Submission Data File

General Information	
Form Type*	10-Q
Contact Name	Edgar Agents, LLC
Contact Phone	732-780-5036
Filer File Number	
Filer CIK*	0001439299 (Consumer Capital Group, Inc.)
Filer CCC*	**********
Filer is Smaller Reporting Company	Yes
Confirming Copy	No
Notify via Website only	No
Return Copy	No
SROS*	NONE
Period*	06-30-2016
(End General Information)	

Document Information	
File Count*	11
Document Name 1*	f10q0616_consumercapital.htm
Document Type 1*	10-Q
Document Description 1	Quarterly Report
Document Name 2*	f10q0616ex10i_consumer.htm
Document Type 2*	EX-10.1
Document Description 2	Form of Securities Purchase Agreement
Document Name 3*	f10q0616ex31i_consumer.htm
Document Type 3*	EX-31.1
Document Description 3	Certification
Document Name 4*	f10q0616ex32i_consumer.htm
Document Type 4*	EX-32.1
Document Description 4	Certification
Document Name 5*	f10q0616ex32ii_consumer.htm
Document Type 5*	EX-32.2
Document Description 5	Certification
Document Name 6*	ccgn-20160630.xml
Document Type 6*	EX-101.INS
Document Description 6	XBRL Instance File
Document Name 7*	ccgn-20160630.xsd
Document Type 7*	EX-101.SCH
Document Description 7	XBRL Schema File
Document Name 8*	ccgn-20160630_cal.xml
Document Type 8*	EX-101.CAL
Document Description 8	XBRL Calculation File
Document Name 9*	ccgn-20160630_def.xml
Document Type 9*	EX-101.DEF
Document Description 9	XBRL Definition File
Document Name 10*	ccgn-20160630_lab.xml
Document Type 10*	EX-101.LAB
Document Description 10	XBRL Label File
Document Name 11*	ccgn-20160630_pre.xml
Document Type 11*	EX-101.PRE
Document Description 11	XBRL Presentation File
(End Document Information)	

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 June 30, 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: 000-54998

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: **(516) 874-4566**

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 32,178,849 shares of common stock, $0.0001 per share, issued and outstanding at August 15, 2016.

CONSUMER CAPITAL GROUP, INC.
QUARTERLY REPORT ON FORM 10-Q
June 30, 2016

TABLE OF CONTENTS

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

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Cash	$ 1,949,782	$ 2,739,145
Advances to suppliers	-	38,302
Prepaid expenses	16,185	18,571
Interest receivables	639,635	843,953
Other receivables	487,874	395,152
Loan receivable, net	40,461,857	37,818,473
Deferred cost-related party	1,674,135	813,548
Total current assets	45,229,468	42,667,144
Property and equipment, net	117,386	30,489
Goodwill	217,529	217,529
Deferred tax asset	234,317	307,057
Total non-current assets	569,232	555,075
Total assets	$ 45,798,700	$ 43,222,219
Loan from individuals	$ 39,532,898	$ 36,944,600
Accrued interest payable	128,805	131,538
Accrued liabilities	200,912	202,825
Income tax payables	556,943	570,425
Taxes payable	718,042	485,800
Other payables	692,259	339
Payable to shareholder	117,767	85,067
Related party payables	1,595,609	1,688,003
Deferred revenue	-	3,720,050
Total liabilities	43,543,235	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 June 30, 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)	6,695,221	4,402,476
Accumulated other comprehensive income	11,155	(44,436)
Accumulated deficit	(5,130,624)	(5,169,728)
Total Consumer Capital Group, Inc. stockholders' deficit	1,448,128	(939,312)
Non-controlling interest in subsidiary	807,337	332,884
Total stockholders' equity (deficit)	2,255,465	(606,428)
Total liabilities and stockholders' equity	$ 45,798,700	$ 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 (LOSS)
(Unaudited)

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the six months ended June 30, 2016	For the six months ended June 30, 2015
Revenues	$ 4,806,866	$ 695,833	$ 5,281,479	$ 695,833
Gross profit	4,806,866	695,833	5,281,479	695,833
Operating expenses:				
Selling expenses	189,577	386,216	433,424	386,216
General & administrative expenses	886,867	469,624	1,449,647	628,084
Total operating expenses	1,076,444	855,840	1,883,071	1,014,300
Operating income (loss)	3,730,422	(160,007)	3,398,408	(318,467)
Reversal for loan losses	311,538	-	269,487	-
Other income (expenses)	(2,968,636)	(964)	(3,003,192)	(810)
Income (Loss) before income taxes	1,073,324	(160,971)	664,703	(319,277)
Provision for income taxes	73,411	10,957	73,411	10,957
Net Income (Loss)	999,913	(171,928)	591,292	(330,234)
Less: Net income (loss) attributable to non-controlling interest	674,816	(84,554)	552,188	(162,409)
Net income (loss) attributable to Consumer Capital Group, Inc.	$ 325,097	$ (87,374)	$ 39,104	$ (167,825)
Basic and diluted income (loss) per common shares	$ 0.01	$ (0.00)	$ 0.00	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted (1)	31,165,740	19,808,440	31,165,740	19,662,172
Comprehensive income (loss)				
Net income (loss)	$ 999,913	$ (171,928)	$ 591,292	$ (330,234)
Foreign currency translation adjustments	3,199	648,130	(22,144)	315,956
Comprehensive income (loss)	$ 1,003,112	$ 476,202	$ 569,148	$ (14,278)
Comprehensive income (loss) attributable to non-controlling interest	609,499	70,833	474,453	(170,385)
Comprehensive income (loss) attributable to Consumer Capital Group, Inc.	$ 393,613	$ 405,369	$ 94,695	$ 156,107

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 six months ended June 30, 2016	For the six months ended June 30, 2015
Operating Activities		
Net income (loss)	$ 39,104	$ (167,825)
Adjustments to reconcile net loss to cash flows from operating activities:		
Depreciation expense	14,804	50,940
Allowance for loan losses	(269,487)	-
Deferred tax benefit	67,372	-
Minority interests in operations of consolidated subsidiaries	474,453	(170,385)
Change in operating assets and liabilities:		
Accounts receivable	-	(96,492)
Advances to suppliers	38,078	(98,684)
Prepaid expenses	2,038	1,200
Deferred Cost–related party	(890,876)	(10,836)
Interest receivables	189,630	-
Other receivables	(98,634)	(546,662)
Accounts payable	-	184,235
Accrued expenses	(596)	(144,821)
Advances from customers	-	3,204
Deferred revenue	(3,698,309)	3,698,571
Taxes payable	244,379	10,495
Payable to shareholder	32,509	(85,127)
Derivative liabilities	-	(213,498)
Other payables	701,676	(75,151)
Net cash flows provided by (used in) operating activities	(3,153,859)	2,339,164
Investing Activities		
Loan receivable	(3,212,038)	(21,558,344)
Equipment purchased	(102,409)	(22,765)
Net cash flows used in investing activities	(3,314,447)	(21,581,109)
Financing Activities		
Repayment of loans from customers	2,110,120	-
Loans to related parties	(65,468)	(69,231)
Proceeds from issuance of shares	200,968	-
Accrued interest payable	-	20,047,084
Loan from individuals	4,140,259	-
Net cash flows provided by financing activities	6,385,879	19,977,853
Effect of exchange rate on cash and cash equivalents	(706,936)	(59,182)
Change in cash and cash equivalents during the period	(789,363)	676,726
Cash and cash equivalents at beginning of the period	2,739,145	40,729
Cash and cash equivalents at end of the period	$ 1,949,782	$ 717,455
Supplemental disclosure of non-cash financing activity:		
Debt discount from derivative liabilities	$ -	$ 63,709
Supplemental disclosure of cash flow information		
Income taxes paid	$ 7,692	$ 10,957
Interest paid	$ 386,949	$ 866,731

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. Such operation has been ceased in 2016 subsequently.

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

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 June 30, 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 Inforrnational 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 2016 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. 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 June 30, 2016 and December 31, 2015, the cumulative translation adjustment of $11,155 and $(44,436), respectively, was classified as accumulated of other comprehensive income in the stockholders' equity (deficit) section of the consolidated balance sheets. The foreign currency translation adjusted to accumulated other comprehensive income was $3,199 and $648,130 for the three months ended June 30, 2016 and 2015 respectively, and $(22,144) and $ 315,956 for the six months ended June 30, 2016 and 2015, 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.

	June 30, 2016	December 31, 2015
Balance sheet items, except for the equity accounts	6.6312	6.4936
Items in the statements of income and comprehensive loss and statement of cash flow	6.5303	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 both $Nil as of June 30, 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 $ Nil as of June 30, 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

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. There were no benefit expenses for the three and six months ended June 30, 2016 and 2015.

NON-CONTROLLING INTEREST

Non-controlling 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 non-controlling 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 June 30, 2016 and December 31, 2015 were $556,943 and $570,425, 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 June 30, 2016 and December 31, 2015. For the three and six months ended June 30, 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 June 30, 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. There were no Share-based compensation expenses for the three and six months ended June 30, 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 June 30, 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 June 30, 2016 and December 31, 2015, our bank balances with the banks in U.S. exceeded the insured amount by $8,167 and $119,569, respectively. As of June 30, 2016 and December 31, 2015, our bank balances with the Banks in the PRC amounted to $1,941,615 and $2,619,576, respectively, which are uninsured and subject to credit risk. We have not experienced non-performance 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 87% 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.

CONSUMER CAPITAL GROUP, INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED 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.

NOTE 4 - ADVANCES TO SUPPLIERS

As of June 30, 2016 and December 31, 2015, advances to suppliers consisted of the following:

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Advances to suppliers	$ -	$ 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 June 30, 2016 and December 31, 2015.

NOTE 5 - PREPAID EXPENSES

Prepaid expenses consisted of the following at June 30, 2016 and December 31, 2015:

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Prepaid conference fee	$ 16,185	$ 6,930
Prepaid website services	-	10,441
Prepaid rent	-	1,200
Total prepaid expenses	$ 16,185	$ 18,571

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

NOTE 6 - LOAN RECEIVABLES, NET

The interest rates on loans issued at 24% for the six months ended June 30, 2016.

As of June 30, 2016, the total loan receivables balance was $41,399,124 and 87% of the loan receivables is issued to one third party small business borrower.

Loan receivables consisted of the following as of June 30, 2016 and December 31, 2015:

	June 30, 2016	December 31, 2015
	(Unaudited)	(Audited)
Loan receivable	$ 41,399,124	$ 39,046,700
Allowance for impairment losses		
Collectively assessed	413,991	601,319
Individually assessed	523,276	626,908
Total allowance for loan losses	937,267	1,228,227
Loan receivables, net	$ 40,461,857	$ 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 June 30, 2016, the Company had 6 business loan borrowers. Loans of $36,204,064 (RMB240.1 million) lent to one borrower in Yanbian City are secured by collateral. The total fair value of the collateral is approximately $46 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.

The allowance for loan losses reversed $311,538 and $Nil for the three months ended June 30, 2016 and 2015 respectively, and $269,487 and $Nil, for the six months ended June 30, 2016 and 2015, respectively. No write-offs against allowances have occurred for the three and six months ended June 30, 2016 and 2015.

The following table (unaudited) represents the aging of loans as of June 30, 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	$ 3,573,960	$ 6,318,520	$ 5,911,360	$ 3,770,000	$19,573,840	$21,825,284	$41,399,124

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
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 six months ended June 30, 2016:

	June 30, 2016	December 31, 2015
	(Unaudited)	(Audited)
Loan at end of period	$ 41,399,124	$ 39,046,700
Provisions	937,267	1,228,227
Ending balance	$ 40,461,857	$ 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 six months ended June 30, 2016.

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

NOTE 9 - DEFERRED COST – RELATED PARTY

Deferred cost consisted of the following at June 30, 2016 and December 31, 2015:

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Deferred servicing fee	$ 1,674,135	$ 813,548
Total deferred cost	$ 1,674,135	$ 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 June 30, 2016 and December 31, 2015:

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Office equipment & computers	$ 38,289	$ 39,102
Equipment	18,310	5,919
Vehicles	84,158	-
Office furniture & fixtures	44,536	45,481
	185,293	90,502
Less: accumulated depreciation	(67,907)	(60,013)
Total property & equipment, net	$ 117,386	$ 30,489

For six months ended June 30, 2016 and June 30, 2015, depreciation expense was $14,804 and $50,940, 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 six months ended June 30, 2016 and December 31, 2015 were as follows:

	June 30, 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

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

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%.

Loan from individuals consisted of the following as of June 30, 2016 and December 31, 2015:

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Loan from individuals	$ 39,532,898	$ 36,944,600

The following table (unaudited) represents the aging of loans from individual June 30, 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	$ -	$ -	$ -	$ -	$ -	$39,532,898	$39,532,898

NOTE 13 - PAYABLE TO SHAREHOLDER

The payable included loan payables $117,767 and $85,067 to Caesar Capital Management Ltd., a shareholder of the Company, as of June 30, 2016 and December 31, 2015, respectively. 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 - 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 June 30, 2016 and December 31, 2015:

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Loan from Mr. Jianmin Gao	$ 510,465	$ 561,798
Loan from Mr. Fei Gao	630,934	748,376
Loan from Ms. Lihua Xiao	154,947	72,216
Huirong	299,263	305,613
Total related party payables	$ 1,595,609	$ 1,688,003
Deferred cost to Huirong	$ 1,674,135	$ 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 June 30, 2016 and 2015, the Company borrowed both $Nil from Mr. Jianmin Gao and made payments $11,827 and $Nil back to Mr. Jianmin Gao, respectively. For the six months ended June 30, 2016 and 2015, the Company borrowed both $Nil from Mr. Jianmin Gao and made payments $51,333 and $Nil back to Mr. Jianmin Gao, respectively.

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

For the three months ended June 30, 2016 and 2015, the Company borrowed both $7,833 from Mr. Fei Gao and made payments both $Nil back to Mr. Fei Gao, respectively. For the six months ended June 30, 2016 and 2015, the Company borrowed $7,833 from Mr. Fei Gao and made payments $125,275 and $Nil back to Mr. Fei Gao, respectively.

For the three months ended June 30, 2016 and 2015, the Company borrowed $117,218 and $Nil from Ms. Lihua Xiao and made payments both $Nil back to Ms. Lihua Xiao, respectively. For the six months ended June 30, 2016 and 2015, the Company borrowed $117,218 and $Nil from Ms. Lihua Xiao and made payments $34,487 and $Nil back to Ms. Lihua Xiao, respectively.

For the three months ended June 30, 2016 and 2015, the Company borrowed both $Nil from Huirong and made repayments of $53,446 and $Nil back to Huirong, respectively. For the six months ended June 30, 2016 and 2015, the Company borrowed $47,096 from Huirong and made repayments of $53,446 and $Nil back to Huirong, respectively.

For the three months ended June 30, 2016, the deferred cost to Huitong increased with $856,361.

For the six months ended June 30, 2016, the deferred cost to Huitong increased with $860,587.

NOTE 15 - 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 June 30, 2016 and 2015, respectively, and rent expense totaled $76,206 and $79,886 for the six months ended June 30, 2016 and 2015, respectively.

Total future minimum rental lease commitments are as follows:

Twelve Months Ended June 30:	(Unaudited)
2017	$ 114,309
Total	$ 114,309

Legal Proceeding

There has been no legal proceeding in which the Company is a party as of June 30, 2016.

NOTE 16 - 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 six months ended June 30, 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 six months ended June 30, 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 six months ended June 30, 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 six months ended June 30, 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 six months ended June 30, 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 June 30, 2016.

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

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.

Income (Loss) before income taxes consists of:

	For the three months ended June 30,	
	2016	2015
	(Unaudited)	(Unaudited)
Non-PRC	$ (21,393)	$ -
PRC	1,094,717	(160,971)
	$ 1,073,324	$ (160,971)

Income (Loss) before income taxes consists of:

	For the six months ended June 30,	
	2016	2015
	(Unaudited)	(Unaudited)
Non-PRC	$ (44,603)	$ -
PRC	709,306	(319,277)
	$ 664,703	$ (319,277)

The provision for income taxes from operations was $73,411 for the three and six months ended June 30, 2016 and both $Nil for the three and six months ended June 30, 2015.

The components of deferred taxes are as follows at June 30, 2016 and December 31, 2015:

	June 30, 2016	December 31, 2015
	(Unaudited)	(Unaudited)
Deferred tax assets, non-current portion		
Allowance for loan losses	$ 234,317	$ 307,057
Total deferred tax assets, non-current portion	$ 234,317	$ 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.

Taxes payable consisted of the following:

	June 30, 2016	December 31, 2015
	(Unaudited)	(Audited)
Business tax payable	638,553	428,491
Other taxes payable	79,489	57,309
Total taxes payable	$ 718,042	$ 485,800

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

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 and six months ended June 30, 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 17 - 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 June 30, 2016 (Unaudited)	For the three months ended June 30, 2015 (Unaudited)
Numerator:		
Income (Loss) before income taxes	$ 1,073,324	$ (160,971)
Net loss attributable to common stockholders for computing basic and diluted loss per common share	$ 0.01	$ (0.00)
Denominator:		
Weighted average number of common shares outstanding for computing basic and diluted loss per common share	31,165,740	19,808,440
Basic and diluted loss per share	$ 0.01	$ (0.00)

	For the six months ended June 30, 2016 (Unaudited)	For the six months ended June 30, 2015 (Unaudited)
Numerator:		
Income (Loss) before income taxes	$ 664,703	$ (319,277)
Net loss attributable to common stockholders for computing basic and diluted loss per common share	$ 0.00	$ (0.01)
Denominator:		
Weighted average number of common shares outstanding for computing basic and diluted loss per common share	31,165,740	19,662,172
Basic and diluted loss per share	$ 0.00	$ (0.01)

For the three and six months ended June 30, 2016 and 2015, there were no common stock equivalents for computing diluted earnings (loss) per share.

NOTE 18 - SUBSEQUENT EVENT

As of this report date, RMB 120.3 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, and Zhonghui and the borrower have signed payment schedule agreements, the Company believes that the current provision is sufficient.

On July 28, 2016, the Company issued an aggregate of 187,929 shares of the Company's common stock as equity awards to employees calculated through the application of an income approach to evaluate the future value of the operation into a present market value.

On July 28, 2016, the Company issued an aggregate of 825,180 shares of the Company's common stock pursuant to a Regulation S offering and stock purchase agreements entered into with various investors. The Company issued 825,180 shares of the Company's common stock, for an aggregate purchase price of $1,790,640, or $2.17 per share.

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 six months ended June 30, 2016.

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

This quarterly report on Form 10-Q and other reports filed by Consumer Capital Group, Inc. ("we," "us," "our," or the "Company") from time to time with the U.S. Securities and Exchange Commission (the "SEC") contain or may contain forward-looking statements (collectively the "Filings") and information that are based upon beliefs of, and information currently available to, the Company's management as well as estimates and assumptions made by Company's management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. When used in the filings, the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan," or the negative of these terms and similar expressions as they relate to the Company or the Company's management identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These accounting principles require us to make certain estimates, judgments, and assumptions. We believe that the estimates, judgments, and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments, and assumptions are made. These estimates, judgments, and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result. The following discussion should be read in conjunction with our consolidated financial statements and notes thereto appearing elsewhere in this report.

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 June 30, 2016 and December 31, 2015, the cumulative translation adjustment of $11,155 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 June 30, 2016 and 2015, the foreign currency translation adjustment to accumulate other comprehensive deficit was $3,199 and $648,130, 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 June 30, 2016 and December 31, 2015.

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 $ nil as of June 30, 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.

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 June 30, 2016 and December 31, 2015, 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 the Three Months Ended June 30, 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 June 30,	
	2016	**2015**
Revenues	$ 4,806,866	$ 695,833
Gross profit	4,806,866	695,833
Operating expenses:		
Selling expenses	189,577	386,216
General & administrative expenses	886,867	469,624
Total operating expenses	1,076,444	855,840
Operating income (loss)	3,730,422	(160,007)
Reversal for loan losses	311,538	-
Other income (expenses)	(2,968,636)	(964)
Income (Loss) before income taxes	1,073,324	(160,971)
Provision for income taxes	73,411	10,957
Net Income (Loss)	999,913	(171,928)
Less: Net income (loss) attributable to non-controlling interest	674,816	(84,554)
Net income (loss) attributable to Consumer Capital Group, Inc.	$ 325,097	$ (87,374)
Basic and diluted income (loss) per common shares	$ 0.01	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted (1)	31,165,740	19,808,440
Comprehensive income (loss)		
Net income (loss)	$ 999,913	$ (171,928)
Foreign currency translation adjustments	3,199	648,130
Comprehensive income (loss)	$ 1,003,112	$ 476,202
Comprehensive income (loss) attributable to non-controlling interest	609,499	70,833
Comprehensive income (loss) attributable to Consumer Capital Group, Inc.	$ 393,613	$ 405,369

Revenue.

During the three months ended June 30, 2016, we generated revenue of $4,806,866, compared to revenue of $695,833 for the three months ended June 30, 2015, an increase of $4,111,033. 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 $1,076,444 for the three months ended June 30, 2016, compared to $855,840 for the three months ended June 30, 2015, an increase of $220,604. The increase is mainly attributed to the increase in general & administrative expenses offset by a decrease in selling expenses.

Selling, general and administrative expenses.

Selling expenses decreased by $196,639 from $386,216 for the three months ended June 30, 2015 to $189,577 for the three months ended June 30, 2016, an increase of $243,847. The decrease is mainly attributed to the decrease in expenses relating to the marketing and advertisement 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 $886,867 for the three months ended June 30, 2016, compared to $469,624 for the three months ended June 30, 2015, an increase of $417,243. The increase is mainly attributed to the increase in compensation expenses, legal expense, and other professional fees.

Gain/Loss from operations.

As a result of the factors described above, operating income was $3,730,422 for the three months ended June 30, 2016, compared to operating loss of $160,007 for the three months ended June 30, 2015, an increase of approximately $3,890,429.

Other income and expenses.

We incurred other expenses of $2,968,636 mainly for interest expense for the three months ended June 30, 2016, compared to $964 for the three months ended June 30, 2015. The significant increase is mainly attributable to the increased loan from individuals for the three months ended June 30, 2016, as compared with the same period in 2015.

Net income/loss.

Our net income for the three months ended June 30, 2016 was $999,913, compared to net loss of $171,928 for the three months ended June 30, 2015 an increase of net income of $1,171,841. The increase of net income is mainly due to the increase of revenues generated from our new 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 June 30, 2016 was $3,199, compared to translation gain of $648,130 for the three months ended June 30, 2015, a decrease of $644,931. The significant decrease is mainly due to the stable exchange rate and the decreased cash flows with investing and financing activities.

Comparison of the Six Months Ended June 30, 2016 and 2015

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

	For the six months ended June 30,	
	2016	**2015**
Revenues	$ 5,281,479	$ 695,833
Gross profit	5,281,479	695,833
Operating expenses:		
Selling expenses	433,424	386,216
General & administrative expenses	1,449,647	628,084
Total operating expenses	1,883,071	1,014,300
Operating income (loss)	3,398,408	(318,467)
Reversal for loan losses	269,487	-
Other income (expenses)	(3,003,192)	(810)
Income (Loss) before income taxes	664,703	(319,277)
Provision for income taxes	73,411	10,957
Net Income (Loss)	591,292	(330,234)
Less: Net income (loss) attributable to non-controlling interest	552,188	(162,409)
Net income (loss) attributable to Consumer Capital Group, Inc.	$ 39,104	$ (167,825)
Basic and diluted income (loss) per common shares	$ 0.00	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted (1)	31,165,740	19,662,172
Comprehensive income (loss)		
Net income (loss)	$ 591,292	$ (330,234)
Foreign currency translation adjustments	(22,144)	315,956
Comprehensive income (loss)	$ 569,148	$ (14,278)
Comprehensive income (loss) attributable to non-controlling interest	474,453	(170,385)
Comprehensive income (loss) attributable to Consumer Capital Group, Inc.	$ 94,695	$ 156,107

Revenue.

During the six months ended June 30, 2016, we generated revenue of $5,281,479, compared to revenue of $695,833 for the six months ended June 30, 2015, an increase of $4,585,646. 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 $1,883,071 for the six months ended June 30, 2016, compared to $1,014,300 for the six months ended June 30, 2015, an increase of $868,771. The increase is mainly attributed to the increase in selling expenses and general & administrative expenses.

Selling, general and administrative expenses.

Selling expenses increased from $386,216 for the six months ended June 30, 2015 to $433,424 for the six months ended June 30, 2016, an increase of $47,208. The increase is mainly attributed to the increase in expenses relating to the marketing and advertisement 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 $1,449,647 for the six months ended June 30, 2016, compared to $628,084 for the six months ended June 30, 2015, an increase of $821,563. The increase is mainly attributed to the increase in compensation expenses, legal expense, and other professional fees.

Gain/Loss from operations.

As a result of the factors described above, operating income was $3,398,408 for the six months ended June 30, 2016, compared to operating loss of $318,467 for the six months ended June 30, 2015, an increase of approximately $3,716,875.

Other income and expenses.

We incurred other expenses of $3,003,192 mainly for interest expense for the six months ended June 30, 2016, compared to $810 for the six months ended June 30, 2015. The significant increase is mainly attributable to the increased loan from individuals for the six months ended June 30, 2016, as compared with the same period in 2015.

Net income/loss.

Our net income for the six months ended June 30, 2016 was $591,292, compared to net loss of $330,234 for the six months ended June 30, 2015, an increase of net income of $921,526. The increase of net income is mainly due to the increase of revenues generated from our new 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 six months ended June 30, 2016 was $22,144, compared to translation gain of $315,956 for the six months ended June 30, 2015, an increase in loss of $338,100. The significant decrease is mainly due to the stable exchange rate and the decreased cash flows with investing and financing activities.

Liquidity and Capital Resources

For the six months ended June 30, 2016

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 June 30, 2016, cash and cash equivalents were $1,949,782.

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

Cash Flows Data:

	For Six Months ended June 30,	
	2016	2015
Net cash flows provided by (used in) operating activities	$ (3,153,859)	$ 2,339,164
Net cash flows provided by (used in) investing activities	$ (3,314,447)	$ (21,558,344)
Net cash flows provided by (used in) financing activities	$ 6,385,879	$ 19,977,853

Net cash flow used in operating activities was $3,153,859 for the six months ended June 30, 2016, compared to $2,339,164 provided by operating activities for the six months ended June 30, 2015, an increase of cash used of $5,493,023. 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 $3,314,447 for the six months ended June 30, 2016, compared to $21,558,344 for the six months ended June 30, 2015, a decrease of $18,243,897. The significant decrease is mainly due to the decreased loan receivables lent out for the six months ended June 30, 2016, as compared with the same period in 2015.

Net cash flow provided by financing activities was $6,385,879 for the six months ended June 30, 2016, compared to $19,977,853 provided by financing activities for the six months ended June 30, 2015, a decrease of $13,591,974. The decrease in net cash flow provided by financing activities was mainly due to the decreased loan from individuals borrowed in for the six months ended June 30, 2016, as compared with the same period in 2015.

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 June 30, 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 June 30, 2016 and December 31, 2015, our bank balances with the banks in U.S. exceeded the insured amount by $8,167 and $119,569, respectively. As of June 30, 2016 and December 31, 2015, our bank balances with the Banks in the PRC amounted to $1,941,615 and $2,619,576, respectively, which are uninsured and subject to credit risk. We have not experienced non-performance 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.

Not required because we are a smaller reporting company.

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 June 30, 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. We will continue to monitor the deficiencies identified in internal controls and make changes that our management deems necessary.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

There are no other actions, suits, proceedings, inquiries or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors.

We believe there are no changes that constitute material changes from the risk factors previously disclosed in our Annual Report on Form 10-K and Amendment No. 1 on Form 10-K/A, filed with the SEC on May 4, 2016 and July 19, 2016 respectively.

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

On July 28, 2016, the Company issued an aggregate of 187,929 shares of the Company's common stock as equity awards to employees calculated through the application of an income approach to evaluate the future value of the operation into a present market value. *The issuance of such securities was exempt from registration pursuant to Section 4(2) of the Securities Act or Regulation S promulgated thereunder.*

On July 28, 2016, the Company issued an aggregate of 825,180 shares of the Company's common stock pursuant to a Regulation S offering and stock purchase agreements entered into with various investors. The Company issued 825,180 shares of the Company's common stock, for an aggregate purchase price of $1,790,640, or $2.17 per share. *The shares of common stock issued in connection with the stock purchase agreements were issued pursuant to exemptions from registration provided by Section 4(2) of the Securities Act and/or Regulation S promulgated thereunder.*

Item 3. Defaults Upon Senior Securities.

There has been no default in the payment of principal, interest, sinking or purchase fund installment, or any other material default, with respect to any indebtedness of the Company.

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 June 30, 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
10.1	Form of Securities Purchase Agreement
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: August 15, 2016

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

Exhibit 10.1

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "Agreement"), dated as of __/__, 2016, is entered into by and among Consumer Capital Group, Inc., a Delaware corporation (the "Company"), and ___________________ (the "Purchaser").

WITNESSETH:

WHEREAS, the Company and the Purchaser are executing and delivering this Agreement in accordance with and in reliance upon the exemption from securities registration for offers and sales to accredited investors afforded, inter alia, by Rule 506 under Regulation D ("Regulation D"), to foreign investors afforded by Regulation S ("Regulation S"), as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act"), and/or Section 4(2) of the Securities Act; and

WHEREAS, the Purchaser wishes to purchase certain shares of common stock, no par value (the "Common Stock"), of the Company, subject to and upon the terms and conditions of this Agreement and acceptance of this Agreement by the Company, on the terms and conditions referred to herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. AGREEMENT TO PURCHASE; PURCHASE PRICE.

a. Purchase.

(i) Subject to the terms and conditions of this Agreement and Transaction Documents, the Purchaser hereby agrees to purchase from the Company, and the Company hereby agrees to sell and issue to the Purchaser, __________ shares of the Common Stock of the Company (the "Shares"), at $________ per share, for an aggregate purchase price of $_________ (the "Purchase Price"), on the Closing Date (as defined below).

(ii) The issuance of the Shares and the other transactions contemplated hereby are sometimes referred to herein and in the other Transaction Documents as the purchase and sale of the Securities (as defined below), and are referred to collectively as the "Transactions".

b. Certain Definitions. As used herein, each of the following terms has the meaning set forth below, unless the context otherwise requires:

“Common Stock” means the Company’s common stock, par value $0.0001 per share.

“Closing Date” means the date of the closing of the issuance of Shares.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Holder” means the Person holding the relevant Securities at the relevant time.

“Material Adverse Effect” means an event or combination of events, which individually or in the aggregate, would reasonably be expected to (w) adversely affect the legality, validity or enforceability of the Securities or any of the Transaction Documents, (x) have or result in a material adverse effect on the results of operations, assets, prospects, or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole, (y) adversely impair the Company's ability to perform fully on a timely basis its obligations under any of the Transaction Documents or the transactions contemplated thereby, or (z) materially and adversely affect the value of the rights granted to the Purchaser in the Transaction Documents.

“Person” means any living person or any entity, such as, but not necessarily limited to, a corporation, partnership or trust.

“Securities” means the Shares and any shares of Common Stock of the Company that may be issued to the Purchaser in connection with any other agreements between the parties.

“State of Incorporation” means Delaware.

“Transfer Agent” means, at any time, the transfer agent for the Company’s Common Stock.

“Transaction Documents” means this Agreement and all ancillary documents referred to in those agreements.

c. Form of Payment; Delivery of Securities.

(i) On the Closing Date, the Purchaser shall pay the Purchase Price by delivering immediately available funds in United States Dollars to the Company. The Company shall deliver the Shares, duly executed on behalf of the Company to the Purchaser.

(iii) By signing this Agreement, the Purchaser and the Company agree to all of the terms and conditions of the Transaction Documents, all of the provisions of which are incorporated herein by this reference as if set forth in full.

2. PURCHASER REPRESENTATIONS, WARRANTIES, ETC.; ACCESS TO INFORMATION; INDEPENDENT INVESTIGATION.

The Purchaser represents and warrants to, and covenants and agrees with, the Company as follows:

a. Without limiting Purchaser's right to sell the Securities pursuant to an effective registration statement, if applicable, or otherwise in compliance with the Securities Act, the Purchaser is purchasing the Securities for its own account for investment only and not with a view towards the public sale or distribution thereof and not with a view to or for sale in connection with any distribution thereof.

b. The Purchaser is not a "U.S. person" as defined in Regulation S under the Securities Act and is not purchasing the Shares for the account or benefit of any "U.S. person"; (ii) the Purchaser is outside of the United States as of the date hereof; and (iii) the Purchaser will not engage in hedging transactions with respect to the Shares unless in compliance with the Securities Act.

c. In the event that the Purchaser is deemed as a "U.S. person" under the Securities Act, the Purchaser is (i) an "accredited investor" as that term is defined in Rule 501 of the General Rules and Regulations under the Securities Act by reason of Rule 501(a)(3), (ii) experienced in making investments of the kind described in this Agreement and the related documents, (iii) able, by reason of the business and financial experience of its officers (if an entity) and professional advisors (who are not affiliated with or compensated in any way by the Company or any of its affiliates or selling agents), to protect its own interests in connection with the transactions described in this Agreement, and the related documents, and to evaluate the merits and risks of an investment in the Securities, and (iv) able to afford the entire loss of its investment in the Securities.

d. All subsequent offers and sales of the Securities by the Purchaser shall be made pursuant to registration of the relevant Securities under the Securities Act or pursuant to an exemption from registration.

e. The Purchaser understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of the Securities Act and state securities laws and that the Company is relying upon the truth and accuracy of, and the Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of the Purchaser to acquire the Securities.

f. The Purchaser and its advisors, if any, have been furnished with or have been given access to all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Securities which have been requested by the Purchaser, including those set forth on in any annex attached hereto. The Purchaser and its advisors, if any, have been afforded the opportunity to ask questions of the Company and its management and have received complete and satisfactory answers to any such inquiries.

g. The Purchaser understands that its investment in the Securities involves a high degree of risk.

h. The Purchaser hereby represents that, in connection with its purchase of the Securities, it has not relied on any statement or representation by the Company or any of its officers, directors and employees or any of their respective attorneys or agents, except as specifically set forth herein.

i. The Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities.

j. This Agreement and the other Transaction Documents to which the Purchaser is a party, and the transactions contemplated thereby, have been duly and validly authorized, executed and delivered on behalf of the Purchaser and are valid and binding agreements of the Purchaser enforceable in accordance with their respective terms, subject as to enforceability to general principles of equity and to bankruptcy, insolvency, moratorium and other similar laws affecting the enforcement of creditors' rights generally.

3. COMPANY REPRESENTATIONS, ETC. The Company represents and warrants to the Purchaser as of the date hereof and as of the closing.

a. Rights of Others Affecting the Transactions. There are no preemptive rights of any shareholder of the Company, as such, to acquire the Shares or any shares of the Company's Common Stock that may be issued to the Purchaser in connection with any other agreements between the parties, in the event such shares are issued. No party other than a Purchaser has a currently exercisable right of first refusal which would be applicable to any or all of the transactions contemplated by the Transaction Documents.

b. Status. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary, other than those jurisdictions in which the failure to so qualify would not have or result in a Material Adverse Effect.

c. Authorized Shares.

(i) the Company has authorized 100,000,000 shares of Common Stock, of which 29,085,929 shares are outstanding as of the date hereof.

(ii) The Company has sufficient authorized and unissued shares of Common Stock as may be necessary to effect the issuance of the Shares on the Closing Date.

d. Transaction Documents and Stock. This Agreement and each of the other Transaction Documents, and the transactions contemplated thereby, have been duly and validly authorized by the Company, this Agreement has been duly executed and delivered by the Company and this Agreement, when executed and delivered by the Company, will be, valid and binding agreements of the Company enforceable in accordance with their respective terms, subject as to enforceability to general principles of equity and to bankruptcy, insolvency, moratorium, and other similar laws affecting the enforcement of creditors' rights generally.

e. Non-contravention. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company, the issuance of the Securities, and the consummation by the Company of the other transactions contemplated by this Agreement and the other Transaction Documents do not and will not conflict with or result in a breach by the Company of any of the terms or provisions of, or constitute a default under (i) the certificate of incorporation or by-laws of the Company, each as currently in effect, (ii) any indenture, mortgage, deed of trust, or other material agreement or instrument to which the Company is a party or by which it or any of its properties or assets are bound, including any listing agreement for the Common Stock except as herein set forth, or (iii) to its knowledge, any existing applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal or state regulatory body, administrative agency, or other governmental body having jurisdiction over the Company or any of its properties or assets, except such conflict, breach or default which would not have or result in a Material Adverse Effect.

f. Approvals. No authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market or the shareholders of the Company is required to be obtained by the Company for the issuance and sale of the Securities to the Purchaser as contemplated by this Agreement, except such authorizations, approvals and consents that have been obtained.

g. Absence of Litigation. Except for those disclosed in the reports filed with the SEC, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the knowledge of the Company, threatened against or affecting the Company before or by any governmental authority or nongovernmental department, commission, board, bureau, agency or instrumentality or any other person, wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect or which would adversely affect the validity or enforceability of, or the authority or ability of the Company to perform its obligations under, any of the Transaction Documents. Except for those disclosed in the reports filed with the SEC, the Company is not aware of any valid basis for any such claim that (either individually or in the aggregate with all other such events and circumstances) could reasonably be expected to have a Material Adverse Effect. There are no outstanding or unsatisfied judgments, orders, decrees, writs, injunctions or stipulations to which the Company is a party or by which it or any of its properties is bound, that involve the transaction contemplated herein or that, alone or in the aggregate, could reasonably be expect to have a Material Adverse Effect.

h. No Undisclosed Liabilities or Events. The Company has no liabilities or obligations other than those disclosed in the Transaction Documents or those incurred in the ordinary course of the Company's business since inception, or which individually or in the aggregate, do not or would not have a Material Adverse Effect. No event or circumstances has occurred or exists with respect to the Company or its properties, business, operations, condition (financial or otherwise), or results of operations, which, under applicable law, rule or regulation, requires public disclosure or announcement prior to the date hereof by the Company but which has not been so publicly announced or disclosed. There are no proposals currently under consideration or currently anticipated to be under consideration by the Board of Directors or the executive officers of the Company which proposal would (x) change the articles or certificate of incorporation or other charter document or by-laws of the Company, each as currently in effect, with or without shareholder approval, which change would reduce or otherwise adversely affect the rights and powers of the shareholders of the Common Stock or (y) materially or substantially change the business, assets or capital of the Company, including its interests in subsidiaries.

i. Dilution. Any shares of the Company’s Common Stock issued to the Purchaser in connection with any agreements between the parties hereto, in the event such shares are issued may have a dilutive effect on the ownership interests of the other shareholders (and Persons having the right to become shareholders) of the Company. The Company's executive officers and directors have studied and fully understand the nature of the Securities being sold hereby and recognize that they have such a potential dilutive effect. The board of directors of the Company has concluded, in its good faith business judgment, that such issuance is in the best interests of the Company.

k. Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company has no knowledge of a tax deficiency which has been asserted or threatened against the Company or any Subsidiary.

4. CERTAIN COVENANTS AND ACKNOWLEDGMENTS.

a. Transfer Restrictions. The Purchaser acknowledges that (1) the Securities have not been and are not being registered under the provisions of the Securities Act and may not be transferred unless (A) subsequently registered thereunder or (B) the Purchaser shall have delivered to the Company an opinion of counsel, reasonably satisfactory in form, scope and substance to the Company, to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from such registration; (2) any sale of the Securities made in reliance on Rule 144 promulgated under the Securities Act ("Rule 144") may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any resale of such Securities under circumstances in which the seller, or the Person through whom the sale is made, may be deemed to be an underwriter, as that term is used in the Securities Act, may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (3) neither the Company nor any other Person is under any obligation to register the Securities under the Securities Act or to comply with the terms and conditions of any exemption thereunder.

b. Restrictive Legend. The Purchaser acknowledges and agrees that the certificates and other instruments representing any of the Securities shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of any such Securities):

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES OR AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED."

c. Filings. The Company undertakes and agrees to make all necessary filings in connection with the sale of the Securities to the Purchaser under any United States laws and regulations applicable to the Company, or by any domestic securities exchange or trading market, and to provide a copy thereof to the Purchaser promptly after such filing.

d. Publicity, Filings, Releases, Etc. Except for disclosure required by the SEC, each of the parties agrees that it will not disseminate any information relating to the Transaction Documents or the transactions contemplated thereby, including issuing any press releases, holding any press conferences or other forums, or filing any reports (collectively, "Publicity"), without giving the other party reasonable advance notice and an opportunity to comment on the contents thereof. Neither party will include in any such Publicity any statement or statements or other material to which the other party reasonably objects, unless in the reasonable opinion of counsel to the party proposing such statement, such statement is legally required to be included.

5. TRANSFER AGENT INSTRUCTIONS.

a. The Company warrants that, with respect to the Securities, other than the stop transfer instructions to give effect to Section 4(a) hereof, it will give its transfer agent no instructions inconsistent with instructions to issue the Shares to the Holder as contemplated in the Transaction Documents. Nothing in this Section shall affect in any way the Purchaser's obligations and agreement to comply with all applicable securities laws upon resale of the Securities. If the Purchaser provides the Company with an opinion of counsel reasonably satisfactory to the Company that registration of a resale by the Purchaser of any of the Securities in accordance with clause (1)(B) of Section 4(a) of this Agreement is not required under the Securities Act, the Company shall (except as provided in clause (2) of Section 4(a) of this Agreement) permit the transfer or issuance of the Common Stock represented by one or more certificates for Common Stock without legend (or where applicable, by electronic registration) in such name and in such denominations as specified by the Purchaser.

b. The Company will authorize the Transfer Agent to give information relating to the Company directly to the Holder or the Holder's representatives upon the request of the Holder or any such representative, to the extent such information relates to (i) the status of shares of Common Stock issued, or (ii) the aggregate number of outstanding shares of Common Stock of all shareholders (as a group, and not individually) as of a current or other specified date. At the request of the Holder, the Company will provide the Holder with a copy of the authorization so given to the Transfer Agent.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

The Purchaser understands that the Company's obligation to sell the Securities to the Purchaser pursuant to this Agreement on a closing date is conditioned upon:

a. The execution and delivery of this Agreement by the Purchaser;

b. Delivery by the Purchaser to the Company the Purchase Price;

c. The accuracy in all material respects on the applicable closing date of the representations and warranties of the Purchaser contained in this Agreement, each as if made on such date;

d. There shall not be in effect any law, rule or regulation prohibiting or restricting the transactions contemplated hereby, or requiring any consent or approval which shall not have been obtained; and

e. For additional closing, the Purchaser shall satisfy the conditions from (b) to (d) above.

7. CONDITIONS TO THE PURCHASER'S OBLIGATION TO PURCHASE.

The Company understands that the Purchaser's obligation to purchase any Securities and its acceptance of any shares of the Company's Common Stock that may be issued in connection with any agreements between the parties hereto on a closing date is conditioned upon:

a. The execution and delivery of this Agreement and the other Transaction Documents by the Company;

b. Delivery by the Company to the Purchaser of the Shares on the applicable closing date in accordance with this Agreement or any other agreements between the parties;

c. The accuracy in all material respects on the applicable closing date of the representations and warranties of the Company contained in this Agreement, each as if made on such date, and the performance by the Company on or before such date of all covenants and agreements of the Company required to be performed on or before such date;

d. There shall not be in effect any law, rule or regulation prohibiting or restricting the transactions contemplated hereby, or requiring any consent or approval which shall not have been obtained;

e. From and after the date hereof to and including the applicable closing date, each of the following conditions will remain in effect: there shall not have been any Material Adverse Effect in regards to the Company; and

f. For additional closing, the Company shall satisfy the conditions from (a) to (e) above.

8. JURY TRIAL WAIVER. The Company and the Purchaser hereby waive a trial by jury in any action, proceeding or counterclaim brought by either of the Parties hereto against the other in respect of any matter arising out or in connection with the Transaction Documents.

9. GOVERNING LAW. This Agreement will be governed by and construed and enforced under the laws of the State of New York, without reference to principles of conflict of laws or choice of laws.

10. **CONSENT TO JURISDICTION.** Each of the Company and the Purchaser (i) hereby irrevocably submits to the jurisdiction of the United States District Court sitting in the Southern District of New York and the courts of the State of New York located in New York county for the purposes of any suit, action or proceeding arising out of or relating to this Agreement and (ii) hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Each of the Company and the Purchaser consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address set forth in Section 14 hereof and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 13 shall affect or limit any right to serve process in any other manner permitted by applicable law.

11. NOTICES. Any notices and other communications required or permitted under this Agreement shall be in writing and shall be delivered (i) personally by hand or by courier, (ii) mailed by United States first-class mail, postage prepaid or (iii) sent by facsimile or other electronic transmission directed to the address or facsimile number or other address for electronic transmission set forth below. All such notices and other communications shall be deemed given upon (i) receipt or refusal of receipt, if delivered personally, (ii) three (3) days after being placed in the mail, if mailed, or (iii) confirmation of facsimile transfer or other electronic transmission, if faxed or emailed.

If to the Company:

136-82 39th Ave, 4th Floor
Unit B
Flushing, NY 11354 (647) 478-6385
Email: jack@ccmus.com
Attention: Jianmin Gao

If to the Purchaser:

[Name]
[Address]
Tel:
Email: ____________
Attention: _________

12. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The Company's and the Purchaser's representations and warranties herein shall survive for a period of six (6) months after the execution and delivery of this Agreement, and shall inure to the benefit of the Purchaser and the Company and their respective successors and assigns.

13. SUCCESSORS AND ASSIGNS. The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser. Purchaser may assign its rights under this Agreement to any person to whom the Purchaser assigns or transfers any of the Shares, provided that such transferee agrees in writing to be bound by the terms and provisions of this Agreement, and such transfer is in compliance with the terms and provisions of this Agreement and permitted by federal and state securities laws.

[Remaining page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Purchaser and the Company as of the date set first above written.

COMPANY:

Consumer Capital Group, Inc.

By: ______________________________
Name: Jianmin Gao
Title: President & Chief Executive Officer

PURCHASER:

By: ______________________________
Name:
Title:

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: August 15, 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 June 30, 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: August 15, 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 June 30, 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: August 15, 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.