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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2016

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___________ to ___________

Commission File Number: 333-166343

CONSUMER CAPITAL GROUP INC.
(Exact name of registrant as specified in its charter)

Delaware	**26-2517432**
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)
136-82 39th Ave, 4th Floor, Unit B Flushing, New York	**11354**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(718) 395-8150**

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The registrant had 31,165,740 shares of common stock, $0.0001 per share, issued and outstanding at May 16, 2016.

CONSUMER CAPITAL GROUP, INC.
QUARTERLY REPORT ON FORM 10-Q
March 31, 2016

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Report") contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as "anticipate," "believe," "estimate," "intend," "could," "should," "would," "may," "seek," "plan," "might," "will," "expect," "predict," "project," "forecast," "potential," "continue" negatives thereof or similar expressions. These forward-looking statements are found at various places throughout this Report and include information concerning possible or assumed future results of our operations; business strategies; future cash flows; financing plans; plans and objectives of management; any other statements regarding future operations, future cash needs, business plans and future financial results, and any other statements that are not historical facts.

From time to time, forward-looking statements also are included in our other periodic reports on Forms 10-Q and 8-K, in our press releases, in our presentations, on our website and in other materials released to the public. Any or all of the forward-looking statements included in this Report and in any other reports or public statements made by us are not guarantees of future performance and may turn out to be inaccurate. These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report. All subsequent written and oral forward-looking statements concerning other matters addressed in this Report and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Report.

Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, a change in events, conditions, circumstances or assumptions underlying such statements, or otherwise.

USE OF CERTAIN DEFINED TERMS

In this Report, unless otherwise noted or as the context otherwise requires: "the Company," "we," "us," and "our" refers to the combined company Consumer Capital Group, Inc. and its subsidiaries and Variable Interest Entities.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

CONSUMER CAPITAL GROUP INC.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
Cash	$ 2,197,488	$ 2,739,145
Advances to suppliers	51,334	38,302
Prepaid expenses	6,803	18,571
Interest receivables	848,338	843,953
Other receivables	280,732	395,152
Loan receivable, net	42,221,415	37,818,473
Deferred cost-related party	817,774	813,548
Total current assets	46,423,884	42,667,144
Property and equipment, net	40,213	30,489
Goodwill	217,529	217,529
Deferred tax asset	308,652	307,057
Total non-current assets	566,394	555,075
Total assets	$ 46,990,278	$ 43,222,219
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Loan from individuals	$ 41,267,880	$ 36,944,600
Accrued interest payable	132,221	131,538
Accrued liabilities	195,190	202,825
Income tax payables	589,680	570,425
Taxes payable	469,444	485,800
Other payables	908	339
Payable to shareholder	100,141	85,067
Related party payables	1,535,831	1,688,003
Deferred revenue	3,739,375	3,720,050
Total liabilities	48,030,670	43,828,647
Stockholders' equity (deficit)		
Common stock, $0.0001 par value, 100,000,000 shares authorized, 31,165,740 and 31,165,740 shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively	3,117	3,117
Discount on common stock issued to founders	(130,741)	(130,741)
Additional paid-in capital (1)	4,402,476	4,402,476
Accumulated other comprehensive income	(57,361)	(44,436)
Accumulated deficit	(5,455,721)	(5,169,728)
Total Consumer Capital Group, Inc. stockholders' deficit	(1,238,230)	(939,312)
Non-controlling interest in subsidiary	197,838	332,884
Total stockholders' equity (deficit)	(1,040,392)	(606,428)
Total liabilities and stockholders' equity (deficit)	$ 46,990,278	$ 43,222,219

The accompanying notes are an integral part of these unaudited consolidated financial statements.

(1) The capital accounts of the Company have been retroactively restated to reflect the equivalent number of common shares based on the exchange ratio of the merger transaction in determining the basic and diluted weighted average shares.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	For the three months March 31, 2016	For the three months March 31, 2015
Revenues	$ 474,613	$ -
Gross profit	474,613	-
Operating expenses:		
Selling expenses	243,847	-
General & administrative expenses	562,780	175,692
Total operating expenses	806,627	175,692
Operating loss	(332,014)	(175,692)
Provision for loan losses	(42,051)	-
Other income (expenses)		
Other income	-	154
Other expense	(34,556)	-
Total other income (expenses)	(34,556)	154
Loss before income taxes	(408,621)	(175,538)
Provision for income taxes	-	-
Net loss	(408,621)	(175,538)
Less: Net income attributable to non-controlling interest	(122,628)	-
Net loss attributable to Consumer Capital Group, Inc.	$ (285,993)	$ (175,538)
Basic and diluted loss per common shares	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted (1)	31,165,740	19,514,279
Comprehensive income (loss)		
Net loss	$ (408,621)	$ (175,538)
Foreign currency translation adjustments	(25,343)	-
Comprehensive loss	(433,964)	(175,538)
Comprehensive income (loss) attributable to non-controlling interest	135,046	-
Comprehensive loss attributable to Consumer Capital Group, Inc.	$ (298,918)	$ (175,538)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

(1) The capital accounts of the Company have been retroactively restated to reflect the equivalent number of common shares based on the exchange ratio of the merger transaction in determining the basic and diluted weighted average shares.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the three months March 31, 2016	2015
Operating Activities		
Net loss	$ (285,993)	$ (175,538)
Adjustments to reconcile net loss to cash flows from operating activities:		
Depreciation expense	8,795	5,979
Allowance for loan losses	42,051	-
Minority interests in operations of consolidated subsidiaries	(122,628)	-
Change in operating assets and liabilities:		
Advances to suppliers	(12,701)	(43,059)
Prepaid expenses	11,724	(11,198)
Other receivables	101,700	(471,191)
Accounts payable	-	101,868
Accrued expenses	(7,883)	(6,040)
Taxes payable	(2,561)	(1,467)
Payable to shareholder	15,086	33,866
Other payables	8,471	511,394
Net cash flows used in operating activities	(243,939)	(55,386)
Investing Activities		
Loan receivable	(4,402,942)	-
Equipment purchased	(18,262)	(7,671)
Cash increased on investment of subsidiary	-	213,524
Net cash flows provided by investing activities	(4,421,204)	205,853
Financing Activities		
Proceeds from related party debt	(142,293)	(531,198)
Loan from individuals	4,323,280	-
Net cash flows used in financing activities	4,180,987	(531,198)
Effect of exchange rate on cash and cash equivalents	(57,501)	235,356
Change in cash and cash equivalents during the period	(541,657)	(145,374)
Cash and cash equivalents at beginning of the period	2,739,145	187,262
Cash and cash equivalents at end of the period	$ 2,197,488	$ 41,888

The accompanying notes are an integral part of these unaudited consolidated financial statements.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

ORGANIZATION

Consumer Capital Group, Inc. (“CCG” or the “Company”) was incorporated in Delaware on April 25, 2008. The accompanying consolidated financial statements include the financial statements of the Company, its wholly owned subsidiaries, and an affiliated PRC entity (“Affiliated PRC Entity”) that is controlled through contractual arrangements. On February 5, 2010, in connection with the execution of a Stock Right Transfer Agreement, America Pine Group Inc. transferred both 100% of the stock rights of its wholly owned subsidiary Arki (Beijing) E-commerce Technology Co., Ltd. and 100% of its stock rights of America Pine (Beijing) Bio-Tech to Consumer Capital Group, Inc., a California corporation and wholly owned subsidiary of the Company (“CCG California”).

On February 4, 2011, pursuant to a Plan and Agreement of Merger by and among Mondas Minerals Corp., its wholly owned subsidiary, CCG Acquisition Corp., a Delaware corporation (“CCG Delaware”), CCG California, and Scott D. Bengfort, Mondas Minerals Corp. merged its wholly-owned subsidiary CCG Delaware into CCG California, with CCG California surviving and CCG Delaware ceasing to exist. On February 7, 2011, the Company formed a new wholly-owned subsidiary by the name of “Consumer Capital Group Inc.” (“CCG Name Sub”) in Delaware solely for purposes of changing its corporate name to “Consumer Capital Group Inc.” in conjunction with the closing of the Merger. On February 17, 2011, the Company changed its name to Consumer Capital Group Inc. pursuant to a Certificate of Ownership filed with the Secretary of State of Delaware by merging CCG Name Sub into the Company with the Company surviving and CCG Name Sub ceasing to exist. Unless the context specifies otherwise, references to the “Company” refers to CCG California prior to the Merger and the Company, its subsidiaries and Affiliated PRC Entity combined after the Merger. The Company is principally engaged in the development and operation of its nationwide online retailing platform “Chinese Consumer Market Network” at www.ccmus.com, which provides a variety of manufacturers and distributors a platform to promote and sell products and services directly to consumers. The Company’s principal operations and geographic markets are in the People’s Republic of China (“PRC”).

Post Merger, Consumer Capital Group Inc. is authorized to issue up to 100,000,000 shares of common stock, par value $0.0001 per share. On February 4, 2011, Consumer Capital Group Inc. effected a reverse stock split (the “Stock Split”), as a result of which each 21.96 shares of Consumer Capital Group’s common stock then issued and outstanding was converted into one share of Mondas Minerals’ common stock.

Immediately prior to the Merger, Consumer Capital Group, Inc. had 390,444,109 shares of its common stock issued and outstanding. In connection with the Merger, Mondas Minerals issued 17,777,778 shares of its common stock in exchange for the issued and outstanding shares of common stock of CCG California. Immediately prior to the closing of the Merger, there were 2,500,000 issued and outstanding shares of the Company’s common stock, 60% of which were held by the thenprincipal stockholder, CEO, and sole director of the Company, Mr. Bengfort. As a part of the Merger, CCG paid $335,000 in cash to Mr. Bengfort in exchange for his agreement to enter into various transaction agreements relating to the Merger, as well as the cancellation of 1,388,889 shares of the Company’s common stock directly held by him, constituting 92.6% of his pre-Merger holdings of Company common stock.

DEBIT CARD PROGRAM

The Company cooperates with a Chinese bank named Fuxin bank to issue cobranded debit cards. Retail store vendors throughout China are signed up to the Company’s debit card program. The Company charges each participating vendor a percentage of transactions with that vendor. Each vendor will receive a percentage of future transactions of the cards issued by the vendor. Cardholders will receive certain amounts of cash refund from participating vendors and earn points to be spent on www.ccmus.com. For the years ended December 31, 2015 and 2014, no revenue from this business model has been realized or booked as other income. Such operation has been ceased in 2016 subsequently.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BEITUN

The Company owned a 51% majority interest in an operating subsidiary, Beijing Beitun Trading Co., Ltd. ("Beitun"). Beitun, a PRC trading and distribution company, engages in the wholesale distribution of various food and meat products. It was established on April 24, 2000 and operates in the PRC. Its customers consist of retail restaurants and food producers located through the PRC.

On April 1, 2014, the Company disposed of its entire 51% equity interest in Beitun.

SHANGHAI ZHONGHUI

On December 23, 2014, the Company and Shanghai Zhonghui Financial Information Services Corp., a company established under the laws of People's Republic of China, entered into a Share Exchange Agreement (the "Agreement"), pursuant to which the Company agreed to acquire 51% of the capital stock of Shanghai Zhonghui (the "Acquisition"). Pursuant to the term of the Agreement, the Company agreed to issue 5,000,000 shares of the Company's common stock, par value $0.0001 per share (the "Common Stock"), to certain individuals affiliated with Shanghai Zhonghui (the "Affiliates"), valued at $1.00 per share for a total of $5,000,000 or approximately 31,000,000 RMB, to exchange 51% of the capital stock of Shanghai Zhonghui. As incentive for the closing of the Acquisition, the Company also agreed to issue to the Affiliates 5,000,000 additional shares of the Common Stock.

Established on May 26, 2014, under the PRC laws, Shanghai Zhonghui offers financing and investment opportunities for small to medium sized business and investors, including outsource of financial information technologies, investment management, investment consulting, as well as other related asset management services in China.

Details of the Company's wholly owned subsidiaries and its Affiliated PRC Entity as of March 31, 2016 are as follows:

Company	Date of Establishment	Place of Establishment	Percentage of Ownership by the Company	Principal Activities
Consumer Capital Group Inc. ("CCG California")	October 14, 2009	California USA	100%	U.S. holding company and headquarters of the consolidated entities. Commencing in July 2011, CCG performs the U.S. e-commerce operations
Arki Beijing E-commerce Technology Corp. ("Arki Beijing")	March 6, 2008	PRC	100%(1)	Maintains the various computer systems, software and data. Owns the intellectual property rights of the "consumer market network". Performed principal e-commerce operations prior to December 2010
America Pine Beijing BioTech, Inc. ("America Pine Beijing")	March 21, 2007	PRC	100%(1)	Import and sales of healthcare products from the PRC. This operation ceased February 5, 2010. It currently assists in payment collection for our e-commerce business
America Arki Fuxin Network Management Co. Ltd. ("Arki Fuxin")	November 26, 2010	PRC	100%(1)	Commencing in December 2010, performs the principal daily e-commerce operations, transactions and management of the "consumer market network"
America Arki Network Service Beijing Co. Ltd. ("Arki Network Service" and Affiliated PRC Entity")	November 26, 2010	PRC	0%(2)	Entity under common control through relationships between Fei Gao and the Company. Holds the business license and permits necessary to conduct e-commerce operations in the PRC and maintains compliance with applicable PRC laws
Shanghai Zhonghui Financial Infornational Services LTD. ("Shanghai Zhonghui")	May 26, 2014	PRC	50.82%(3)	Offer financing and investment opportunities for small to medium sized business and investors, including outsource of financial information technologies, investment management, investment consulting, as well as other related asset management services in China.
Arki Tianjin Asset management LLP. ("Arki Tianjin")	October 22, 2015	PRC	51%(3)	Offer assets management, management consulting, internet information service as well as advertising design, production, agent, publishing.

(1) Wholly foreign owned entities (WFOE)

(2) VIE

(3) Arki Network Service owned entities

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In order to comply with the PRC law and regulations which prohibit foreign control of companies involved in internet content, the Company operates its website using the licenses and permits held by Arki Network Service, a 100% PRC owned entity. The equity interests of Arki Network Service are legally held directly by Mr. Jianmin Gao and Mr. Fei Gao, shareholders and directors of the Company. The effective control of Arki Network Service is held by Arki Beijing and Arki Fuxin through a series of contractual arrangements (the "Contractual Agreements"). As a result of the Contractual Agreements, Arki Beijing and Arki Fuxin maintain the ability to control Arki Network Service, and are entitled to substantially all of the economic benefits from Arki Network Service and are obligated to absorb all of Arki Network Service' expected losses. Therefore, the Company consolidates Arki Network Service in accordance with SEC Regulation SX-3A-02 and Accounting Standards Codification ("ASC") 810, Consolidation.

The following is a summary of the Contractual Agreements of the Company's VIE structure:

LOAN AGREEMENT

The shareholders of Arki Network Service, namely Mr. Jianmin Gao and Mr. Fei Gao, entered into a loan agreement with Arki Fuxin on February 3, 2011. Under this loan agreement, Arki Fuxin granted an interest-free loan of RMB 1.0 million to Mr. Jianmin Gao and Mr. Fei Gao, collectively, for their capital contributions to Arki Network Service, as required by the PRC. The term of the loan is for ten years from the date of execution until the date when Arki Fuxin requests repayment. Arki Fuxin may request repayment of the loan with 30 days advance notice. The loan is not repayable at the discretion of the shareholders and is eliminated upon consolidation.

EXCLUSIVE CALL OPTION AGREEMENT

The shareholders of Arki Network Service entered into an option agreement with Arki Fuxin on February 3, 2011, under which the shareholders of Arki Network Service jointly and severally granted to Arki Fuxin an option to purchase their equity interests in Arki Network Service. The purchase price will be set off against the loan repayment under the loan agreement. Arki Fuxin may exercise such option at any time until it has acquired all equity interests of Arki Network Service or freely transferred the option to any third party and such third party assumes the rights and obligations of the option agreement.

EXCLUSIVE BUSINESS COOPERATION AGREEMENT

Arki Fuxin and Arki Network Service entered into an exclusive business cooperation agreement deemed effective on November 26, 2010, under which Arki Network Service engages Arki Fuxin as its exclusive provider of technical support, consulting services, maintenance and other commercial services. Arki Network Service shall pay to Arki Fuxin service fees determined based on the net income of Arki Network Service and are eliminated upon consolidation. Arki Fuxin shall exclusively own any intellectual property arising from the performance of this agreement. This agreement has a term of ten years from the effective date and can only be terminated mutually by the parties in a written agreement. During the term of the agreement, Arki Network Service may not enter into any agreement with third parties for the provision of identical or similar service without the prior consent of Arki Fuxin.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SHARE PLEDGE AGREEMENT

The shareholders of Arki Network Service entered into a share pledge agreement with Arki Fuxin on February 3, 2011 under which the shareholders pledged all of their equity interests in Arki Network Service to Arki Fuxin as collateral for all of the payments due to Arki Fuxin and to secure their obligations under the above agreements. The shareholders of Arki Network Service may not transfer or assign the shares or the rights and obligations in the share pledge agreement or create or permit any pledges which may have an adverse effect on the rights or benefits of Arki Fuxin without Arki Fuxin's preapproval. Arki Fuxin is entitled to transfer or assign in full or in part the shares pledged. In the event of default, Arki Fuxin as the pledge, will be entitled to request immediate repayment of the loan or to dispose of the pledged equity interests through transfer or assignment.

POWER OF ATTORNEY

The shareholders of Arki Network Service entered into a power of attorney agreement with Arki Fuxin effective on November 26, 2010 under which the shareholders irrevocably appointed Arki Beijing and Arki Fuxin to vote on their behalf on all matters they are entitled to vote on, including matters relating to the transfer of any or all of their respective equity interests in the entity and the appointment of the chief executive officer and other senior management members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications had no impact on net earnings and financial position.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of 2015 include the accounts of the Company and its wholly-owned subsidiaries based in the PRC, which include America Pine Beijing, Arki Beijing, Arki Fuxin, 50.82% majority ownership in Shanghai Zhonghui, and 51% majority ownership in Arki Tianjin. The consolidated financial statements of 2014 include the accounts of the Company and its wholly-owned subsidiaries based in the PRC, which include America Pine Beijing, Arki Beijing, and Arki Fuxin, and 51% majority ownership in Beitun, prior to April 1, 2014, the disposal date. As a result of contractual arrangements with Arki Network Service, the Company consolidates Arki Network Service in accordance with SEC Regulation SX-3A-02 and Accounting Standards Codification ("ASC") 810, Consolidation. All intercompany balances and transactions have been eliminated in consolidation.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with US GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FOREIGN CURRENCY TRANSLATION

The Company's reporting currency is the U.S. dollar. The Company's functional currency is the local currency in the PRC, the Chinese Yuan (RMB). The financial statements of the Company are translated into United States dollars in accordance with ASC 830, Foreign Currency Matters, using year-end rates of exchange for assets and liabilities, and average rates of exchange for the period for revenues, costs, and expenses and historical rates for equity. Translation adjustments resulting from the process of translating the local currency financial statements into U.S. dollars are included in determining comprehensive income. As of March 31, 2016 and December 31, 2015, the cumulative translation adjustment of $(74,395) and $(44,436), respectively, was classified as an item accumulated of other comprehensive income in the stockholders' equity (deficit) section of the consolidated balance sheets. For the three months ended March 31, 2016 and 2015, the foreign currency translation adjustment to accumulate other comprehensive income (deficit) was $ (31,563) and $Nil, respectively.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In accordance with ASC 830, Foreign Currency Matters, the Company translated the assets and liabilities into US $ using the rate of exchange prevailing at the applicable balance sheet date and the statements of income and cash flows are translated at an average rate during the reporting period. Adjustments resulting from the translation are recorded in investors' equity as part of accumulated other comprehensive income.

	March 31, 2016	December 31, 2015
Balance sheet items, except for the equity accounts	6.4612	6.4936
Items in the statements of income and comprehensive loss and statement of cash flow	6.5288	6.2284

REVENUE RECOGNITION

We recognize revenue from product sales or services rendered when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable, and collectability is reasonably assured.

E-commerce revenue recognition

We evaluate whether it is appropriate to record the net amount of sales earned as commissions. We are not the primary obligor nor are we subject to inventory risk as the agreements with our suppliers specify that they have the responsibility to provide the product or service to the customer. Also, the amounts we earn from our vendors/suppliers is based on a fixed percentage and bound contractually. Additionally, the Company does not have any obligation to resolve disputes between the vendors and the customers that purchase the products on our website. Any disputes involving damaged, non-functional, product returns, and/or warranty defects are resolved between the customer and the vendor. The Company has no obligation for right of return and/or warranty for any of the sales completed using its website. Since we are not primarily obligated and amounts earned are determined using a fixed percentage, a fixed-payment schedule, or a combination of the two, we record our revenues as commissions earned on a net basis.

Our sales are net of promotional discounts and rebates and are recorded when the products are shipped and title passes to customers. Revenues are recorded net of sales and consumption taxes. We periodically provide incentive offers to our customers to encourage purchases. Such offers include current discount offers, such as percentage discounts off current purchases, inducement offers, such as daily sweepstakes reward opportunities that is based on volume of purchases, and other similar offers. Current discount offers and inducement offers are presented as a net amount in "Net revenues."

We record deferred revenue when cash is received in advance of the performance of services or delivery of goods. Deferred revenue is also recorded to account for the seven day grace period offered to customers for potential product disputes, if any. Deferred revenue was $Nil as of March 31, 2016 and December 31, 2015.

Servicing fee income

Borrowers typically pay us a servicing fee on each payment received. The service fees compensate us for the costs we incur in servicing the related loan, including managing funding from investors, payments to investors and maintaining borrower' account portfolios. We record servicing fees paid by borrower as a component of operating revenue when received. Deferred revenue was $3,739,375 as of March 31, 2016 and $3,720,050 as of December 31, 2015.

Interest income on loans

Interest on loan receivables is accrued monthly in accordance with their contractual terms and recorded in accrued interest receivable. The Company does not charge prepayment penalty from customers.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

DISCONTINUED OPERATIONS

On April 1, 2014, the Company sold its entire 51% equity interest of Beijing Beitun Trading Co. Ltd. (“Beitun”) to Yifan Zhang for $41,030 (RMB255,000). Yifan Zhang is the daughter of Ms. Wei Guo, the shareholder and managing director of Beitun. See Note 20 Discounted Operations for additional information.

REWARD PROGRAMS

Reward Programs are limited to customers residing in China. Customers may earn reward points from the purchase of merchandise and services from the Company. Points are earned based on the amount and types of merchandise and services purchased. Customers residing in China may redeem the reward points for drawings into our daily “Lucky Drawing” sweepstakes for chances to win cash prizes or used for other promotion programs conducted by vendors. In addition, customers may attain a tiered membership status based on the value of merchandise and services purchased over the past twelve months. Membership status entitles the holder to certain discounts on future purchases of selected items on our website. We accrue for the estimated cost of redeeming the benefits at the time the benefits are earned by the customer. These benefit expenses for the three months ended March 31, 2016 and 2015 were $Nil, respectively, and recorded as selling expense.

NON-CONTROLLING INTEREST

Noncontrolling interests in our subsidiary is recorded as a component of our equity, separate from the parent’s equity. Purchase or sales of equity interests that do not result in a change of control are accounted for as equity transactions. Results of operations attributable to the noncontrolling interest are included in our consolidated results of operations and, upon loss of control, the interest sold, as well as interest retained, if any, will be reported at fair value with any gain or loss recognized in earnings.

COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, Accounting Standards Codification (ASC) 220, Comprehensive Income, requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. For the years presented, the Company’s comprehensive income (loss) includes net income (loss) and foreign currency translation adjustments and is presented in the consolidated statements of operations and comprehensive income (loss).

INCOME TAXES

Provisions for federal, state, and non-U.S. income taxes are calculated on reported earnings before income taxes based on current tax law and also include, in the current period, the cumulative effect of any changes in tax rates from those used previously in determining deferred tax assets and liabilities. Such provisions differ from the amounts currently receivable or payable because certain items of income and expense are recognized in different time periods for financial reporting purposes than for income tax purposes. Significant judgment is required in determining income tax provisions and evaluating tax positions.

The accounting for uncertainty in income taxes requires a more-likely-than-not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. We record a liability for the difference between the benefit recognized and measured for financial statement purposes and the tax position taken or expected to be taken on our tax return. To the extent that our assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made. Tax-related interest and penalties are classified as a component of income tax expense.

We have implemented certain provisions of ASC 740, Income Taxes (“ASC 740”), which clarifies the accounting and disclosure for uncertainty in tax positions, as defined. ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. We adopted the provisions of ASC 740 as of January 1, 2007, and have analyzed filing positions in each of the People’s Republic of China (“PRC”) jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the PRC as our “major” tax jurisdiction. Generally, we remain subject to PRC examination of our income tax returns annually. We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. In addition, we did not record a cumulative effect adjustment related to the adoption of ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes. Our tax provision for interim periods is determined using an estimate of our annual effective tax rate based on rates established within the PRC and, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter we update our estimate of the annual effective tax rate, and if our estimated tax rate changes, we make a cumulative adjustment. Income taxes payable as of March 31, 2016 and December 31, 2015 were $589,679.86 and $570,425.19, respectively.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

EARNINGS (LOSS) PER SHARE

We calculate basic earnings (loss) per share by dividing our net loss by the weighted average number of common shares outstanding for the period, without considering common stock equivalents. Diluted EPS is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period and the weighted average number of dilutive common stock equivalents, such as options and warrants. Options and warrants are only included in the calculation of diluted EPS when their effect is not anti-dilutive. The Company had no dilutive securities as of March 31, 2016 and December 31, 2015. For the three months ended March 31, 2016 and 2015, basic and diluted income (loss) per share was the same due to the Company’s loss position.

CASH AND CASH EQUIVALENTS

We consider all investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents primarily represent funds invested in bank checking accounts, money market funds and domestic Chinese bank certificates of deposit. At March 31, 2016 and December 31, 2015, the Company had no cash equivalents.

LOAN RECEIVABLE

Loan receivable primarily represents the principle of loan lent to the borrowers. Management regularly reviews aging of loan receivables and changes in payment trends and records allowance when management believes collection of amounts due are at risk. Loan receivables considered uncollectible are written off after exhaustive efforts at collection.

ALLOWANCE FOR LOAN LOSSES

The allowance for loan losses is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management performs a quarterly evaluation of the adequacy of the allowance. The allowance is based on the Company’s past loan loss history, known and inherent risks in the portfolio, adverse situations that may affect the borrower’s ability to repay, the estimated value of any underlying collateral, composition of the loan portfolio, current economic conditions and other relevant factors. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant revision as more information becomes available.

The Company calculates the provision amount as below:

1. General Reserve — is based on total loan receivable balance and to be used to cover unidentified probable loan loss. The General Reserve is required to be no less than 1% of total loan receivable balance.

2. Special Reserve — is fund set aside covering losses due to risks related to a particular country, region, industry, borrower or type of loans. The reserve rate could be decided based on management estimate of loan collectability.

INTEREST RECEIVABLE

Interest receivable represents the amount of interest that has been earned as of the balance sheet date, but which has not yet been received in cash. Management regularly reviews aging of interest receivables and changes in payment trends and records allowance when management believes collection of amounts due are at risk. Interest receivable considered uncollectible is written off after exhaustive efforts at collection.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

DEFERRED COST

Deferred cost represents the deferred service charge paid or payable to a related party which is calculated based on the service fee the Company received.

LOANS FROM INDIVIDUALS

Loans from individuals primarily represent the principle of lending funds received from the individuals through the Company's internet platform. The interest rates of such loans ranged from 11% to 17.5% per annum with a term lasting from 3 months to 12 months.

PROPERTY AND EQUIPMENT, NET

Property and equipment is recorded at cost and consists of computer equipment, office equipment and furniture and is depreciated using the straight-line method over the estimated useful lives of the related assets (generally three years or less). Costs incurred for maintenance and repairs are expensed as incurred and expenditures for major replacements and improvements are capitalized and depreciated over their estimated remaining useful lives.

IMPAIRMENT OF LONG-LIVED ASSETS

We evaluate long-lived assets for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate their net book value may not be recoverable. When these events occur, we compare the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. The Company's management currently believes there is no impairment of its long-lived assets. There can be no assurance, however, that market conditions will not change or demand for the Company's products will continue. Either of these could result in the future impairment of long-lived assets.

SEGMENT REPORTING

The Company follows ASC 280, Segment Reporting. The Company's chief operating decision maker, who has been identified as the executive chairman of the board of directors and the chief executive officer, reviews the individual results of the e-commerce and distribution businesses when making decisions about allocating resources and assessing the performance of the Company as a whole and hence, the Company has two reportable segments before the disposition of the Company's distribution business. The Company's operating businesses are organized and based on the nature of markets and customers. As the Company's long-lived assets are substantially all located in the PRC and substantially all the Company's revenues are derived from within the PRC, no geographical segments are presented.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, accounts receivable, advance to suppliers, prepaid expenses, other receivables, other assets, accounts payable, accrued liabilities, other payables, related party payables, convertible note, short term debt and derivative liabilities. These financial instruments are measured at their respective fair values. For fair value measurement, US GAAP establishes a three-tier hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2 include other inputs that are directly or indirectly observable in the marketplace.
Level 3 unobservable inputs which are supported by little or no market activity.

Fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The carrying value of cash and cash equivalents, accounts receivable, advance to suppliers, prepaid expenses, other receivables, other assets, account payable, accrued liabilities, other payables, convertible note and short term debt approximates their fair value due to their short-term maturities.

The Company's Level 3 valuation relates to derivative liabilities measured using management's estimates of fair value as well as other significant inputs, such as volatility and risk free interest rate, which may be unobservable. See Note 15.

The Company has determined the estimated fair value amounts presented in these financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Management believes it is not practical to estimate the fair value of related party payables because the transactions cannot be assumed to have been consummated at arm's length, the terms are not deemed to be market terms, there are no quoted values available for these instruments, and an independent valuation would not be practical due to the lack of data regarding similar instruments, if any, and the associated potential costs.

SHARE-BASED COMPENSATION

We apply ASC 505-50, Equity-Based Payments to Non-Employees to account for our service providers' share-based payments. We gave Common stock of to service providers to retain their assistance in becoming a U.S. public company, assistance with public company regulations, investors' communications and public relations with broker-dealers, market makers and other investment professionals. The cost of the equity based payments is recognized ratably over the service period. We have elected to recognize compensation expense using the straight-line method for all equity awards granted with graded vesting based on service conditions. Share-based compensation expenses amounted to $Nil for the three months ended March 31, 2016 and 2015.

DERIVATIVE LIABILITIES

Fair value accounting requires bifurcation of embedded derivative instruments, such as ratchet provisions or conversion features in convertible debt or equity instruments, and measurement of their fair value. In determining the appropriate fair value, the Company uses the Black-Scholes pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once derivative liabilities are determined, they are adjusted to reflect fair value at the end of each reporting period. Any increase or decrease in the fair value is recorded in results of operations as a change in fair value of derivatives. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black-Scholes pricing model.

DEBT DISCOUNT

The Company records debt discounts in connection with raising funds through the issuance of debt. These costs are amortized to interest expense over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

CONCENTRATION OF CREDIT RISK

Assets that potentially subject the Company to significant concentration of credit risk primarily consist of cash and cash equivalents, and accounts receivable. The maximum exposure of such assets to credit risk is their carrying amounts as of the balance sheet dates. As of March 31, 2016 and December 31, 2015, substantially all of the Company's cash and cash equivalents were deposited in financial institutions located in the PRC, which management believes are of high credit quality. Management believes the credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies, or state-owned banks in China. Cash includes cash on hand and demand deposits in accounts maintained with state-owned banks within the PRC and the United States of America. Balances at financial institutions or state owned banks within the PRC are not covered by insurance. Non-performance by these institutions could expose the Company to losses for amounts in excess of insured balances. As of March 31, 2016 and December 31, 2015, our bank balances with the banks in U.S. exceeded the insured amount by $71,290 and $119,569, respectively. As of March 31, 2016 and December 31, 2015, our bank balances with the Banks in the PRC amounted to $ $2,126,198 and $2,619,576, respectively, which are uninsured and subject to credit risk. We have not experienced nonperformance by these institutions.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash and cash equivalents, loan receivable from borrowers and the related accrued interest receivable. As of December 31, 2015, the Company has one significant borrower, which accounted for 83% of total loan receivable balance. The aforementioned borrower paid service fee and interest regularly according to the contract during the reporting period, and the Company believed that the default risk from this borrower is low in the foreseeable future.

CURRENCY CONVERTIBILITY RISK

We transact all of our business in RMB, which is not freely convertible into foreign currencies. On January 1, 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the People's Bank of China (the "PBOC"). However, the unification of the exchange rates does not imply that the RMB may be readily convertible into U.S. dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC.

Approval of foreign currency payments by the PBOC or other institutions requires submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

Additionally, the value of the RMB is subject to changes in central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

FOREIGN CURRENCY EXCHANGE RATE RISK

From July 21, 2005, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. While the international reaction to the RMB appreciation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the RMB against the U.S. dollar.

BUSINESS RISK

Foreign ownership of Internet-based businesses is subject to significant restrictions under current PRC laws and regulations. Foreign investors are not allowed to own more than a 50% equity interest in any entity with an Internet content distribution business. Currently, the Company conducts its operations in China through a series of contractual arrangements entered into among Arki (Beijing) E-Commerce Technology Corp., America Arki (Fuxin) Network Management Co. Ltd. and America Arki Network Service Beijing Co., Ltd. The relevant regulatory authorities may find the current ownership structure, contractual arrangements and businesses to be in violation of any existing or future PRC laws or regulations. If so, the relevant regulatory authorities would have broad discretion in dealing with such violations.

LITIGATION

From time to time, we may become involved in disputes, litigation and other legal actions. We estimate the range of liability related to any pending litigation where the amount and range of loss can be estimated. We record our best estimate of a loss when the loss is considered probable. Where a liability is probable and there is a range of estimated loss with no best estimate in the range, we record a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available prior to issuance of the financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and (ii) the range of loss can be reasonably estimated.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

RELATED PARTY TRANSACTIONS

A related party is generally defined as (i) any person that holds 10% or more of the Company's securities including such person's immediate families, (ii) the Company's management, (iii) someone that directly or indirectly controls, is controlled by or is under common control with the Company, or (iv) anyone who can significantly influence the financial and operating decisions of the Company. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

NOTE 3 - RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS

In January 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-01, "Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." The new guidance is intended to improve the recognition and measurement of financial instruments. The new guidance makes targeted improvements to existing U.S. GAAP by: (1) Requiring equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. Requiring public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; (2) Requiring separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements; Eliminating the requirement to disclose the fair value of financial instruments measured at amortized cost for organizations that are not public business entities; (3) Eliminating the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet; and. (4) Requiring a reporting organization to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk (also referred to as "own credit") when the organization has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. The new guidance is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For private companies, not-for-profit organizations, and employee benefit plans, the new guidance becomes effective for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019. The Company does not expect this update will have a material impact on the presentation of the Company's consolidated financial position, results of operations and cash flows.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," which supersedes the existing guidance for lease accounting, "Leases (Topic 840)." ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-06, "Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments." The amendments apply to all entities that are issuers of or investors in debt instruments (or hybrid financial instruments that are determined to have a debt host) with embedded call (put) options. The amendments clarify what steps are required when assessing whether the economic characteristics and risks of call (put) options are clearly and closely related to the economic characteristics and risks of their debt hosts, which is one of the criteria for bifurcating an embedded derivative. Consequently, when a call (put) option is contingently exercisable, an entity does not have to assess whether the event that triggers the ability to exercise a call (put) option is related to interest rates or credit risks. Public business entities must apply the new requirements for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years. All other entities must apply the new requirements for fiscal years beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018. All entities have the option of adopting the new requirements early, including adoption in an interim period. If an entity early adopts the new requirements in an interim period, it must reflect any adjustments as of the beginning of the fiscal year that includes that interim period. The Company does not expect any material impact of this new standard on its consolidated financial statements.

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In March 2016, the FASB issued Accounting Standards Update No. 2016-07, “Investments - Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting.” The amendments affect all entities that have an investment that becomes qualified for the equity method of accounting as a result of an increase in the level of ownership interest or degree of influence. The amendments eliminate the requirement that when an investment qualifies for use of the equity method as a result of an increase in the level of ownership interest or degree of influence, an investor must adjust the investment, results of operations, and retained earnings retroactively on a step-by-step basis as if the equity method had been in effect during all previous periods that the investment had been held. The amendments require that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor’s previously held interest and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. Therefore, upon qualifying for the equity method of accounting, no retroactive adjustment of the investment is required. The amendments require that an entity that has an available-for-sale equity security that becomes qualified for the equity method of accounting recognize through earnings the unrealized holding gain or loss in accumulated other comprehensive income at the date the investment becomes qualified for use of the equity method. The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the adoption of the equity method. Earlier application is permitted. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In April 2016, the FASB released ASU 2016-09, “Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting.” The ASU includes multiple provisions intended to simplify various aspects of the accounting for share-based payments. While aimed at reducing the cost and complexity of the accounting for share-based payments, the amendments are expected to significantly impact net income, EPS, and the statement of cash flows. Implementation and administration may present challenges for companies with significant share-based payment activities. The ASU is effective for public companies in annual periods beginning after December 15, 2016, and interim periods within those years. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In April 2016, FASB issued Accounting Standards Update No. 2016-10, “Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing.” The amendments clarify the following two aspects of Topic 606: (a) identifying performance obligations; and (b) the licensing implementation guidance. The amendments do not change the core principle of the guidance in Topic 606. The effective date and transition requirements for the amendments are the same as the effective date and transition requirements in Topic 606. Public entities should apply the amendments for annual reporting periods beginning after December 15, 2017, including interim reporting periods therein (i.e., January 1, 2018, for a calendar year entity). Early application for public entities is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

NOTE 4 - ADVANCES TO SUPPLIERS

As of March 31, 2016 and December 31, 2015, advances to suppliers consisted of the following:

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Advances to suppliers	$ 51,334	$ 38,302

Advances to suppliers represent interest-free cash paid in advance to suppliers for purchases of inventories. No allowance was provided for the prepayments balance at March 31, 2016 and December 31, 2015.

NOTE 5 - PREPAID EXPENSES

Prepaid expenses consisted of the following at March 31, 2016 and December 31, 2015:

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Prepaid conference fee	$ 5,603	$ 6,930
Prepaid website services	-	10,441
Prepaid rent	1,200	1,200
Total prepaid expenses	$ 6,803	$ 18,571

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
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NOTE 6 - LOAN RECEIVABLES, NET

The interest rates on loan issued at 24% for the three months ended March 31, 2016.

As of March 31, 2016, the total loan receivables balance was $38,014,933 and 83% of the loan receivables is issued to one third party small business borrower.

Loan receivables consisted of the following as of March 31, 2016 and December 31, 2015:

	March 31, 2016	December 31, 2015
	(Unaudited)	(Audited)
Loan receivable	$ 43,498,512	$ 39,046,700
Allowance for impairment losses		
Collectively assessed	646,932	601,319
Individually assessed	630,165	626,908
Total allowance for loan losses	1,277,097	1,228,227
Loan receivables, net	$ 42,221,415	$ 37,818,473

The Company originates loans to borrowers located primarily in Yanbian City, Jilin Province of the People's Republic of China. This geographic concentration of credit exposes the Company to a higher degree of risk associated with this economic region.

All loans are short-term loans that the Company has made to business borrowers. As of March 31, 2016, the Company had 6 business loan borrowers. Loans of $35,898,120 (RMB233.1 million) lent to one borrower in Yanbian City are secured by collateral. The total fair value of the collateral is approximately $47 million (RMB305.32 million) at April 20, 2016. Allowance on loan losses are estimated on quarterly basis in accordance with probable based on an assessment of specific evidence indicating doubtful collection, historical experience, loan balance aging and prevailing economic conditions.

For the three months ended March 31, 2016 and 2015, a provision of $42,051 and $Nil was charged to the statement of income. No write-offs against allowances have occurred for the three months ended March 31, 2016 and 2015.

The following table (unaudited) represents the aging of loans as of March 31, 2016:

	1-89 days past due	90-179 days past due	180-365 days past due	Over 1 year past due	Total past due	Current	Total Loans
Business loans	$ 5,051,200	$ 985,600	$ 3,850,000	$ 19,080	$ 9,886,800	$ 31,779,688	$ 43,498,512

NOTE 7 - ALLOWANCE FOR LOAN LOSSES

The allowance for loan losses is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management performs a quarterly evaluation of the adequacy of the allowance. The allowance is based on the Company's past loan loss history, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, composition of the loan portfolio, current economic conditions and other relevant factors. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant revision as more information becomes available.

The allowance is calculated at portfolio-level since our loans portfolio is typically of smaller balance homogenous loans and is collectively evaluated for impairment.

The allowance consists of the combination of a quantitative assessment component based on statistical models, a retrospective evaluation of actual loss information to loss forecasts, value of collaterals and could include a qualitative component based on management judgment.

Finally, as appropriate, the Company also considers individual borrower circumstances and the condition and fair value of the loan collateral, if any.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
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In addition, the Company also calculates the provision amount as below:

General reserve	1% on total loan amounts at the end of year
Specific reserve	5% on specific loan amounts at the end of year

While management uses the best information available to make loan loss allowance evaluations, adjustments to the allowance may be necessary based on changes in economic and other conditions or changes in accounting guidance.

The following tables present the activity in the allowance for loan losses and related recorded investment in loans receivable by classes of the loans individually and collectively evaluated for impairment as of and for the three months ended March 31, 2016:

	March 31, 2016	December 31, 2015
	(Unaudited)	(Audited)
Loan at end of period	$ 43,498,512	$ 39,046,700
Provisions	1,277,097	1,228,227
Ending balance	$ 42,221,415	$ 37,818,473

NOTE 8 - LOAN IMPAIRMENT

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis for corporate and personal loans by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

An allowance for loan losses is established for an impaired loan if its carrying value exceeds its estimated fair value. Currently, estimated fair values of substantially all of the Company's impaired loans are measured based on the estimated fair value of the loan's collateral which approximates to the carrying value due to the short term nature of the loans.

Loans with modified terms are classified as troubled debt restructurings if the Company grants such borrowers concessions and it is deemed that those borrowers are experiencing financial difficulty. Concessions granted under a troubled debt restructuring generally involve a temporary below market rate reduction in interest rate or an extension of a loan's stated maturity date. Non-accrual troubled debt restructurings are restored to accrual status if principal and interest payments, under the modified terms, are current for six consecutive months after modification. Loans classified as troubled debt restructurings are designated as impaired.

Even though the Company allows a one-time loan extension with a period up to the original loan period, which is usually twelve months. The principal of the loan remains the same and the interest rate is fixed at the current interest rate at the time of extension. Therefore, there were no troubled debt restructurings during the three months ended March 31, 2016.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
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NOTE 9 - DEFERRED COST – RELATED PARTY

Deferred cost consisted of the following at March 31, 2016 and December 31, 2015:

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Deferred servicing fee	$ 817,774	$ 813,548
Total deferred cost	$ 817,774	$ 813,548

Details of this related party transaction please refer to Note 16.

NOTE 10 - PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at March 31, 2016 and December 31, 2015:

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Office equipment & computers	$ 51,725	$ 39,102
Equipment	5,963	5,919
Office furniture & fixtures	45,784	45,481
	103,472	90,502
Less: accumulated depreciation	(63,259)	(60,013)
Total property & equipment, net	$ 40,213	$ 30,489

For three months ended March 31, 2016 and March 31, 2015, depreciation expense was $8,795 and $5,979, respectively.

NOTE 11 - GOODWILL

Goodwill was arise from acquisition of Shanghai Zhonghui on December 23, 2014.

The changes in the carrying amount of goodwill for the three months ended March 31, 2016 and December 31, 2015 were as follows:

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
At beginning of period	$ 217,529	$ 217,529
Additional during the period	-	-
At end of period	$ 217,529	$ 217,529

The key financial information at the date of acquisitions was as follows:

Consideration paid by the Company through Arki Network Service	$ 5,000,000
Paid-in capital	$ 5,000,000
Accumulated loss ($428,039), percentage of ownership 50.82%	(217,529)
Net asset value	$ 4,782,471
Goodwill at date of acquisition	$ 217,529

NOTE 12 - LOANS FROM INDIVIDUALS

The individuals can invest in loans that are offered through the Company's marketplace and network. All the loans have maturities from two months to one year and with corresponding interest rates varying from 11% to 17.5%.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
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Loan from individuals consisted of the following as of March 31, 2016 and December 31, 2015:

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Loan from individuals	$ 41,267,880	$ 36,944,600

The following table (unaudited) represents the aging of loans from individual March 31, 2016:

	1-89 days past due	90-179 days past due	180-365 days past due	Over 1 year past due	Total past due	Current	Total Loans
Loans from individuals	$ -	$ -	$ -	$ -	$ -	$ 41,267,880	$ 41,267,880

NOTE 13 - PAYABLE TO SHAREHOLDER

Caesar Capital Management Ltd. a shareholder of the Company, advanced $100,141 and $85,067 to the Company as of March 31, 2016 and December 31, 2015, respectively. The payable to Caesar Capital Management Ltd. included loan payables of $117,767 and money owed by Caesar of $32,700 as of March 31, 2016, and $117,766 and money owed by Caesar of $32,640 as of December 31, 2014. The loan payables were borrowed by the Company for operating purposes, without collateral, and were due between July 2013 to November 2013, and with an annual interest rate of 6%. On July 1, 2013, the Company entered into an agreement with Caesar Capital Management Ltd. which extends or amends the maturity date for all the existing loans between the Company and Caesar Capital Management Ltd. The loans became due on demand and the Company was not charged any late payment penalty.

NOTE 14 - CONVERTIBLE NOTES

On June 14, 2013, the Company entered into a Securities Purchase Agreement with Asher Enterprises, Inc. (“Asher Enterprises”) pursuant to which the Company sold and issued to Asher Enterprises a promissory note with a principal amount of $78,500 (the “Asher Note 1”). The cash proceeds of the promissory note were received on July 9, 2013.

The Asher Note 1 matured on April 10, 2014 and compounds annually and accrues at 8% per annum from the issue date through the maturity date or upon acceleration or prepayment. The holder is entitled to convert any portion of the outstanding and unpaid amount at any time on or after 180 days following the issuance date into the Company’s common stock, par value, $0.0001 per share, at an initial conversation price equal to 61% of the average of the three (3) lowest closing bid price for the Company’s common stock, during the ten (10) trading days ending on the latest trading day prior to the date a conversion notice delivered to the Company by the holder. The Note is not convertible by the holder if upon the conversion the holder and its affiliates would own in excess of 9.99% of our outstanding common stock.

On October 14, 2013, the Company entered into a Securities Purchase Agreement with Asher Enterprises pursuant to which the Company sold and issued to Asher Enterprises a promissory note with a principal amount of $42,500 (the “Asher Note 2”). The cash proceeds of the promissory note were received on November 14, 2013.

The Asher Note 2 matured on July 16, 2014 and compounds annually and accrues at 8% per annum from the issue date through the maturity date or upon acceleration or prepayment. The holder is entitled to convert any portion of the outstanding and unpaid amount at any time on or after 180 days following the issuance date into the Company’s common stock, par value, $0.0001 per share, at an initial conversation price equal to 58% of the average of the three (3) lowest closing bid price for the Company’s common stock, during the ten (10) trading days ending on the latest trading day prior to the date a conversion notice delivered to the Company by the holder. The Note is not convertible by the holder if upon the conversion the holder and its affiliates would own in excess of 9.99% of our outstanding common stock.

According to the agreements, upon default and the receipt of default notice from the debt holder, each note shall become immediately payable for an amount which is the greater of 1) 150% times the sum of the then outstanding principal amount of the note, plus accrued and unpaid interest on the unpaid amount to the date of payment, plus default interest or 2) the "parity value" of the default sum to be paid, where parity value means (a) the highest number of shares of common stock issuable upon conversion treating the trading day immediately preceding the payment date as the conversion date, multiplied by (b) the highest closing price for the common stock during the period beginning on the date of first occurrence of the event of default and the ending one day prior to the payment.

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The Company analyzed the conversion option for derivative accounting consideration under ASC 815-15 “Derivatives and Hedging” and determined that the instrument should be classified as liabilities once the conversion option becomes effective after 180 days of debt issuance debt due to there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options.

On January 10, 2014, Asher Note 1 of $78,500 became convertible. On the same day, Asher Enterprises converted $15,000 of convertible loan Asher Note 1 into 4,098 shares of common stock at conversion price of $3.66 per share. On August 28, 2014, Asher Enterprises converted $12,000 of convertible loan Asher Note 1 into 12,942 shares of common stock at conversion price of $0.93 per share. On October 1, 2014, Asher Enterprises converted $2,000 of convertible loan Asher Note 1 into 32,468 shares of common stock at conversion price of $0.06 per share. On October 15, 2014, Asher Enterprises converted $15,000 of convertible loan Asher Note 1 into 72,886 shares of common stock at conversion price of $0.21 per share. On October 20, 2014, Asher Enterprises converted $15,000 of convertible loan Asher Note 1 into 43,103 shares of common stock at conversion price of $0.35 per share. On November 19, 2014, Asher Enterprises converted $15,000 of convertible loan Asher Note 1 into 59,976 shares of common stock at conversion price of $0.25 per share. On December 9, 2014, Asher Enterprises converted the remaining $14,500 of convertible loan Asher Note 1 into 81,967 shares of common stock at conversion price of $0.18 per share. The interest payable related to Asher Note 1 for an amount of $3,140 was also converted into 17,750 shares of common stock at conversion price of $0.18 on the same day.

On May 5, 2014, Asher Note 2 of $42,500 became convertible. Asher Enterprises converted the convertible note in full amount in 2015. See Note 22.

The Company has received the default notices for both notes on November 12, 2014 (the “Default Date”). Upon the receipt of default notice, the Company was subject to default term from the date of default and all the default interest will be subject to conversion at the debt holder's request. The Company recognized a loss on debt default of $31,250 on the Default Date.

As described in Note 15, the embedded conversion feature qualified for liability classification at fair value. As a result, the Company recorded debt discounts of $30,991 to Asher Note 1 and $42,500 to Asher Note 2 at the dates the notes became convertible. In connection with the default of Asher Note 1 and 2, the increased principal of the two notes also contained embedded conversion feature. Accordingly, a debt discount of $31,250 was recorded on the Default Date. The initial carrying value of the Convertible Debt is accreted to its stated amount on maturity using the effective interest method. Amortization of the discount was recorded as a component of interest expense in the statements of operations and comprehensive income. Amortization of debt discount amounted to $104,741 and $Nil for the years ended December 31, 2014 and 2013, respectively. Contractual interest expense for the two Asher convertible notes amounted to $6,540 and $4,168 for the year ended December 31, 2014 and 2013, respectively.

The Company recorded debt discount relating to its derivative debt to the extent of gross proceeds raised in its debt financing transactions, and immediately expensed the remaining value of the derivative if it exceeded the gross proceeds of the note. The Company recorded a derivative expense of $117,006 and $Nil for the years ended December 31, 2014 and 2013, respectively. The derivative expense was included in change in fair value of derivative liabilities in the consolidated statements of comprehensive loss.

As of December 31, 2014, the principal and interest of Asher Note 1 have been fully converted into 325,190 common shares of the Company. The balance of Asher Note 2 was $63,750 as of December 31, 2014 based on the effective interest method and was fully converted into the Company’s common stock subsequent to December 31, 2014.

During the period from February 25, 2015 to March 11, 2015, Asher Enterprises fully converted $63,750 of Asher Note 2 and associated interest of $3,400 into 414,361 shares of common stock at conversion price in the range from $0.1334 to $0.2127 per share.

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NOTE 15 - DERIVATIVE INSTRUMENTS AND THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company issued convertible notes with certain reset provisions (See Note 14). The Company accounted for the reset provisions in accordance with ASC 815-40, which requires the Company to bifurcate the embedded conversion options as liability at the date the note becomes convertible and to record changes in fair value relating to the conversion option liability in the consolidated statements of comprehensive loss as of each subsequent balance sheet date. The debt discount related to the convertible note is amortized over the life of the note using the effective interest method.

The conversion option embedded in the convertible debt contains no explicit limit to the number of shares to be issued upon settlement and as a result is classified as a liability under ASC 815. The following table sets forth the Company's consolidated financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as of December 31, 2014. Assets and liabilities are classified in their entirety based on the lowest level of inputs that is significant to the fair value measurement.

Liabilities:	Total	Level 1	Level 2	Level 3
Embedded conversion option derivative liabilities	$ 213,498	-	-	$ 213,498

The embedded conversion option derivative liabilities as of December 31, 2013 were zero.

The following is reconciliation (unaudited) of the conversion option liabilities for which Level 3 inputs were used in determining the fair value:

Beginning balance as of January 1, 2016	$ 213,498
Fair value of embedded conversion derivative liabilities at issuance charged to debt discount Asher Note 1 and 2	-
Reclassification of derivative liabilities to additional paid-in capital due to conversion of Asher Note 1	-
Change in fair value of derivative liabilities	-
Derivative Liabilities as of March 31, 2016	$ 213,498

The Company's conversion option liabilities are valued using pricing models and the Company generally uses similar models to value similar instruments. Where possible, the Company verifies the values produced by its pricing models to market prices. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads, measures of volatility and correlations of such inputs. An active stock market did not exist until the second half year of 2014, and as such, it involved some management judgment when using pricing models. Such instruments are typically classified within Level 3 of the fair value hierarchy.

The table below shows the Black Scholes Option Pricing Model inputs used by the Company to value the derivative liability, as well as the determined value of the option derivative liability as of the measurement dates.

Asher Note 1

	January 8, 2014	August 28, 2014	October 1, 2014	October 15, 2014	October 20, 2014	November 19 2014	December 9, 2014
Exercise Price	3.66	0.93	0.06	0.21	0.35	0.25$	0.18
Volatility	119.33%	253.54%	254.18%	247.32%	246.19%	267.23%	271.84%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk Free Rate	0.06%	0.03%	0.04%	0.05%	0.06%	0.07%	0.06%
Expected Term (in years)	0.75	0.75	0.75	0.75	0.75	0.75	0.75

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Asher Note 2

	May 5, 2014	December 31, 2014	February 25, 2015	February 26, 2015	March 9, 2015	March 11, 2015
Exercise Price	$ 1.04	$ 0.11	$ 0.13	$ 0.13	$ 0.16	$ 0.21
Volatility	141.10%	275.53%	283.31%	283.31%	296.51%	297.15%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk Free Rate	0.05%	0.12%	0.12%	0.12%	0.12%	0.12%
Expected Term (in years)	0.75	0.75	0.75	0.75	0.75	0.75

For the three months for March 31, 2016 and 2015, the Company recognized $Nil on Change in fair value of derivate liabilities, respectively.

NOTE 16 - RELATED PARTY TRANSACTIONS

a) Related parties:

Name of related parties	Relationship with the Company
Mr. Jianmin Gao	Stockholder, Chief Executive Officer, Chief Financial Officer and Chairman of the Board of the Company
Ms. Lingling Zhang	Stockholder, Director and Corporate Secretary
Mr. Fei Gao	Stockholder, Director and Chief Operating Officer
Ms. Lihua Xiao	Management
Shanghai Huirong Asset Management Ltd.("Huirong")	Common Director, Hanzhen Li, between Shanghai Zhonghui Financial Service Information Co., Ltd. and Shanghai Huirong Asset Management Ltd.

b) The Company had the following related party balances at March 31, 2016 and December 31, 2015:

	March 31, 2016	December 31, 2015
	(Unaudited)	(Audited)
Loan from Mr. Jianmin Gao	$ 522,292	$ 561,798
Loan from Mr. Fei Gao	623,101	748,376
Loan from Ms. Lihua Xiao	37,729	72,216
Huirong	352,709	305,613
Total related party payables	$ 1,535,831	$ 1,688,003
Deferred cost to Huirong	$ 817,774	$ 813,548

The related party payables are non-interest bearing and have no specified maturity date. The Company obtained these loans to fund operations when the Company or one of the subsidiaries was in need of cash. For the three months ended March 31, 2016 and 2015, the Company borrowed $Nil and $Nil from Mr. Jianmin Gao and made payments $39,506 and $Nil back to Mr. Jianmin Gao, respectively.

For the three months ended March 31, 2016 and 2015, the Company borrowed both $Nil from Mr. Fei Gao and made payments $125,275 and $Nil back to Mr. Fei Gao, respectively.

For the three months ended March 31, 2016 and 2015, the Company borrowed $Nil and $Nil from Ms. Lihua Xiao and made payments $34,487 and $Nil back to Ms. Lihua Xiao, respectively.

For the three months ended March 31, 2016 and 2015, the Company borrowed $47,096 and $Nil from Huirong and made repayments of both $Nil back to Huirong, respectively.

For the three months ended March 31, 2016, the deferred cost to Huitong increased with $4,226 to Huirong.

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NOTE 17 - COMMITMENTS AND CONTINGENCIES

Operating Lease

On December 20, 2014, the Company entered into a lease agreement with certain individual for new office facilities of its wholly-owned subsidiaries, Arki (Beijing) E-commerce Technology Corp. and America Arki Network Service Beijing Co. Ltd. The Company agreed to pay a quarterly rent of RMB233,960, or approximately $37,136, starting on December 20, 2014. And the Company agreed to pay a quarterly rent of RMB248,713, or approximately $39,943, starting on December 20, 2015. The lease will expire on December 26, 2016. Rent expense totaled $38,103 and $39,943 for the three months ended March 31, 2016 and for the years ended December 31, 2015, respectively.

Total future minimum rental lease commitments are as follows:

Twelve Months Ended March 31:	(Unaudited)
2017	$ 114,309
Total	$ 114,309

Legal Proceeding

There has been no legal proceeding in which the Company is a party as of March 31, 2016.

NOTE 18 - TAXATION

United States

Consumer Capital Group Inc. was incorporated in United States, and is subject to corporate income tax rate of 34%.

The People's Republic of China (PRC)

Arki Beijing E-commerce Technology Corp. was incorporated in the People’s Republic of China and subject to PRC income tax at 25%. The Company did not generate taxable income in the People’s Republic of China for the three months ended March 31, 2016 and 2015 respectively.

America Pine Beijing Bio-Tech, Inc. was incorporated in the People’s Republic of China and subject to PRC income tax at 25%. The Company did not generate taxable income in the People’s Republic of China for the three months ended March 31, 2016 and 2015 respectively.

America Arki (Fuxin) Network Management Co. Ltd. was incorporated in the People’s Republic of China and subject to PRC income tax at 25%. The Company did not generate taxable income in the People’s Republic of China for the three months ended March 31, 2016 and 2015 respectively.

America Arki Network Service Beijing Co. Ltd. was incorporated in the People’s Republic of China and subject to PRC income tax at 25%. The Company did not generate taxable income in the People’s Republic of China for the three months ended March 31, 2016 and 2015 respectively.

Shanghai Zhonghui Financial Information Service Company Limited was incorporated in the People’s Republic of China and subject to PRC income tax at 25%. The Company generated taxable income in the People’s Republic of China for the three months ended March 31, 2016.

America Arki (Tianjin) Capital Management Partnership was incorporated in the People’s Republic of China and subject to PRC income tax at 25%. The Company did not generate taxable income in the People’s Republic of China for the period from October 22, 2015 (date of inception) to March 31, 2016.

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Beginning January 1, 2008, the new Enterprise Income Tax (“EIT”) law has replaced the old laws for Domestic Enterprises (“DES”) and Foreign Invested Enterprises (“FIEs”). The new standard EIT rate of 25% replaces the 33% rate applicable to both DES and FIEs.

The new EIT Law also imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company’s jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. Such withholding income tax was exempted under the previous income tax regulations.

Loss before income taxes consists of:

	For the three months ended March 31,	
	2016	2015
	(Unaudited)	(Unaudited)
Non-PRC	$ 23,210	$ -
PRC	385,411	175,538
	$ 408,621	$ 175,538

The provision for income taxes from operations was $Nil for the three months ended March 31, 2016 and 2015 respectively.

The components of deferred taxes are as follows at March 31, 2016 and December 31, 2015:

	March 31, 2016	December 31, 2015
	(Unaudited)	(Unaudited)
Deferred tax assets, non-current portion		
Allowance for loan losses	$ 308,652	$ 307,057
Total deferred tax assets, non-current portion	$ 308,652	$ 307,057

The management of the Company believes the net operating loss carried forward is more likely than not that these loss will not be made up in the future.

A reconciliation (unaudited) between the income tax computed at the U.S. statutory rate and the Company's provision for income tax in the PRC is as follows:

	For the three months ended March 31,	
	2016	2015
Tax expense at statutory rate US	34%	34%
Foreign income not recognized in the U.S.	(34)%	(34)%
PRC enterprise income tax rate	25%	25%
Loss not subject to income tax	(25)%	(25)%
Effective income tax rates	0%	0%

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Taxes payable consisted of the following:

	March 31, 2016	December 31, 2015
	(Unaudited)	(Audited)
Business tax payable	430,175	428,491
Other taxes payable	39,269	57,309
Total taxes payable	$ 469,444	$ 485,800

Accounting for Uncertainty in Income Taxes

The Company adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2007. The provisions clarify the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with the standard "Accounting for Income Taxes," and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The provisions of Accounting for Uncertainty in Income Taxes also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Company may from time to time be assessed interest or penalties by major tax jurisdictions. In the event it receives an assessment for interest and/or penalties, it will be classified in the financial statements as tax expense.

The PRC tax law provides a (3-5 years) statute of limitation and the Company's income tax returns are subject to examination by tax authorities during that period. All penalties and interest are expensed as incurred. For the three months ended March 31, 2016 and 2015, there were no penalties and interest.

Based on the Company's evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements.

NOTE 19 - EARNING (LOSS) PER SHARE

Basic and diluted earning (loss) per share for each of the years presented are calculated as follows:

	For the three months ended March 31,	
	2016	2015
	(Unaudited)	(Unaudited)
Numerator:		
Net loss	$ (408,621)	$ (175,538)
Net loss attributable to common stockholders for computing basic and diluted loss per common share	$ (0.01)	$ (0.01)
Denominator:		
Weighted average number of common shares outstanding for computing basic and diluted loss per common share	31,165,740	19,514,279
Basic and diluted loss per share	$ (0.01)	$ (0.01)

For the three months ended March 31, 2016 and 2015, there were no common stock equivalents for computing diluted earnings (loss) per share.

NOTE 20 - DISCONTINUED OPERATIONS

On April 1, 2014, the Company entered into a definitive agreement to sell and transfer its entire 51% equity interests in Beitun. Under the term of the agreement to dispose Beitun, the Company agreed to receive $41,030 (RMB 255,000) in cash consideration from Yifan Zhang for the sale of its 51% equity interest in Beitun. Yifan Zhang is the daughter of Ms. Wei Guo, the Shareholder and Managing Director of Beitun. As of December 31, 2014, the Company did not receive the cash payment from Yifan Zahng, and did not expect the proceeds in future. Therefore, it was expensed and recorded as part of "Loss on disposal of subsidiary".

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The results of operations of Beitun, for all periods, were separately reported as "discontinued operations". The loss on disposal of Beitun totaled $47,871, which was reported as "Loss on disposal of subsidiary" for the year ended December 31, 2014.

The operating results of Beitun for the years ended December 31, 2014 and 2013 classified as discontinued operations are summarized below:

	For the year ended December 31,	
	2014	2013
Sales	$ 1,142,840	$ 5,842,547
Cost of Goods Sold	1,127,786	5,767,654
Gross Profit	15,054	74,893
Operating Expenses	(14,941)	(68,547)
Other Income (Expense)	(20)	45
Income Tax Expense	(23)	(1,683)
Net loss	$ 70	$ 4,708

NOTE 21 - SUBSEQUENT EVENT

As of this report date, RMB 71.6 million loans to one of the Shanghai Zhonghui's borrowers have been overdue. The Company is in the process of negotiating repayment arrangement with this borrower. Since all the overdue loans were secured by pledged of the operating assets of the borrower, of which the appraisal value is much higher than the amount of overdue loans, the Company believes that the current provision is sufficient.

Except the above, there were no events or transactions other than those disclosed in this report, if any, that would require recognition or disclosure in our unaudited consolidated financial statements for the three months ended March 31, 2016.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the results of operations and financial condition should be read in conjunction with our financial statements and the notes to those financial statements that are included elsewhere in this Report. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. See "Forward-Looking Statements."

Overview

We have been primarily engaging in internet financing services since first quarter of 2015. Prior to that, we operated an online retail platform in China at www.ccmus.com through Arki (Beijing) E-Commerce Technology Corp., our wholly owned subsidiary, and an online retail platform at www.ccgusa.com in the United States. In addition to e-commerce services, we tried to develop a debit card business, through America Arki Fuxin Network Management Co. Ltd., our wholly owned subsidiary. Prior to April 2014, we also operated our meat distribution business through Beijing Beitun Trading Co., Ltd., our 51% owned subsidiary. Through Beijing Beitun Trading Co., Ltd., we purchased meats from suppliers and distributed them to restaurants and food producers in China. On April 1, 2014, the Company sold its entire 51% equity of Beijing Beitun Trading Co. Ltd. As a result of the sale of our equity in Beitun Trading, we no longer operate in the distribution of meat products. Because of the lack of sales generated on our two online retail platforms, we also ceased our E-commerce business in first quarter of 2015.

We currently operate our business through our variable interest entity, America Arki Network Service Beijing Co., Ltd, which holds 51% interest in America Arki (Tianjin) Capital Management Partnership, a wealth management firm, and Shanghai Zhong Hui Financial Information Service Corp., an online consumer finance platform that matches mass retail investors and companies that needs to raise capital through debt or equity financing.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with US GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FOREIGN CURRENCY TRANSLATION

The Company's reporting currency is the U.S. dollar. The Company's functional currency is the local currency in the PRC, the Chinese Yuan (RMB). The financial statements of the Company are translated into United States dollars in accordance with ASC 830, FOREIGN CURRENCY MATTERS, using year-end rates of exchange for assets and liabilities, and average rates of exchange for the period for revenues, costs, and expenses and historical rates for equity. Translation adjustments resulting from the process of translating the local currency financial statements into U.S. dollars are included in determining comprehensive income. As of March 31, 2016 and December 31, 2015, the cumulative translation adjustment of $(74,395) and $(44,436), respectively, was classified as an item accumulated of other comprehensive income in the stockholders' equity (deficit) section of the consolidated balance sheets. For the three months ended March 31, 2016 and 2015, the foreign currency translation adjustment to accumulate other comprehensive deficit was $31,563 and $Nil, respectively.

REVENUE RECOGNITION

We recognize revenue from product sales or services rendered when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable, and collectability is reasonably assured.

E-commerce Revenue Recognition

We evaluate whether it is appropriate to record the net amount of sales earned as commissions. We are not the primary obligor nor are we subject to inventory risk as the agreements with our suppliers specify that they have the responsibility to provide the product or service to the customer. Also, the amounts we earn from our vendors/suppliers is based on a fixed percentage and bound contractually. Additionally, the Company does not have any obligation to resolve disputes between the vendors and the customers that purchase the products on our website. Any disputes involving damaged, non-functional, product returns, and/or warranty defects are resolved between the customer and the vendor. The Company has no obligation for right of return and/or warranty for any of the sales completed using its website. Since we are not primarily obligated and amounts earned are determined using a fixed percentage, a fixed-payment schedule, or a combination of the two, we record our revenues as commissions earned on a net basis.

Our sales are net of promotional discounts and rebates and are recorded when the products are shipped and title passes to customers. Revenues are recorded net of sales and consumption taxes. We periodically provide incentive offers to our customers to encourage purchases. Such offers include current discount offers, such as percentage discounts off current purchases, inducement offers, such as daily sweepstakes reward opportunities that is based on volume of purchases, and other similar offers. Current discount offers and inducement offers are presented as a net amount in "Net revenues."

We record deferred revenue when cash is received in advance of the performance of services or delivery of goods. Deferred revenue is also recorded to account for the seven day grace period offered to customers for potential product disputes, if any. Deferred revenue was $Nil as of December 31, 2015 and 2014.

P2P platform Servicing fee income

Borrowers typically pay us a servicing fee on each payment received. The service fees compensate us for the costs we incur in servicing the related loan, including managing funding from investors, payments to investors and maintaining borrower' account portfolios. We record servicing fees paid by borrower as a component of operating revenue when received. Deferred revenue was $3,720,050 as of December 31, 2015.

Interest income on loans

Interest on loan receivables is accrued monthly in accordance with their contractual terms and recorded in accrued interest receivable. The Company does not charge prepayment penalty from customers.

Distribution Revenue Recognition

We record product sales and shipping revenues, net of return allowances, when the products are shipped and title passes to customers. Return allowances, which reduce product revenue, are estimated using historical experience. Revenue from product sales and services rendered is recorded net of sales and consumption taxes.

CASH AND CASH EQUIVALENTS

We consider all investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents primarily represent funds invested in bank checking accounts, money market funds and domestic Chinese bank certificates of deposit. At December 31, 2015 and 2014, the Company had no cash equivalents.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, accounts receivable, advance to suppliers, prepaid expenses, other receivables, other assets, accounts payable, accrued liabilities, other payables, related party payables, convertible note, short term debt and derivative liabilities. These financial instruments are measured at their respective fair values. For fair value measurement, US GAAP establishes a three-tier hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 include other inputs that are directly or indirectly observable in the marketplace.

Level 3 unobservable inputs which are supported by little or no market activity.

Fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The carrying value of cash and cash equivalents, accounts receivable, advance to suppliers, prepaid expenses, other receivables, other assets, account payable, accrued liabilities, other payables, convertible note and short term debt approximates their fair value due to their short-term maturities.

The Company's Level 3 valuation relates to derivative liabilities measured using management's estimates of fair value as well as other significant inputs, such as volatility and risk free interest rate, which may be unobservable. See Note 15.

The Company has determined the estimated fair value amounts presented in these financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Management believes it is not practical to estimate the fair value of related party payables because the transactions cannot be assumed to have been consummated at arm's length, the terms are not deemed to be market terms, there are no quoted values available for these instruments, and an independent valuation would not be practical due to the lack of data regarding similar instruments, if any, and the associated potential costs.

RECENT ACCOUNTING PRONOUNCEMENTS

In January 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-01, "Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." The new guidance is intended to improve the recognition and measurement of financial instruments. The new guidance makes targeted improvements to existing U.S. GAAP by: (1) Requiring equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. Requiring public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes; (2) Requiring separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (i.e., securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements; Eliminating the requirement to disclose the fair value of financial instruments measured at amortized cost for organizations that are not public business entities; (3) Eliminating the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet; and. (4) Requiring a reporting organization to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk (also referred to as "own credit") when the organization has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. The new guidance is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For private companies, not-for-profit organizations, and employee benefit plans, the new guidance becomes effective for fiscal years beginning after December 15, 2018, and for interim periods within fiscal years beginning after December 15, 2019. The Company does not expect this update will have a material impact on the presentation of the Company's consolidated financial position, results of operations and cash flows.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," which supersedes the existing guidance for lease accounting, "Leases (Topic 840)." ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-06, "Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments." The amendments apply to all entities that are issuers of or investors in debt instruments (or hybrid financial instruments that are determined to have a debt host) with embedded call (put) options. The amendments clarify what steps are required when assessing whether the economic characteristics and risks of call (put) options are clearly and closely related to the economic characteristics and risks of their debt hosts, which is one of the criteria for bifurcating an embedded derivative. Consequently, when a call (put) option is contingently exercisable, an entity does not have to assess whether the event that triggers the ability to exercise a call (put) option is related to interest rates or credit risks. Public business entities must apply the new requirements for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years. All other entities must apply the new requirements for fiscal years beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018. All entities have the option of adopting the new requirements early, including adoption in an interim period. If an entity early adopts the new requirements in an interim period, it must reflect any adjustments as of the beginning of the fiscal year that includes that interim period. The Company does not expect any material impact of this new standard on its consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-07, “Investments - Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting.” The amendments affect all entities that have an investment that becomes qualified for the equity method of accounting as a result of an increase in the level of ownership interest or degree of influence. The amendments eliminate the requirement that when an investment qualifies for use of the equity method as a result of an increase in the level of ownership interest or degree of influence, an investor must adjust the investment, results of operations, and retained earnings retroactively on a step-by-step basis as if the equity method had been in effect during all previous periods that the investment had been held. The amendments require that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor’s previously held interest and adopt the equity method of accounting as of the date the investment becomes qualified for equity method accounting. Therefore, upon qualifying for the equity method of accounting, no retroactive adjustment of the investment is required. The amendments require that an entity that has an available-for-sale equity security that becomes qualified for the equity method of accounting recognize through earnings the unrealized holding gain or loss in accumulated other comprehensive income at the date the investment becomes qualified for use of the equity method. The amendments are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the adoption of the equity method. Earlier application is permitted. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In April 2016, the FASB released ASU 2016-09, “Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting.” The ASU includes multiple provisions intended to simplify various aspects of the accounting for share-based payments. While aimed at reducing the cost and complexity of the accounting for share-based payments, the amendments are expected to significantly impact net income, EPS, and the statement of cash flows. Implementation and administration may present challenges for companies with significant share-based payment activities. The ASU is effective for public companies in annual periods beginning after December 15, 2016, and interim periods within those years. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In April 2016, FASB issued Accounting Standards Update No. 2016-10, “Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing.” The amendments clarify the following two aspects of Topic 606: (a) identifying performance obligations; and (b) the licensing implementation guidance. The amendments do not change the core principle of the guidance in Topic 606. The effective date and transition requirements for the amendments are the same as the effective date and transition requirements in Topic 606. Public entities should apply the amendments for annual reporting periods beginning after December 15, 2017, including interim reporting periods therein (i.e., January 1, 2018, for a calendar year entity). Early application for public entities is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

Results of Operations

Comparison of Three Months Ended March 31, 2016 and 2015

The following table sets forth the results of our operations for the periods indicated in U.S. dollars

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
Revenues	$ 474,613	$ -
Gross profit	474,613	-
Operating expenses:		
Selling expenses	243,847	-
General & administrative expenses	562,780	175,692
Total operating expenses	806,627	175,692
Operating loss	(332,014)	(175,692)
Provision for loan losses	(42,051)	-
Other income (expenses)		
Other income	-	154
Other expense	(34,556)	-
Total other income (expenses)	(34,556)	154
Loss before income taxes	(408,621)	(175,538)
Provision for income taxes	-	-
Net loss	(408,621)	(175,538)
Less: Net income attributable to non-controlling interest	(122,628)	-
Net loss attributable to Consumer Capital Group, Inc.	$ (285,993)	$ (175,538)
Basic and diluted loss per common shares	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted (1)	31,165,740	19,514,279
Comprehensive income (loss)		
Net loss	$ (408,621)	$ (175,538)
Foreign currency translation adjustments	(25,343)	-
Comprehensive loss	(433,964)	(175,538)
Comprehensive income (loss) attributable to non-controlling interest	135,046	-
Comprehensive loss attributable to Consumer Capital Group, Inc.	$ (298,918)	$ (175,538)

Revenue.

During the three months ended March 31, 2016, we generate revenue of 474,613, compared to revenue of $0 for the three months ended March 31, 2015, an increase of $474,613. The significant revenue increase was mainly attributable to the change of our business as we shifted our core business from e-commerce to internet financing with the Arki Tianjin and the acquisition of Zhong Hui.

Operating expenses.

Operating expenses totaled $806,627 for the three months ended March 31, 2016, compared to $175,692 for the three months ended March 31, 2015, an increase of $630,935. The increase is mainly attributed to the increase in selling expenses and general & administrative expenses.

Selling, general and administrative expenses.

Selling expenses increased from $0 for the three months ended March 31, 2015 to $243,847 for the three months ended March 31, 2016, an increase of $243,847. The increase is mainly attributed to the increase in expenses relating to the sales of our services and products.

Our general and administrative expenses consist of salaries, office expenses, utilities, business travel, amortization expenses, public company expenses (including legal expenses, accounting expenses and investor relations expenses). General and administrative expenses were $562,780 for the three months ended March 31, 2016, compared to $175,692 for the three months ended March 31, 2015, an increase of $630,935. The increase is mainly attributed to the increase in compensation expenses, legal expense, and other professional fees.

Loss from operations.

As a result of the factors described above, operating loss was $332,014 for the three months ended March 31, 2016, compared to operating loss of $175,692 for the three months ended March 31, 2015, an increase of approximately $156,322.

Other income and expenses.

We did not generate any other income for the three months ended March 31, 2016, compared to $154 for the three months ended March 31, 2015. We incurred $34,556 in other expense for the three months ended March 31, 2016, compared to $0 incurred for the three months ended March 31, 2015. The total other expense was $34,556 for the three months ended March 31, 2016, compared to a total income of $154 for the three months ended March 31, 2015.

Net loss.

Our net loss for the three months ended March 31, 2016 was $408,621, compared to net loss of $175,538 for the three months ended March 31, 2015, an increase of net loss of $233,083. The increase of net loss is mainly due to the increase of operating expenses resulted from the shift of our core business.

Foreign currency translation.

Our consolidated financial statements are expressed in U.S. dollars but the functional currency of our operating subsidiary is RMB. Results of operations and cash flows are translated at average exchange rates during the period, assets and liabilities are translated at the unified exchange rate at the end of the period and equity is translated at historical exchange rates. Translation adjustments resulting from the process of translating the financial statements denominated in RMB into U.S. dollars are included in determining comprehensive income. Our foreign currency translation loss for the three months ended March 31, 2016 was $25,343, compared to translation loss of $0 for the three months ended March 31, 2015, a decrease of $25,343.

Liquidity and Capital Resources

Comparison of Three Months Ended March 31, 2016 and 2015

All of our business operations are carried out by our PRC Subsidiaries, and all of the cash generated by our operations has been held by that entity. In order to transfer such cash to our parent entity, Consumer Capital Group, Inc., which is a Delaware corporation, we would need to rely on dividends, loans or advances made by our PRC subsidiaries. Such transfers may be subject to certain regulations or risks. To date, our parent entity has paid its expenses by raising capital through private placement transactions. In the future, in the event that our parent entity is unable to raise needed funds from private investors, our PRC Subsidiaries would have to transfer funds to our parent entity.

PRC regulations relating to statutory reserves and currency conversion would impact our ability to transfer cash within our corporate structure. The Company Law of the PRC applicable to Chinese companies provides that net after tax income should be allocated by the following rules:

1. 10% of after tax income to be allocated to a statutory surplus reserve until the reserve amounts to 50% of the company's registered capital.

2. If the accumulate balance of statutory surplus reserve is not enough to make up the Company's cumulative prior years' losses, the current year's after tax income should be first used to make up the losses before the statutory surplus reverse is drawn.

3. Allocation can be made to the discretionary surplus reserve, if such a reserve is approved at the meeting of the equity owners.

Therefore, the Company is required to maintain a statutory reserve in China that limits any equity distributions to its shareholders. The maximum amount of the shareholders has not been reached. The company has never distributed earnings to shareholders and has consistently stated in the Company's filings it has no intentions to do so.

The RMB cannot be freely exchanged into Dollars. The State Administration of Foreign Exchange ("SAFE") administers foreign exchange dealings and requires that they be conducted though designated financial institutions.

These factors will limit the amount of funds that we can transfer from our PRC Subsidiaries to our parent entity and may delay any such transfer. In addition, upon repatriation of earnings of PRC Subsidiaries to the United States, those earnings may become subject to United States federal and state income taxes. We have not accrued any U.S. federal or state tax liability on the undistributed earnings of our foreign subsidiary because those funds are intended to be indefinitely reinvested in our international operations. Accordingly, taxes imposed upon repatriation of those earnings to the U.S. would reduce the net worth of the Company.

As of March 31, 2016, cash and cash equivalents were $2,197,488.

The following table sets forth information about our net cash flow for the periods indicated:

Cash Flows Data:

	For Three Months ended March 31,	
	2016	2015
Net cash flows provided by (used in) operating activities	$ (243,939)	$ (55,386)
Net cash flows provided by (used in) investing activities	$ (4,421,204)	$ 205,853
Net cash flows provided by (used in) financing activities	$ 4,180,987	$ (531,198)

Net cash flow used in operating activities was $243,939 for the three months ended March 31, 2016, compared to $55,386 used in operating activities for the three months ended March 31, 2015, an increase of $188,553. The increase in net cash flow used in operating activities was mainly due to the increased expenses relating to the shift of our core business.

Net cash flow used in investing activities was $4,421,204 for the three months ended March 31, 2016, compared to $205,853 for the three months ended March 31, 2015, an increase of $4,627,057. The increase is mainly due to a loan receivable of $4,402,942 incurred for the three months ended March 31, 2016, compared to $0 for the three months ended March 31, 2015.

Net cash flow provided by financing activities was $4,180,987 for the three months ended March 31, 2016, compared to $531,198 used in for the three months ended March 31, 2015, an increase of $4,712,185. The increase in net cash flow provided by financing activities was mainly due to increase of loan provided by individuals offset by decrease of proceeds from related party debt.

Concentration of Business and Credit Risk

Assets that potentially subject the Company to significant concentration of credit risk primarily consist of cash and cash equivalents, and accounts receivable. The maximum exposure of such assets to credit risk is their carrying amounts as of the balance sheet dates. As of March 31, 2016 and December 31, 2015, substantially all of the Company's cash and cash equivalents were deposited in financial institutions located in the PRC, which management believes are of high credit quality. Management believes the credit risk on bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies, or state-owned banks in China. Cash includes cash on hand and demand deposits in accounts maintained with state-owned banks within the PRC and the United States of America. Balances at financial institutions or state owned banks within the PRC are not covered by insurance. Non-performance by these institutions could expose the Company to losses for amounts in excess of insured balances. As of March 31, 2016 and December 31, 2015, our bank balances with the banks in U.S. exceeded the insured amount by $71,290 and $119,569, respectively. As of March 31, 2016 and December 31, 2015, our bank balances with the Banks in the PRC amounted to $ $2,126,198 and $2,619,576, respectively, which are uninsured and subject to credit risk. We have not experienced nonperformance by these institutions.

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash and cash equivalents, loan receivable from borrowers and the related accrued interest receivable. As of December 31, 2015, the Company has one significant borrower, which accounted for 83% of total loan receivable balance. The aforementioned borrower paid service fee and interest regularly according to the contract during the reporting period, and the Company believed that the default risk from this borrower is low in the foreseeable future.

Contractual Obligations

Lease commitments

On December 21, 2014, the Company entered into a one-year sublease agreement (the "Lease") with Days Service Group, LLC, a New York limited liability company ("Days Service") for its new principal executive office located at 136-82 39th Ave, 4th Floor, Unit B, Flushing, NY 11354. Days Service previously entered into a 15-year lease agreement with Ming Seng & Associates, LLC and was the current tenant of 136-82 39th Ave, 4th Floor, Flushing, NY 11354, starting on November 1, 2014. Pursuant to the terms of the Lease, the Company agreed to pay a monthly rent of $1,200. The Lease started on January 1, 2015 and was renewed on January 1, 2016. The current lease will expire on December 31, 2016.

On December 20, 2014, the Company entered into a lease agreement with certain individual for new office facilities of its wholly-owned subsidiaries, Arki (Beijing) E-commerce Technology Corp. and America Arki Network Service Beijing Co. Ltd. The offices are located at Suite 1101 and Suite 1105, Building #4, Guanghua Road #2, Chaoyang District, Beijing, China. The lease agreement was renewed on December 27, 2015. The Company agreed to pay a monthly rent of approximately $13,000. The lease will expire on December 26, 2016.

Off-Balance Sheet Arrangements

We do not have any off balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Smaller reporting companies are not required to provide the information required by this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 ("Exchange Act"), the Company carried out an evaluation, with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that despite our hiring of a financial consultant who is familiar with U.S. GAAP and additional trainings offered to our staff in the accounting department and improvements in internal control over financial reporting, our disclosure controls and procedures were not effective as of March 31, 2016 for the material weakness describe below.

- Lack of US GAAP expertise - Despite our efforts to improve the Company's controls and procedures, our accounting personnel do not have sufficient knowledge, experience and training in maintaining our books and records and preparing financial statements in accordance with US GAAP standards and SEC rules and regulations. As such, our personnel do not have adequate accounting skills and understanding necessary to fulfill the requirements of US GAAP-based reporting, including the skills of US GAAP-based period end closing, consolidation of financial statements, and US GAAP conversion, and they are inadequately supervised by persons with requisite qualifications.

Our management has identified the following steps to address the above material weakness:

(1) We have been engaging with a financial accountant to assist us in preparing our financial statements in accordance with US GAAP standards and SEC rules and regulations.

(2) We intend to hire, as needed, key accounting personnel with technical accounting expertise and reorganize the finance department to ensure that accounting personnel with adequate experience, skills and knowledge relating to complex, non-routine transactions are directly involved in the review and accounting evaluation of our complex, non-routine transactions.

Changes in Internal Controls over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

To the best of our knowledge, there are no materials pending legal proceedings to which we are a party or of which any of our property is the subject. However, from time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

Item 1A. Risk Factors.

Smaller reporting companies are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On May 10, 2016, the Company was informed by its independent registered accountants, Dominic K.F. Chan & Co. ("DKFC"), that DCAW (CPA) Ltd. (“DCAW”) has succeeded from DKFC, the license to audit U.S. public company regulated by PCAOB, effective from May 1, 2016. The principals and staff of DCAW are the same auditors and staff who were engaged on the audit of the Company while at DKFC. The engagement of DCAW was approved by the Company’s Board of Directors on May 13, 2016.

The reports of DKFC on the Company’s financial statements as of and for the years ended December 31, 2015 and December 31, 2014, contained no adverse opinion or disclaimer of opinion nor was qualified or modified as to uncertainty, audit scope, or accounting principle.

During the recent fiscal years ending ended December 31, 2015 and December 31, 2014 and the subsequent period through March 31, 2016, there have been no (i) disagreements with DKFC, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to DKFC, satisfaction, would have caused DKFC, to make reference to the subject matter of the disagreement(s) in connection with its reports; or (ii) reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

Neither the Company nor anyone on behalf of the Company consulted DCAW regarding either (a) the application of accounting principles to a specified transaction, either completed or contemplated, or the type of audit opinion that might be rendered on the financial statements of the Company, and no written or oral advice of DCAW was provided with respect to any accounting, auditing, or financial reporting issue, or (b) any matter that was either the subject of a disagreement of the type described in Item 304(a)(iv) of Regulation S-K or any "reportable event described in Item 304(a)(1)(v) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	**Description**
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002.
32.1+	Certification of Principal Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Label Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document

+ In accordance with SEC Release 33-8238, Exhibits 32.1 and Exhibit 32.2 are being furnished and not filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CONSUMER CAPITAL GROUP, INC.

Dated: May 17, 2016

By: *<u>/s/ Jianmin Gao</u>*
Jianmin Gao
Chief Executive Officer & Chief Financial Officer

Exhibit 21.1

Subsidiaries & Variable Interest Entities

Arki (Beijing) E-Commerce Technology Corp.

America Pine (Beijing) Bio-Tech, Inc.

America Arki (Fuxin) Network Management Co. Ltd.

America Arki Network Service Beijing Co., Ltd.

America Arki (Tianjin) Capital Management Partnership

Shanghai Zhong Hui Financial Information Services Corp.

Exhibit 31.1

CERTIFICATION
OF CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Jianmin Gao, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Consumer Capital Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrants’ other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 17, 2016

/s/ Jianmin Gao
Jianmin Gao
Chief Executive Officer
Chief Financial Officer
(Principal Executive Officer & Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Consumer Capital Group Inc. (the “Company”), does hereby certify, to such officer’s knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 (the “Form 10-Q”) of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Date: May 17, 2016

/s/ Jianmin Gao
Jianmin Gao
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Consumer Capital Group Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Date: May 17, 2016

/s/ Jianmin Gao
Jianmin Gao
Chief Financial Officer
(Principal Accounting Officer)

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.