement), refunding any unutilised sum to the CREST member in question.

(i) Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the bank account of Neville Registrars Limited in accordance with the CREST payment

arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to Highway the amount payable on application);

(ii) request that the Open Offer Shares to which he has applied for be issued to him on the terms set out in this Document and subject to the articles of association of Highway;

(iii) agree that all applications under the Open Offer and contracts resulting therefrom shall be governed by, and construed in accordance with, the laws of England;

(iv) confirm that, in making the application, the applicant is not relying on any information or representation other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof shall have any liability for any such information or representation not so contained;

(v) represent and warrant that he is not a person who by virtue of being resident in or a citizen of any country outside the United Kingdom is prevented by the law of any relevant jurisdiction from lawfully applying for Open Offer Shares;

(vi) represent and warrant that; (a) it is not in the United States, any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares; (b) it is not acting for the account or benefit of a person located within the United States, any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares and it was not acting for the account or benefit of such a person at the time the instruction to apply for Open Offer Shares was given; and (c) it is not acquiring Open Offer Shares with a view to the offer, sale, resale, delivery or transfer, directly or indirectly, of any such Open Offer Shares into the United States, any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares, in each case except where proof satisfactory to the Company and KBR has been provided that such applicant is entitled to take up its entitlement without breach of applicable law;

(vii) confirm that Open Offer Shares have not been offered to it by the Company, KBR or any of their affiliates by means of any: (a) "directed selling efforts" as defined in Regulation S under the Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the Securities Act;

(viii) represent and warrant that it is not and nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986; and

(ix) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a bona fide market claim.

(j) Company's discretion as to the rejection and validity of applications

Highway may in its sole discretion:

(i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in Part II of this Document;

(ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as Highway may determine;

(iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Neville Registrars Limited receives a properly authenticated dematerialised instruction giving details of the first instruction or

thereafter, either Highway or Neville Registrars Limited have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Neville Registrars Limited in connection with CREST.

3. *Money laundering regulations*

3.1 *Shareholders of Application Forms*

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007 (as amended and supplemented), the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA and the Proceeds of Crime Act 2002 (together with other guidance and source books produced in relation to financial sector firms), Neville Registrars Limited may at its absolute discretion require verification of identity from any person lodging an Application Form (in this paragraph, the “applicant”) including, without limitation, any applicant who (i) tenders payment by way of cheque or banker’s draft drawn on an account in the name of a person or persons other than the applicant, or (ii) appears to Neville Registrars Limited to be acting on behalf of some other person. In the former case, verification of the identity of the applicant may be required. In the latter case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (ii) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant’s name; or
- (iv) if the aggregate subscription price for Open Offer Shares is less than the Sterling equivalent of €15,000 (approximately £12,500).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

(a) if payment is made by building society cheque (not being a cheque drawn on an account in the name of the applicant) or banker’s draft, by the building society or bank endorsing on the cheque or banker’s draft the applicant’s name and the number of an account held in the applicant’s name at such building society or bank, such endorsement being validated by a stamp and an authorised signature;

(b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, People’s Republic of China, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States and, by virtue of their membership of the Gulf Co-operation Council,

Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Neville Registrars Limited. If the agent is not such an organisation, it should contact Neville Registrars Limited using the telephone numbers set out in this Document; and

(c) if the Application Form is in respect of Open Offer Shares with an aggregate subscription price of the Sterling equivalent of €15,000 (currently approximately £12,500) or more and is/are lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address. Third-party cheques will not be accepted. If you deliver your Application Form personally by hand, you should ensure that you have with you evidence of identity bearing your photograph (for example your passport). If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 28 August 2013, Neville Registrars Limited have not received evidence satisfactory to them as aforesaid, Neville Registrars Limited may, at their discretion, as the agents of Highway, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

3.2 Open Offer Entitlements held in CREST

If you hold your Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Registrar is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the relevant CREST receiving agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrar as to identity, the Registrar may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, and in any event prior to 11.00 a.m. on 28 August 2013, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as to the identity of the person or persons on whose behalf the application is made.

4. No public offering outside the United Kingdom

Highway has not taken, nor will take, any action in any jurisdiction that would permit a public offering of Ordinary Shares in any jurisdiction where action for the purpose is required by applicable laws, other than in the United Kingdom.

5. Overseas Shareholders

5.1 General

The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. Overseas Shareholders who are in any doubt in this respect should consult their professional advisers. No person receiving a copy of this Document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form or credit of Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be

made to him or such Application Form or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any legislation or other local regulatory requirements. Unless such offer or invitation could lawfully be made to him, the offer to such shareholder will be made by means of a notice in the London Gazette referred to below. Receipt of this Document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and in such circumstances are sent for information only. It is the responsibility of any person receiving a copy of this Document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection with any application for Open Offer Shares, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory.

Persons (including, without limitation, stockbrokers, banks and other agents) receiving an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute, communicate or send the Application Form or credit of Open Offer Entitlements in a stock account in CREST into (or to any person subject to the laws of) any Restricted Jurisdictions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.

If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the stockbrokers, banks and other agents or nominees of such person, he or she must not seek to take up the Open Offer Shares except pursuant to an express written agreement with the Company. Any person who does distribute, communicate or send an Application Form or credit of Open Offer Entitlements in a stock account in CREST into (or to any person subject to the laws of) any jurisdiction outside the UK, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 5. The Company and KBR reserve the right to reject an application to subscribe Open Offer Shares pursuant to any Open Offer Entitlement, submitted by or on behalf of any person, in any such jurisdiction, or by or on behalf of any person who is acquiring Open Offer Shares for resale in any such jurisdiction.

The Company and KBR reserve the right in their absolute discretion to treat as invalid any application for Open Offer Shares under the Open Offer if it appears to the Company and KBR and their agents that such application or acceptance thereof may involve a breach of the laws or regulations of any jurisdiction or if in respect of such application the Company and KBR have not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or in this Document, as appropriate.

In accordance with section 562(3) of the Companies Act 2006, the offer to Qualifying Shareholders who have no registered address within the United Kingdom and who have not given to the Company an address within the United Kingdom for the service of notices will be made by the Company publishing a notice in the London Gazette on, or on the business day following the day of posting of this Document and the Application Forms stating where copies of this Document and Application Forms may be inspected, or obtained on personal application, by or on behalf of such Shareholders.

All payments under the Open Offer must be made in Sterling.

5.2 *United States*

The New Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States and, unless so registered, may not be offered, sold, resold, taken up, delivered or distributed, directly or indirectly, within, into or in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Outside the United States, the New Ordinary Shares may not be offered, taken up, delivered or transferred, except in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in

accordance with Rule 903 or Rule 904 of Regulation S. Inside the United States, the New Ordinary Shares may not be offered, taken up, delivered or transferred except in a private placement transaction not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the Securities Act provided by Section 4(2) under the Securities Act or another applicable exemption therefrom (a "US Placing"). There will be no public offer in the United States.

This Document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities in the United States.

Application Forms are not being sent to, and Open Offer Entitlements are not being credited to a stock account in CREST of, any Shareholder with a registered address in the United States unless such Shareholder satisfies the Company and KBR that an allotment is permitted under an exception from the securities laws referred to above.

Subject to certain exceptions this Document is being sent to such Shareholders for information purposes only and does not constitute an offer or invitation to apply for Open Offer Shares. Subject to certain exceptions, any application for Open Offer Shares will be treated as invalid if it appears to have been executed or effected in, postmarked or otherwise despatched in or from the United States, or if it provides an address in the United States for the registration or issue of Open Offer Shares in uncertificated form or for the delivery of Open Offer Shares in certificated form, or if it appears to have been sent by a person who cannot make the representations and warranties set out in the Application Form or in this Document.

In addition, until 40 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the US by a dealer (whether or not participating in the Open Offer) may violate the registration requirements of the Securities Act.

5.3 Other Restricted Jurisdictions

Due to the restrictions under the securities laws of the Restricted Jurisdictions, Shareholders who have registered addresses in or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not be sent an Application Form and no Open Offer Entitlements will be credited to their CREST stock accounts.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

6. Settlement and dealings

The result of the Open Offer is expected to be announced on 12 September 2013. Application will be made for Open Offer Shares to be admitted to listing. It is expected that, subject to the Open Offer becoming unconditional in all respects, Admission of Open Offer Shares will become effective and that dealings in Open Offer Shares will commence on 13 September 2013. Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 28 August 2013 (the latest date for applications under the Open Offer). Subject to the satisfaction of the conditions of the Open Offer, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by Highway. Neville Registrars Limited will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from the date of Admission (expected to be 13 September 2013). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this Document, Highway reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open

Offer Entitlements and/or to issue Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by Neville Registrars Limited in connection with CREST. This right may also be exercised if the correct details (such as participant ID and member account ID details) are not provided as requested on the Application Form.

For Qualifying Shareholders who have applied for Open Offer Shares using an Application Form and whose application has been accepted by Highway, share certificates for the Open Offer Shares issued to such Qualifying Shareholders, are expected to be despatched by post within five days of Admission of Open Offer Shares. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of relevant Open Offer Shares by such Qualifying Shareholders will be certified against the register of members of the Company. All documents or remittances sent by or to an applicant (or his agent as appropriate) through the post are sent at the risk of the applicant.

Qualifying CREST Shareholders should note that they will be sent no confirmation of the credit of Open Offer Shares to their CREST stock account nor any other written communication by Highway in respect of the issue of Open Offer Shares.

PART III RISK FACTORS

The Directors consider the following risks to be the most significant for existing and potential investors in the Company. In addition to the other relevant information set out in this Document, these risks should be considered carefully in evaluating an investment in the Company. An investment in the Company may not be suitable for all of its existing or prospective investors. If you are in any doubt about the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000, as amended, who specialises in advising on the acquisition of shares and other securities. It should be noted that the risks described below are not the only risks faced by the Company. There may be additional risks that the Directors currently consider not to be material or of which they are currently unaware. The risks set out below are not presented in any assumed order of priority.

1. Requirement for additional funds

The Company's business and growth strategies will require additional capital and there can be no guarantee that funds will be available to the Company on satisfactory terms in the future, if required. To the extent that the Company raises additional equity capital, it would have a dilutive effect on existing Shareholders. If adequate funds are not available, the Company will not be able to continue to grow at the planned rate or otherwise achieve certain management objectives. This would have a detrimental impact on the Company's prospects. Whilst the Open Offer is being made to provide working capital for the Company's present level of activity, the Directors emphasise that the Open Offer is not underwritten and therefore there can be no guarantee that it will be subscribed in full. In addition, the Directors emphasise that in order to carry out due diligence on and implement any prospective acquisition, further funds will need to be raised.

2. Profitability risk

The Company currently has no business and cannot be certain that it will acquire a business which is profitable or will achieve profitability.

3. Financial risk

Highway has a history of operating losses. These losses have arisen mainly from the costs incurred in evaluating investment opportunities and general administrative costs. In order to progress the evaluation of investment opportunities, the Company will continue to incur expenses. The Company may not be successful in completing any investment proposals.

The resources needed for evaluation of investment opportunities require the Company to gain access to significant additional funding from capital markets or elsewhere. There can be no assurances that such funding will be available on favourable terms, if at all.

Significant additional funding will be required to implement any investment proposal. If the Company is unable to raise those funds, there will be insufficient finance for the Company to make the investment that it wishes to pursue.

The Company has not paid dividends in the past and does not expect that dividends will be paid in the foreseeable future. The declaration and payment of any dividends in the future and the amount of any future dividends will depend upon the results of operations, financial conditions, cash requirements, future prospects, profits available for distribution and other factors deemed by Directors to be relevant at the time.

4. Retention of key personnel risk

The Company's success is largely dependent on the personal efforts and abilities of the Company's existing senior management. The loss of senior management or the inability to attract or retain other senior managers could have a material adverse effect on the Company's results, operations and financial condition.

5. *Share price volatility and liquidity*

The share prices of publicly traded companies may be highly volatile and subject to wide fluctuations in price in response to a variety of factors, which could lead to losses for Shareholders. These factors include: changes in government policies, changes in legislation and economic conditions, fluctuations in the Company's operating results, changes market valuations of similar businesses, announcements by the Company of significant acquisitions, strategic partnerships, joint ventures or capital commitments, additions or departures of key personnel, litigation and press, newspaper and other media reports. In addition, the Ordinary Shares may not be traded in sufficient volumes to give share liquidity to Shareholders.

Stock markets have also from time to time experienced extreme price and volume fluctuations, which have affected the market prices of securities and which have often been unrelated to the operating performance of the companies affected. These broad market fluctuations, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares.

6. *Investment risk*

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may relate to the Company, and others of which are not specific to the Company. On any disposal investors may realise less than the original amount invested. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment and liquidity in the market for the Company's securities cannot be guaranteed.

7. *Other*

The Open Offer Shares have not been, nor will they be, registered under the Securities Act and there are restrictions on transfer under the Securities Act. The Open Offer Shares are being offered and sold outside the United States in transactions exempt from the registration requirements of the Securities Act in reliance on Regulation S under the Securities Act. The Open Offer Shares may not be offered, sold or delivered in or into the United States unless the transfer is registered under the Securities Act, or an exemption from the registration requirements of Section 5 of the Securities Act provided by section 4(2) under the Securities Act or another applicable exemption is available.

Only the Company is entitled to register the Ordinary Shares under the Securities Act and the Company has no obligation to do so. The Company can give no assurances that an exemption from registration under the Securities Act will be available to any subscribers for or purchasers of Ordinary Shares.

Investors should consider carefully whether an investment in Highway is suitable for them in light of the Risk Factors outlined above, their personal circumstances and the financial resources available to them.

This list should not be considered an exhaustive statement of all potential risks and uncertainties.

**PART IV
ADDITIONAL INFORMATION**

1. *Incorporation*

The Company was incorporated and registered in England and Wales on 11 November 1994 with registered number 02991159.

2. *Share capital*

The issued and fully paid up share capital of the Company as at the date of this Document was as follows:

	<i>Nominal Value</i>	<i>Number</i>
Existing Ordinary Shares of 2 pence each	£158,913	7,945,638

The issued and fully paid up share capital of the Company immediately following Admission will be approximately:

	<i>Nominal Value⁽¹⁾</i>	<i>Number⁽¹⁾</i>
Ordinary Shares of 2 pence each	£174,803	8,740,201

⁽¹⁾ Assuming allotment in full of the Open Offer Shares

3. *Directors' and other interests*

Set out below are: (a) the interests of the Directors and persons connected with the Directors in the share capital of the Company, such interests being those which could with reasonable diligence be ascertained by the Directors, whether or not held through another party as at 9 August 2013 (being the latest practicable date prior to the publication of this Document) and the number of Open Offer Shares to be subscribed by Directors:

<i>Name of Director</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage</i>
D. Wheatley	396,040	4.98%
M. Szytko	2,383,691	29.99%
E. P. Levey	10,000	0.13%

⁽¹⁾ Assuming allotment in full of the Open Offer Shares

4. *Substantial Shareholdings*

Details of persons directly or indirectly interested in three per cent. or more of the issued Ordinary Share capital, and notified to the Company from time to time, are as follows:

<i>Name of Shareholder</i>	<i>Number of Existing Ordinary Shares beneficially held at present</i>	<i>Percentage</i>
R. B. Rowan	2,375,745	29.90%
P. Fellerman	645,000	8.12%
J. A. M. Hemming MP	276,300	3.47%

5. *Document available for inspection*

Copies of this Document will be available for inspection free of charge at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Document up to and including the date of the Open Offer Admission.

NOTICE OF GENERAL MEETING

HIGHWAY CAPITAL PLC

(Incorporated and registered in England and Wales with registered number 02991159)

NOTICE IS HEREBY GIVEN that a General Meeting of Highway Capital plc (the "Company") will be held at 33 Throgmorton Street, London EC2 2BR at 10.30 a.m. on 12 September 2013 for the purpose of considering and, if thought fit, passing the following Resolution, which will be proposed as an ordinary resolution:

That the directors be and are hereby generally and unconditionally authorised (in substitution for any specific or general authority previously conferred on them but without prejudice to the allotment of securities under any such previous authority pursuant to any offer or agreement made prior to the date this resolution is passed) to exercise all the powers of the company to allot shares in the company or to grant rights to subscribe for, or to convert any security into, shares in the company, in accordance with section 551 of the Companies Act 2006 ("the Act"), up to an aggregate nominal amount of £15,892 PROVIDED THAT this authority shall expire on the earlier of the conclusion of the annual general meeting of the company to be held in 2014 and a date being fifteen months after the date of the passing of this resolution save that the company may before such expiry make an offer or agreement which would or might require the relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

BY ORDER OF THE BOARD

Edward Levey
Company Secretary
Dated: 13 August 2013

Registered office:
Eden House
Reynolds Road
Beaconsfield
HP9 2FL

Notes

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company.
2. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 14 below) does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA.
5. To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To be valid any proxy form or other instrument appointing a proxy must be:
 - completed and signed;
 - sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA; and
 - received by Neville Registrars no later than 10.30 a.m. on 10 September 2013.
7. In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the Company or an attorney for the Company.
8. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.

9. As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at www.capitashareportal.com. For an electronic proxy appointment to be valid, your appointment must be received by no later than 10.30 a.m. on 10 September 2013.

10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

11. You may not use any electronic address provided in your proxy form to communicate with the Company for any purposes other than those expressly stated.

12. **Nominated persons:** (a) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. (b) The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by the Shareholders.

13. **Total Voting Rights:** As at the close of business on 12 August 2013 the issued share capital of the Company consists of 7,945,638 Ordinary Shares of 2 pence each, carrying one vote each. Therefore, the total number of voting rights of the Company as at the close of business on 12 August 2013 is 7,945,638.

14. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held at 10.30 a.m. on 12 September 2013 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Neville Registrars Limited (CREST Participant ID: 7RA11), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

15. Only those members entered on the register of members of the Company at 6.00 p.m. on 28 August 2013 or, in the event that this meeting is adjourned, in the register of members as at 6.00 p.m. on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members by the close of business after 28 August 2013 or, in the event that this meeting is adjourned, in the register of members before the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

16. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

17. Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless:

- to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the company or the good order of the meeting to answer the question.

18. A copy, or a memorandum of the terms, of every service contract between the Company or any of its subsidiaries and any director of the Company, the register of members, the details of proxies, the current articles of association, and a register in which are recorded all transactions of each director and of their family interests in the share capital of the Company are available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and Bank Holidays excepted) and will also be available for inspection at the General Meeting from 10.30 a.m. on 12 September 2013 until the conclusion of the General Meeting.

19. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at www.highwaycapital.co.uk.