



February 11, 2015

Latest Update of Iao Kun Group Holding Company Limited's Application with The Hong Kong Stock Exchange

Hong Kong - February 11, 2015 - Iao Kun Group Holding Company Limited ("Company") received a letter from the Hong Kong Stock Exchange (the "Stock Exchange"). Based on the information we provided to the Stock Exchange and the media reports, the letter indicates that, due to the declining financial performance of the Company, the unpredictability of the Company's revenues, the overall market conditions and the near term industrial outlook in Macau, and certain related party payments made to Pak Si (as already disclosed in the Company's public filings), the Stock Exchange is unable to proceed further with the Company's listing application at this time.

Notwithstanding the decision of the Stock Exchange, the Company is financially sound, with a track record of profitability. In connection with its listing application, the Company's financial statements were audited by two well-known global auditors. The management is of the view that the declining financial performance is a temporary setback primarily resulting from slow economic growth in Mainland China, the tightening of our credit extension policy, and the anti-graft campaign launched by the Chinese government in 2014.

While the Group's Non-GAAP income decreased from US\$76.1 million in 2011 to US\$61.6 million in 2012 and further decreased to US\$31.0 million in 2013, the Group's gross gaming revenue remained relatively constant throughout this period (approximately US\$250.6 million in 2011, US\$236.3 million for 2012 and US\$236.9 million for 2013, with an estimate of US\$230.0 million for 2014). Overall, Macau VIP gaming revenue decreased by 11% in 2014, and the Company only had a slight decrease in gross gaming revenues of approximately 3%. The Company is still committed to the Macau VIP gaming segment, is in compliance with all relevant laws and regulations and believes that it is among the most financially healthy gaming promoters in Macau.

The Company has sustainable cage capital and a track record of collecting markers receivable, with no record of bad debt expenses in respect of gaming credits granted by the Company. While our reported rolling chip turnover in the last quarter of 2014 decreased by 34.6% compared to the last quarter of 2013, this was mostly attributable to the win rate, which was 3.95%. If we use an industry average win rate of 3%, our normalized rolling chip turnover for the last quarter of 2014 would have increased by 7.9% and this compares favourably to a decrease of 29% for the overall VIP gaming sector in the last quarter of 2014 in Macau.

The management is committed to explore further business expansion opportunities, including but not limited to finding VIP rooms in new locations and strategic investments, in order to maximize the shareholders' return in due course.

Although we were hoping that listing on the Stock Exchange would increase and diversify our shareholder base, we are committed and will strive to achieving those objectives even without such a listing. We believe that our listing on the Nasdaq Stock Market provides us with a suitable platform for achieving those goals.

About Iao Kun Group Holding Company Limited

IKGH is a holding company which operates through its subsidiaries and related promotion entities that act as VIP room gaming promoters and collaborator, and is entitled to receive all of the profits of the VIP gaming promoters and collaborator from VIP gaming rooms. IKGH's VIP room gaming promoters and collaborator currently participate in the promotion of five major luxury VIP gaming facilities in Macau, China, the largest gaming market in the world. One VIP gaming room is located at the top-tier 5-star hotel, the StarWorld Hotel & Casino in downtown Macau, and another is located in the luxury 5-star hotel, the Galaxy MacauTM Resort in Cotai, each of which is operated by Galaxy Casino, S.A. Additional VIP gaming rooms are located at the Sands Cotai Central and City of Dreams Macau, both in Cotai, and Le Royal Arc Casino, located in NAPE, Downtown Macau.

Forward-Looking Statements

This press release includes forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Forward-looking statements are statements that are not historical facts. Such forward-looking statements, based upon the current beliefs and expectations of IKGH's management, are subject to risks and uncertainties, which could cause actual results to differ from the forward-looking statements. The gaming

industry is characterized by an element of chance. Theoretical win rates for IKGH's promotion entities' VIP gaming room operations depend on a variety of factors, some beyond their control. In addition to the element of chance, theoretical win rates are also affected by other factors, including gaming patrons' skill and experience, the mix of games played, the financial resources of gaming patrons, the spread of table limits, the volume of bets placed by IKGH's promotion entities' gaming patrons and the amount of time gaming patrons spend on gambling - thus VIP gaming rooms' actual win rates may differ greatly over short time periods, such as from quarter to quarter, and could cause their quarterly results to be volatile. These factors, alone or in combination, have the potential to negatively impact the VIP gaming rooms' win rates. Investors and potential investors should consult all of the information set forth herein and should also refer to the risk factors set forth in IKGH's Annual Report on Form 20-F filed in April 2014, and other reports filed or to be filed from time-to-time with the Securities and Exchange Commission.

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Source: lao Kun Group Holding Company Limited