CHINA XINGBANG INDUSTRY GROUP INC.

FORM 10-Q
(Quarterly Report)

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2012

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: **000-54429**

China Xingbang Industry Group Inc.
(Exact name of registrant as specified in its charter)

Nevada	99-0366034
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

7/F West Tower, Star International Mansion,
No.6-20 Jinsui Rd.,
Tianhe District, Guangzhou,
Guangdong Province, P.R.C. 510623
(Address of principal executive offices) (Zip Code)

(011) 86 20 38296988
(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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. (Check one):

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 Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 81,244,000 shares of Common Stock, par value $0.001, as of May 9, 2012.

CHINA XINGBANG INDUSTRY GROUP INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2012

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* * *

In this quarterly report, unless otherwise specified or the context otherwise requires, the terms “we” “us,” “our,” and the “Company” refer to China Xingbang Industry Group Inc. and our consolidated subsidiaries taken together as a whole.

Pursuant to Item 10(f) of Regulation S-K promulgated under the Securities Act of 1933, we have elected to comply throughout this quarterly report with the scaled disclosure requirements applicable to “smaller reporting companies.” Except as specifically included in the quarterly report, items not required by the scaled disclosure requirements have been omitted.

PART I

Item 1. Financial Information

CHINA XINGBANG INDUSTRY GROUP INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2012 (UNAUDITED)

CHINA XINGBANG INDUSTRY GROUP INC.

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CHINA XINGBANG INDUSTRY GROUP INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2012 Unaudited	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,305,293	$ 199,188
Accounts receivable, net	-	1,497,482
Prepaid expenses and other current assets	32,178	80,358
Deferred tax assets	123,288	69,708
Due from related companies	-	3,561
Total Current Assets	1,460,759	1,850,297
PROPERTY AND EQUIPMENT, NET	234,427	260,110
WEBSITE DEVELOPMENT COST, NET	329,912	344,355
TOTAL ASSETS	$ 2,025,098	$ 2,454,762
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 23,193	$ 19,670
Deferred revenue	254,128	279,117
Other payables and accrued expenses	845,180	897,074
Income tax payable	66,244	66,282
Due to a related company	10,155	10,161
Total Current Liabilities	1,198,900	1,272,304
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY		
Preferred stock ($0.001 par value, 60,000,000 shares authorized, no share issued as of March 31, 2012 and December 31,2011)	-	-
Common stock ($0.001 par value, 300,000,000 shares authorized, 81,244,000 shares issued and outstanding as of March 31, 2012 and December 31, 2011)	81,244	81,244
Additional paid-in capital	959,330	959,330
(Accumulated deficits) Retained earnings		
Accumulated deficits	(357,034)	(2,418)
Appropriated retained earnings	72,493	72,493
Accumulated other comprehensive gain	70,165	71,809
Total Stockholders' Equity	826,198	1,182,458
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,025,098	$ 2,454,762

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

CHINA XINGBANG INDUSTRY GROUP INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS (UNAUDITED)

	Three months ended March 31, 2012 Consolidated	2011 Combined
REVENUE		
Advertising	$ 117,017	$ 358,542
Consulting service	49,589	675,053
E-commerce	-	-
Total revenue	166,606	1,033,595
COST OF REVENUE		
Advertising	125,383	158,310
Consulting service	18,542	60,596
E-commerce	75,479	4,828
Total cost of revenue	219,404	223,734
GROSS (LOSS) PROFIT	(52,798)	809,861
OPERATING EXPENSES		
Selling, general and administrative expenses	320,386	800,293
Impairment of website development cost	10,460	-
Depreciation - property and equipment	26,293	27,182
Total Operating Expenses, net	357,139	827,475
NET LOSS FROM OPERATIONS	(409,937)	(17,614)
OTHER INCOME (EXPENSES)		
Interest income	378	703
Interest on note payable	-	(4,792)
Other income	37	1,557
Other expenses	(908)	(617)
Gain (loss) on disposal of property and equipment	2,300	(1,097)
Total Other Income (Expenses), net	1,807	(4,246)
NET LOSS BEFORE TAXES	(408,130)	(21,860)
Income tax benefit	53,514	3,279
NET LOSS	(354,616)	(18,581)
OTHER COMPREHENSIVE INCOME		
Foreign currency translation (loss) gain	(1,644)	5,350
COMPREHENSIVE LOSS	$ (356,260)	$ (13,231)
Net loss per share-basic and diluted	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding during the period - basic and diluted	81,244,000	79,999,000

The accompanying notes are an integral part of these condensed financial statements

CHINA XINGBANG INDUSTRY GROUP INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three month ended March 31, 2012 Consolidated	2011 Combined
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (354,616)	$ (18,581)
Adjusted to reconcile net loss to cash provided by (used in) operating activities:		
Depreciation - property and equipment	26,293	27,182
Amortization - website development cost	27,135	4,828
Impairment of website development cost	10,460	-
(Gain) loss on disposal of property and equipment	(2,300)	1,097
Changes in operating assets and liabilities		
(Increase) decrease in:		
Accounts receivable	1,493,685	41,735
Prepaid expenses and other current assets	48,039	(151,706)
Deferred tax assets	(53,514)	(3,279)
Increase (decrease) in:		
Accounts payable	3,527	10,559
Deferred revenue	(24,781)	36,116
Other payables and accrued expenses	(51,280)	(108,568)
Income tax payable	-	(59,839)
Net cash provided by (used in) operating activities	1,122,648	(220,456)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,110)	(47,314)
Payments for website development cost	(23,376)	-
Proceeds from disposals of property and equipment	3,602	37
Repayment from related companies	3,552	60,733
Loan to a stockholder	-	(501,489)
Loan repaid by a stockholder	-	75,983
Due from a director	-	(13,350)
Net cash used in investing activities	(18,332)	(425,400)
EFFECT OF EXCHANGE RATES ON CASH	1,789	2,691
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,106,105	(643,165)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	199,188	737,939
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,305,293	$ 94,774
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest expenses	$ -	$ 4,792
Cash paid for income tax	$ -	$ 59,914

The accompanying notes are an integral part of these condensed financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 BASIS OF PRESENTATION

The accompanying unaudited condensed combined financial statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America for interim financial information and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements.

In the opinion of management, the unaudited condensed consolidated financial statements contain all adjustments consisting only of normal recurring accruals considered necessary to present fairly the Company's consolidated financial position as of March 31, 2012, the results of operations and comprehensive loss for the three months ended March 31, 2012 (consolidated) and 2011 □ combined □ and statements of cash flows for the three months ended March 31, 2012 (consolidated) and 2011(combined). The consolidated results for the three months ended March 31, 2012 are not necessarily indicative of the results to be expected for a full year. These financial statements should be read in conjunction with the audited combined financial statements and footnotes of the Company for the years ended December 31, 2011 and 2010.

NOTE 2 ORGANIZATION

China Xingbang Industry Group Inc. (“China Xingbang””) was incorporated in Nevada on April 12, 2011 as a holding company.

Xing Bang Industry Group Limited (“Xingbang BVI”) was incorporated in the British Virgin Islands (“BVI”) on March 24, 2011 as a holding company and is wholly owned by China Xingbang.

China Group Purchase Alliance Limited (“Xingbang HK”) was incorporated in Hong Kong on August 5, 2008 as a holding company and is wholly owned by Xingbang BVI. Xingbang HK established a wholly foreign owned enterprise (“WFOE”), Guangzhou Xingbang Information Consulting Co., Ltd. (“Guangzhou Xingbang”) on May 12, 2011 in the People’s Republic of China (“PRC”) to provide consulting, investment and technical services to Guangdong Xingbang Industry Information And Media Co., Ltd. in the PRC.

Guangdong Xingbang Industry Information & Media Co., Ltd. (“Guangdong Xingbang”) was incorporated in the PRC on January 17, 2005 as a limited liability company. Guangdong Xingbang is a print media operator in the home furnishing industry in the PRC. The Company also provides marketing consulting services to clients in the home furnishing industry and local government in the PRC. Starting from August 2011, the Company began to provide e-commerce services, namely B2B2C, to manufacturers and distributors, and brick-and-mortar stores located in different parts of the PRC through the e-commerce platform, referred to as ju51 Mall, developed by the Company.

By a series of contractual arrangements between Guangzhou Xingbang, Guangdong Xingbang and all the stockholders of Guangdong Xingbang and a share exchange agreement between China Xingbang, Xingbang BVI and all the stockholders of Xingbang BVI, the results of all these companies are consolidated together. Since they are under common control, the contractual arrangements and share exchange were accounted for as a reorganization of entities under common control (See Note 4).

China Xingbang, Xingbang BVI, Xingbang HK, Guangzhou Xingbang and Guangdong Xingbang are hereinafter collectively referred to as the (“Company”).

NOTE 3 Variable interest entity (“VIE”)

In accordance with ASC 810, the Company analyzes its variable interests including its equity investments. The Company determines its interests in potential VIEs and then assesses whether the Company is the primary beneficiary of each VIE. If the Company determines it is the primary beneficiary of a VIE, the Company consolidates its assets, liabilities, results of operations and cash flows (see note 4A). If the Company is not the primary beneficiary, the Company accounts for such interests using other applicable US GAAP.

NOTE 4 GROUP RESTRUCTURING

(A) VIE

On May 13, 2011, the Company, through its PRC subsidiary Guangzhou Xingbang, entered into a series of contractual arrangements consisting of five agreements with Guangdong Xingbang and all the stockholders of Guangdong Xingbang. These five agreements and their consequences are described below.

(i) a consulting service agreement, pursuant to which Guangdong Xingbang grants Guangzhou Xingbang the right to manage and operate Guangdong Xingbang. In return, Guangdong Xingbang agreed to pay 100% of its net income, in each quarter, as consulting fee to Guangzhou Xingbang. The Consulting Services Agreement is effective until it is terminated by either party in the event the other party becomes bankrupt or insolvent, Guangzhou Xingbang ceases operations, or if circumstances arise which materially and adversely affect the performance or the objectives of such agreement. Guangzhou Xingbang may also terminate such agreement if Guangdong Xingbang fails to remediate a material breach, or in its sole discretion with or without cause.

(ii) a voting rights proxy agreement, pursuant to which the stockholders of Guangdong Xingbang irrevocably grant Guangzhou Xingbang with all of their voting rights as stockholder of Guangdong Xingbang. The Voting Right Proxy Agreement is effective until terminated by mutual agreement or by the WFOE with a 30-day prior written notice.

(iii) an option agreement, pursuant to which:

(a) Guangzhou Xingbang or its designee has an exclusive option to purchase all or part of the equity interests in Guangdong Xingbang, and;

(b) Guangdong Xingbang may not enter into any transaction that could materially affect its assets, liabilities, equity or operations without the prior written consent of Guangzhou Xingbang. The Operating Agreement is effective for the maximum period of time permitted by Chinese law (currently 20 years).

(iv) an equity pledge agreement, pursuant to which each of the stockholders of Guangdong Xingbang has pledged his or her equity interest in Guangdong Xingbang to Guangzhou Xingbang to secure their obligations under the relevant contractual control agreements, including but not limited to, the obligations of Guangdong Xingbang and its subsidiaries under the exclusive services agreement, the call option agreement, the voting rights proxy agreement described above, and each of them has agreed not to transfer, sell, pledge, dispose of or create any encumbrance on their equity interest in Guangdong Xingbang without the prior written consent of Guangzhou Xingbang. The equity pledge agreement is effective for the maximum period of time permitted by Chinese law (currently 20 years). In the event Guangdong Xingbang fails to cure a material breach, Guangzhou Xingbang may, among other remedies available, terminate such agreement, and;

(v) an operating agreement, pursuant to which each of the stockholders of Guangdong Xingbang has agreed to appoint the members recommended by Guangzhou Xingbang as the Directors of Guangdong Xingbang, and shall appoint members of Guangzhou Xingbang's senior management as Guangdong Xingbang's Chief Executive Officer, President, Chief Financial Officer, and other senior officers. The Operating Agreement is effective for the maximum period of time permitted by Chinese law (currently 20 years), unless terminated by Guangzhou Xingbang with a 30-day prior written notice. In addition, the WFOE has the right to terminate the Operating Agreement in the event any of the agreements between Guangzhou Xingbang and Guangdong Xingbang are terminated or expire.

In the PRC restructuring transaction described above, the Company gained indirect control of Guangdong Xingbang and Guangdong Xingbang is now a VIE for which the Company is the primary beneficiary.

The Company accounts for its VIE in accordance with ASC 810, which requires the consolidation of VIEs in which a company has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or the right to receive the benefits from the VIE that could potentially be significant to the VIE. The Company assesses all newly created entities and those with which the Company becomes involved to determine whether such entities are VIEs and, if so, whether or not the Company is their primary beneficiary.

As required by ASC 810-10, the Company performs a qualitative assessment to determine whether the Company remains the primary beneficiary of Guangdong Xingbang. A qualitative assessment begins with an understanding of the nature of the risks in the entity as well as the nature of the entity's activities including terms of the contracts entered into by the entity, ownership interests issued by the entity and the parties involved in the design of the entity. The Company's assessment on the involvement with Guangdong Xingbang reveals that the Company has the absolute power to direct the most significant activities that impact the economic performance of Guangdong Xingbang. Under the accounting guidance, the Company is deemed to be the primary beneficiary of Guangdong Xingbang and the results of Guangdong Xingbang are consolidated in the Company's consolidated financial statements for financial reporting purposes. As of March 31, 2012, the Company has no equity interest in Guangdong Xingbang, none of the Company's assets serve as collateral for Guangdong Xingbang; creditors of Guangdong Xingbang have no recourse to the Company; and the Company has not provided any guarantees to Guangdong Xingbang.

The assets and liabilities associated with Guangdong Xingbang are presented on a gross basis, prior to consolidation or combination adjustments, and are as follows:

		March 31 2012		December 31 2011
Cash and cash equivalents	$	1,246,589	$	141,860
Accounts receivable, net		-		1,497,482
Prepaid expenses and other current assets		31,863		79,938
Deferred tax assets		123,288		69,708
Due from related companies		-		3,561
Due from group companies		549,727		476,199
Property and equipment, net		234,427		260,110
Website development cost, net		329,912		344,355
Total assets	$	2,515,806	$	2,873,213
Accounts payable	$	23,193	$	19,670
Deferred revenue		254,128		279,117
Other payables and accrued expenses		528,471		559,421
Income tax payable		66,244		66,282
Due to a group company		395,077		395,303
Due to a related company		10,155		10,161
Total current liabilities		1,277,268		1,329,954
Equity of variable interest entities		1,238,538		1,543,259
Total liabilities and equity	$	2,515,806	$	2,873,213

As of September 30, 2011, the Company agreed to waive the management fee payable by Guangdong Xingbang for a period of 3 years from May 13, 2011 to May 12, 2014 in order for Guangdong Xing to keep enough cash to fund its e-commerce business.

The liabilities recognized as a result of combining this VIE do not necessarily represent additional claims on the Company's general assets; rather, they represent claims against the specific assets of the combined VIE. Conversely, assets recognized as a result of combining this VIE do not represent additional assets that could be used to satisfy claims by the Company's creditors as they are not legally included within the Company's general assets.

Immediately prior to the PRC restructuring transactions that were completed on May 13, 2011, the Chief Executive Officer of the Company and his spouse controlled Guangdong Xingbang as they owned 90% and 10% respectively of its registered capital. The Chief Executive Officer also indirectly controlled Guangzhou Xingbang as he owned 56.25% of the issued share capital of Xingbang BVI, the sole stockholder of Guangzhou Xingbang. As Guangzhou Xingbang and Guangdong Xingbang are under common control, the contractual arrangements have been accounted for as a reorganization of entities under common control and the consolidated financial statements were prepared as if the reorganization occurred at the beginning of the first period presented.

(B) Share exchange

On May 13, 2011, China Xingbang entered into a share exchange agreement with Xingbang BVI and the stockholders of Xingbang BVI in which the stockholders of Xingbang BVI exchanged 100% of the issued share capital of Xingbang BVI, valued at $80,000, for 79,999,000 shares of common stock of China Xingbang. Xingbang BVI became a wholly owned subsidiary of China Xingbang. Prior to the share exchange, the sole stockholder of China Xingbang owned 56.25% of the issued share capital of Xingbang BVI. As both companies are under common control, the share exchange involving China Xingbang and Xingbang BVI is being treated for accounting purposes as a capital transaction and a reorganization of entities under common control with China Xingbang as the accounting acquirer and Xingbang BVI as the accounting acquiree. The combined financial statements were prepared as if the reorganization occurred at the beginning of the first period presented.

Accordingly, these combined financial statements include the following:

1. The balance sheets consisting of the net assets of the acquirer and acquiree at historical cost; and
2. The statement of operations including the operations of the acquirer and acquiree for the periods presented.

NOTE 5 PRINCIPLES OF CONSOLIDATION AND COMBINATION

The accompanying consolidated financial statements for the three months ended March 31, 2012 include the financial statements of China Xingbang, its wholly owned subsidiaries, Xingbang BVI, Xingbang HK and Guangzhou Xingbang, and its contractually controlled affiliate, Guangdong Xingbang.

The accompanying combined financial statements for the three months ended March 31, 2012 include the financial statements of the Company’s contractually controlled affiliate, Guangdong Xingbang.

All significant inter-company accounts and transactions have been eliminated in consolidation and combination.

NOTE 6 USE OF ESTIMATES

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

NOTE 7 THE EFFECT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In December 2011, the FASB issued an accounting pronouncement related to offsetting of assets and liabilities on the balance sheet (FASB ASC Topic 210). The amendments require additional disclosures related to offsetting either in accordance with U.S. GAAP or master netting arrangements. The provisions for this pronouncement are effective for fiscal years, and interim periods within those years, beginning after January 1, 2013. The Company will adopt this pronouncement for its fiscal year beginning March 1, 2013. The Company does not expect this pronouncement to have a material effect on our consolidated financial statements.

On September 15, 2011 the FASB issued Accounting Standards Update (“ ASU ”) 2011-08, Testing Goodwill for Impairment (the revised standard). The revised standard is intended to reduce the cost and complexity of the annual goodwill impairment test by providing both public and nonpublic entities with the option of performing a “ qualitative ” assessment to determine if it is more-likely-than-not that goodwill might be impaired and whether it is necessary to perform the two-step goodwill impairment test required under current accounting standards. The revised standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, with early adoption permitted for certain companies. The Company has assessed the potential impact the adoption of ASU 2011-08 on its consolidated results of operations and consolidated financial position and concluded that there is no impact.

In July 2011, the FASB issued ASU 2011-07, Health Care Entities (Topic 954), which requires healthcare organizations that perform services for patients for which the ultimate collection of all or a portion of the amounts billed or billable cannot be determined at the time services are rendered to present all bad debt expense associated with patient service revenue as an offset to the patient service revenue line item in the statement of operations. The ASU also requires qualitative disclosures about the Company’s policy for recognizing revenue and bad debt expense for patient service transactions and quantitative information about the effects of changes in the assessment of collectability of patient service revenue. This ASU is effective for fiscal years beginning after December 15, 2011, and will be adopted by the Company in the first quarter of 2012. Since the Company is not a health care entity, the standard does not have any impact on the Company’s consolidated financial position or results of operations.

In June 2011, the FASB issued ASU No. 2011-05, "Presentation of Comprehensive Income." ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in stockholders' equity and requires an entity to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement or in two separate but consecutive statements. This new guidance is to be applied retrospectively. This guidance will be effective for the Company beginning January 1, 2012. The Company believes the adoption of ASU 2011-05 concerns presentation and disclosure only and will not have an impact on the Company’s consolidated financial position or results of operations.

NOTE 8 OTHER PAYABLES AND ACCRUED EXPENSES

Other payables and accrued expenses at March 31, 2012 and December 31, 2011 consisted of the following:

	March 31, 2012	December 31, 2011
	Unaudited	
Customers deposits and prepayments	$ 200,445	$ 177,156
Business and other taxes payable	93,674	107,569
Other payables	62,622	67,325
Accrued expenses	488,439	545,024
	$ 845,180	$ 897,074

NOTE 9 SEGMENTS

The Company operates in three reportable segments, advertising, consulting services and e-commerce. The Company evaluates segment performance based on income from operations. All inter-company transactions between segments have been eliminated on consolidation. As a result, the components of operating income for one segment may not be comparable to another segment. The following is a summary of the Company's segment information for the three months ended March 31, 2012 and 2011.

2012	Advertising	Consulting service	E-commerce	Elimination	Total
Revenues	$ 184,688	$ 49,589	$ -	$ (67,671)	$ 166,606
Gross profit	59,305	31,047	(143,150)	-	(52,798)
Net (loss) income	(116,361)	1,125	(177,544)	-	(292,780)
Total assets	1,237,486	220,374	567,238	-	2,025,098
Capital expenditure	1,540	275	23,671	-	25,486
Depreciation and amortization	$ 19,194	$ 3,418	$ 30,816	$ -	$ 53,428

2011	Advertising	Consulting service	E-commerce	Elimination	Total
Revenues	$ 358,542	$ 675,053	$ -	$ -	$ 1,033,595
Gross profit	200,232	614,457	(4,828)	-	809,861
Net loss	(6,446)	(12,135)	-	-	(18,581)
Total assets	905,710	1,705,247	-	-	2,610,957
Capital expenditure	16,413	30,901	-	-	47,314
Depreciation and amortization	$ 11,104	$ 20,906	$ -	$ -	$ 32,010

A reconciliation is provided for unallocated amounts relating to corporate operations which is not included in the segment information

	2012	2011
Total net loss for reportable segments	$ (292,780)	$ (18,581)
Unallocated amounts relating to corporate operations		
Professional fees	(42,173)	-
Others	(19,663)	-
Total loss	$ (354,616)	$ (18,581)

NOTE 10 STOCKHOLDERS' EQUITY

Appropriated retained earnings

The Company's PRC subsidiary is required to make appropriation to the statutory surplus reserve at 10% of the after-tax net income annually until the total contributions equal to 50% of the entities' registered capital. The statutory reserve funds are restricted for use to set off against prior period losses, expansion of production and operations or for the increase in the registered capital of the respective companies. This reserve is therefore not available for distribution except in liquidation.

As of March 31, 2012 and December 31, 2011, the Company's contractually controlled affiliate appropriated $72,493 and $72,493 respectively to the reserve funds based on its net income in accordance with the laws and regulations of the PRC.

NOTE COMMITMENTS AND CONTINGENCIES

11

(a) Defined contribution retirement plans

The full time employees of the Company are entitled to employee benefits including medical care, welfare subsidies, unemployment insurance and pension benefits through a Chinese government mandated multi-employer defined contribution plan. The Company is required to accrue for those benefits based on certain percentages of the employees’ salaries and make contributions to the plans out of the amounts accrued for medical and pension benefits. The total provision and contributions made for such employee benefits for the three months ended March 31, 2012 and 2011 were $26,930 and $12,654 respectively. The Chinese government is responsible for the medical benefits and the pension liability to be paid to these employees.

(b) Rental leases commitment

The Company leases office premises from two stockholders under an operating lease at a monthly rental of $12,961 which expires on December 31, 2012. The Company also leases offices from a third party under operating leases which expire on June 18, 2012 at a monthly rental of $444.

As of March 31, 2012, the Company had outstanding commitments with respect to the above operating leases, which are due as follows:

For the fiscal periods ending Mrch 31, 2013	$ 117,757
Total	$ 117,757

NOTE 12 RELATED PARTY TRANSACTIONS

As of March 31, 2012 and December 31, 2011, two related companies owed $0 and $3,561 respectively to the Company which is interest free, unsecured and repayable on demand.

As of March 31, 2012 and December 31, 2011, the Company owed $10,155 and $10,161 respectively to a related company which is interest free, unsecured and repayable on demand.

For the three months ended March 31, 2012 and 2011, the Company paid two stockholders $38,883 and $37,284 for lease of office premises.

NOTE 13 CONCENTRATIONS AND CREDIT RISKS

As of March 31, 2012 and December 31, 2011, 100% of the Company's assets were located in the PRC and Hong Kong and 100% of the Company's revenues were derived from customers located in the PRC.

Details of the suppliers accounting for 10% or more of the Company's purchases are as follows:

For the three months ended	Supplier A	Supplier B	Supplier C
March 31, 2012	100%	-	-
March 31, 2011	-	60%	40%

As of March 31, 2012 and December 31, 2011, the accounts payable for these suppliers were $23,193 and $19,670 respectively.

Details of the customer accounting for 10% or more of the Company's sales are as follows:

For the three months ended	Customer A	Customer B
March 31, 2012	11%	-
March 31, 2011	-	11%

As of March 31, 2012 and December 31, 2011, there was no accounts receivable balance for these customers.

Details of the customers accounting for 10% or more of the Company's accounts receivable are as follows:

As of	Customer C
March 31, 2012	-
December 31, 2011	11%

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

The following discussion and analysis of our results of operations and financial condition should be read together with our combined and condensed financial statements and the notes thereto and other financial information, which are included elsewhere in this registration statement. Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles. In addition, our financial statements and the financial information included in this registration statement reflect our organization transactions and have been prepared as if our current corporate structure had been in place throughout the relevant periods.

This section contains forward-looking statements. These forward-looking statements are subject to various factors, risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Further, as a result of these factors, risks and uncertainties, the forward-looking events may not occur. Relevant factors, risks and uncertainties include, but are not limited to, those discussed in "Item 1. Business," "Item 1A. Risk Factors" and elsewhere in this registration statement. Readers are cautioned not to place undue reliance on forward-looking statements, which reflect management's beliefs and opinions as of the date of this registration statement. We are not obligated to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. See "Forward-Looking Statements."

Overview and Strategy

In this Quarterly Report on Form 10-Q, unless the context requires or is otherwise specified, references to the "Company," "we," "us," "our" and similar expressions include the following entities (as defined herein):

(i) China Xingbang Industry Group Inc., a Nevada corporation (" **Xingbang NV** ");

(ii) Xing Bang Industry Group Limited, a British Virgin Islands company and a wholly-owned subsidiary of the Registrant (" **Xingbang BVI** ");

(iii) China Group Purchase Alliance Limited, a Hong Kong company and a wholly-owned subsidiary of Xingbang BVI (" **Xingbang HK** ");

(iv) Guangzhou Xingbang Information Consulting Co., Ltd., a wholly foreign-owned enterprise, or the " **WFOE** ", formed in the People's Republic of China (" **PRC** ") and a wholly-owned subsidiary of Xingbang HK; and

(iv) Guangdong Xingbang Industry Information & Media Co. Ltd., our principal operating subsidiary, which is a Chinese variable interest entity that the WFOE controls through certain contractual arrangements (" **Guangdong Xingbang** ").

Through our wholly owned subsidiaries, Xingbang BVI and Xingbang HK, we own the WFOE, which controls Guangdong Xingbang, a variable interest entity, through a series of variable interest entity, or VIE contractual arrangements. Guangdong Xingbang is the sole source of income and operations of the Registrant. A summary of our business is described below.

We were formed as a Nevada corporation on April 12, 2011 to acquire operational control over Guangdong Xingbang. Since foreign investors are restricted by the laws and regulations of the People's Republic of China to operate the media and e-commerce business in China, we operate our business through ownership of the WFOE that provides management, consulting, investment and technical services to Guangdong Xingbang. We do not own any direct equity interest in Guangdong Xingbang. In May 2011, the WFOE entered into a series of contractual arrangements which effectively give the WFOE operational control over Guangdong Xingbang despite the lack of direct ownership. As a result of these contractual arrangements, we treat Guangdong Xingbang as a variable interest entity, or VIE, under U.S. generally accepted accounting principles, and we have included its historical financial results in our combined financial statements.

Our subsidiaries, Xingbang NV, Xingbang BVI and Xingbang HK are holding companies which do not have any operations or own any assets except for the ownership of the WFOE. The only current operation of the WFOE is to provide consulting and management services to Guangdong Xingbang. Currently, we solely rely on results of operations of Guangdong Xingbang. If the PRC government declares the VIE agreements are not enforceable, we will not be able to exercise effective control over Guangdong Xingbang and combine the financial results of Guangdong Xingbang. In such case, our results of operations and financial position will be materially adversely affected.

Guangdong Xingbang, which was founded in 2005, derives revenue primarily from three types of business: e-commerce related revenue derived from our ju51 Online Mall, advertising revenue, and revenue from consulting services provided to businesses and local governments in China.

Our revenue highly correlates to the Chinese real estate market and is seasonal. Since January 2010, the Chinese government began to put forth policies restraining real estate growth and, as a result, the demand for home furnishings began to decrease in the fourth quarter of 2010. Manufacturers and distributors cut their advertising and consulting budgets in the first quarter of 2011 and the decreased demand had a significant impact on our revenue and deferred revenue in the first three quarters of 2011. Management believes it is possible for the Chinese government to continue its policy to restrain high housing prices in the foreseeable future. Such policy is intended to incentivize consumers who previously were not able to afford the high home prices and spend on home furnishings. Prior to the policy change, many apartments and houses were purchased by speculators who bought them and did not spend any money to furnish them. We believe an increased number of home buyers buying for personal occupancy will lead to increased growth in the home furnishings market and we expect to see more aggressive marketing initiatives by the home furnishings industry in the future. Generally, the first half of the year is low season for the home furnishings market, as people generally do not decorate their home during this period because of wet weather and other factors, so our revenue in advertising and consulting (except for consulting provided to local governments, and revenue generated by our ju51 Mall) is relatively low during this period.

On February 2, 2012, to avoid confusion by consumers and to better reflect their functions, we rebranded direct sale stores as technical service stations. Besides brick-and-mortar stores, we also decided to franchise decoration companies to become our technical service stations.

As part of our operation of the ju51 Mall, we seek to capitalize on our relationship with distributors by engaging the distributors, or "channel service providers", to develop technical service stations, potential advertising and consulting services clients and distribute our newspapers. We also intend to build representative offices throughout China to develop technical service stations. Distributors will receive commission based on the franchise fee paid by technical service stations, the advertising and consulting services revenue generated by such distributor, and will be compensated for its distribution costs. By doing so, our management believes we can develop the ju51 Mall quickly and increase our advertising and consulting revenues in the foreseeable future.

We also decided to develop membership of decoration technicians as shopping guides to help increase sales volume on the ju51 Mall. To promptly develop membership of decoration technicians and better organize and manage them, we will develop decoration companies to be our technical service stations. In principle, we only develop a technical service station within a county or a district of a city to protect their economic interests. Technical service stations will earn commissions, paid by flagship stores, based on a percentage of the sales in the geographical area they are franchised to cover. A decoration technician will also earn commissions, paid by flagship stores, based on a percentage of the amount he/she sells as a shopping guide. Customers, who input the membership number of the decoration technician when they place orders, will enjoy membership price lower than the direct sale price listed on the ju51 Mall. To help consumers learn more about or check the personal information of decoration technicians, we founded a web portal of China Decoration Technician the web address is http://www.zgzxjg.com in November 2011.

As of February 14, 2012, the board of directors exempted distributors from paying service charges from October 2011 to June 2012, considering that the distributors have undergone loss resulting from low sales volume on the ju51 Mall, and in order to maintain a good and sustainable cooperation relationship with them, and authorized Mr. Yao, the Chairman, CEO and President, to exempt distributors from paying service charges, direct sale stores (later rebranded as technical service stations) from paying franchise fee based on the trade volume on the ju51 Mall. Accordingly, we do not expect revenue generated from service charges until the third quarter of 2012 at the earliest.

Critical Accounting Policies and Estimates

In preparing our condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States, we make estimates and assumptions that affect the accounting, recognition and disclosure of our assets, liabilities, stockholders' equity, revenues and expenses. We make these estimates and assumptions because certain information that we use is dependent upon future events, which cannot be calculated with a high degree of precision from data available or cannot be readily calculated based upon generally accepted methodologies. In some cases, these estimates are particularly difficult and therefore require a significant amount of judgment. Actual results could differ from the estimates and assumptions that we use in the preparation of our condensed consolidated financial statements.

There have not been any significant changes to our critical accounting policies discussed under "Item 2. Financial Information — Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates" included in our S-1/A registration statement.

Results of Operations — Three Months Ended March 31, 2012 Compared to Three Months Ended March 31, 2011.

The following table presents, for the three months indicated, our combined statement of operations information.

	For the three months ended March 31,	
	2012	2011
	(Consolidated and Unaudited)	(Combined and Unaudited)
Revenue		
Advertising	$ 117,017	$ 358,542
Consulting service	49,589	675,053
E-commerce	-	-
Total revenue	166,606	1,033,595
Cost of Revenue		
Advertising	125,383	158,310
Consulting service	18,542	60,596
E-commerce	75,479	4,828
Total cost of revenue	219,404	223,734
Gross (Loss) Profit	(52,798)	809,861
Operating Expenses		
Selling, general and administrative expenses	320,386	800,293
Impairment of website development cost	10,460	-
Depreciation	26,293	27,182
Total operating expenses, net	357,139	827,475
Net Loss From Operations	(409,937)	(17,614)
Other Income(Expenses)		
Interest income	378	703
Interest on note payable	-	(4,792)
Other income	37	1,557
Other expenses	(908)	(617)
Gain (Loss) on disposal of property and equipment	2,300	(1,097)
Total other income (expenses), net	1,807	(4,246)
Net Loss Before Taxes	(408,130)	(21,860)
Income Tax Benefit	53,514	3,279
Net Loss	(354,616)	(18,581)
Other Comprehensive Income-Foreign currency translation gain	(1,644)	5,350
Comprehensive Loss	$ (356,260)	$ (13,231)
Net Loss Per Share-Basic and Diluted	$ (0.00)	$ (0.00)
Weighted Average Number of Shares Outstanding During the Year -Basic and Diluted	81,244,000	79,999,000

Revenue

During the three months ended March 31, 2012, we had total revenue of $166,606. Of this, $117,017 was attributable to revenue generated from advertising, $49,589 was attributable to consulting services rendered, and $0 was contributed by e-commerce. During the three months ended March 31, 2011, total revenue was $1,033,595. Of this, $358,542 was attributable to revenue generated from advertising, $675,053, was attributable to consulting services rendered, and $0 was from e-commerce. The decrease of $866,989 or approximately 83.88% was mainly due to decreased advertising revenue and consulting revenue. The decreased revenue was primarily because we put more effort on e-commerce as well as the slowdown of the real estate market in China during 2011.

Cost of revenue

Cost of revenue is comprised of printing cost, editorial fee, agent fee, salaries of consulting service providers, amortization of website development costs, salaries of website administrators and business tax relating to advertising, services rendered and e-commerce.

Cost of revenue for the three months ended March 31, 2012 was $219,404, compared to $223,734 for the three months ended March 31, 2011, a decrease of $4,330, or approximately 1.94%. The reason for the change was the decrease in the cost of advertising revenue, which was $32,927, or approximately 20.8%, the decrease in the cost of consulting revenue, which was $42,054, or approximately 69.4% and the increase in the cost of e-commerce, which was $70,651, or approximately 1,463.36%. The reason for the decrease of cost of advertising and consulting was the decrease in agent fee, salaries of consulting service providers and business tax relating to advertising and service rendered. The reason for the increased cost of e-commerce was due to the expenses related to the development and roll out of the ju51 Mall.

Gross (Loss) profit

Gross loss was $52,798 for the three months ended March 31, 2012, a decrease of $862,659, or approximately106.52%, compared to gross profit of $809,861 from the same period prior year. The reason for the decrease was mainly due to the decrease in advertising revenue and consulting revenue.

Operating expenses

Operating expenses consist of selling, general and administrative expense, impairment of website development cost and depreciation.

Operating expenses for the three months ended March 31, 2012 were $357,139, including $320,386 in general, selling and administrative expenses, $10,460 in impairment of website development cost, and $26,293 in depreciation. Operating expenses for the three months ended March 31, 2011 were $827,475, composed of $800,293 in general, selling and administrative expenses, $0 in impairment of website development cost, and $27,182 in depreciation. The decrease in operating expenses from the quarter ended March 31, 2011 to the quarter ended March 31, 2012 was $470,336, or approximately 56.84%. Of this, selling, general and administrative expenses decreased $479,907, or approximately 59.97%, impairment of website development cost increased $10,460, and depreciation decreased $889, or approximately 3.27%. The reason for the decrease in the selling, general and administrative expenses was due to the decrease in commission earned by our sales force.

Other income (expenses), net

Other expenses, net, consist mainly of net of interest income, interest on note payable, interest expenses paid to stockholders, other income, other expenses, and loss on disposal of property and equipment.

Other income, net, for the three months ended March 31, 2012was $1,807 and other expenses, net were $4,246 for the three months ended March 31, 2011, an increase of $6,053, or approximately142.56%. The increase in other income, net, was primarily attributable to the decrease in interest expenses on note payable, which was $4,792, or 100% and the increase in gain on disposal of property and equipment, which was $3,397, or approximately 309.66%. The disposal of property and equipment was due to our closing of 52 local representative offices, which were engaged in soliciting new advertisers for our publications and in distributing our publications throughout their respective regions.

Income tax benefit

Income tax benefit was $53,514 for the three months ended March 31, 2012, as compared to $3,279 for the three months ended March 31, 2011. The increase in income tax benefit was mainly attributable to the increase in net loss before taxes, which was $386,270, or approximately 1,767.02%. Our effective income tax rate was 15% for the three months ended March 31, 2012 and 2011, because we are qualified as a “New or High Technology Enterprise” under PRC laws, which is subject to review every year.

Net loss

Net loss was $354,616 and $18,581 for the three months ended March 31, 2012 and 2011, respectively. The increase mainly was the result of a decrease in revenue.

Other comprehensive (loss) income

Other comprehensive loss was $1,644 for the three months ended March 31, 2012. Other comprehensive income was $5,350 for the three months ended March 31, 2011. The decrease in foreign currency translation gains was primarily caused by the fluctuation in the RMB to U.S. dollar exchange rate in 2012 compared to 2011.

Liquidity and Capital Resources

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on hand and demand deposits at a bank. We had $1,305,293 and $199,188 of cash and cash equivalents on hand as of March 31, 2012 and December 31, 2011, respectively. There was an increase of $1,106,105 in our cash and cash equivalents from December 31, 2011 to March 31, 2012.

The increase in our cash and cash equivalents from December 31, 2011 to March 31, 2012 was largely attributable to an increase in net cash provided by operating activities, which was $1,343,104, the decrease in net cash used in investing activities, which was $407,068, on a period-to-period basis.

We require cash for working capital, capital expenditures, repayment of debt, salaries, commissions and related benefits and other operating expenses and income taxes. We expect that our working capital needs will increase for the foreseeable future, as we continue to develop and grow our business. See "Business — General in our 10-K filed with the SEC on March 26, 2012."

The following table summarizes our cash flows for the three months ended March 31, 2012 and 2011:

	For the three months Ended March 31,	
(Unaudited)	**2012**	**2011**
Net cash provided by (used in) operating activities	$ 1,122,648	$ (220,456)
Net cash used in investing activities	$ (18,332)	$ (425,400)

Net Cash Provided by (Used in) Operating Activities. Net cash provided by operating activities was $1,122,648 for the three months ended March 31, 2012, and net cash used in operating activities was $220,456 for the three months ended March 31, 2011. The most significant items affecting the comparison of our operating cash flow for the three months ended March 31, 2012 and 2011 are summarized below:

- Increase in cash loss from operations--Our net income from operations, excluding depreciation, amortization and impairment of website development cost, increased by $304,157 on a period-to-period basis, from cash income of $13,429 for the three months ended March 31, 2011 to cash loss of $290,728 for the three months ended March 31, 2012, which negatively impacted our cash flows from operations. The increase in cash loss from operations was due to the decrease of revenue in the first quarter in 2012 from the same period last year.

- Increased decrease in deferred revenue --Deferred revenue decreased by $24,781 for the first quarter of 2012, while they increased by $36,116 for the same period in 2011. The reason for the change was that we entered into less advertising and consulting contracts.

- Decrease in accounts receivable –Accounts receivable decreased by $1,493,685 for the first quarter in 2012, while they decreased by $41,735 for the same period in 2011. The reason for the decrease was that we collected service charges in the first quarter 2012 payable by the channel service providers in March 2012.

- Decrease in other payables and accrued expenses--Other payables and accrued expenses decreased by $51,280 for the first quarter in 2012, while they decreased $108,568 for the same period in 2011. Other payables and accrued expenses consisted of other tax payables, other payables, accrued professional fees, accrued website development cost, accrued expenses, deposits received from customers, accrued wages and accrued welfare. The increase in other payables and accrued expenses was the result of the decrease in other tax payables and accrued website development cost, which decreased $13,895 and $67,109, respectively, compared with the balances as of December 31, 2011.

Net Cash Used in Investing Activities. Our investing activities for the three months ended March 31, 2012 and 2011 used cash of $18,332 and $425,400, respectively. The decrease in cash used in investing activities was largely caused by the decrease of $501,489 as a result of repayment by Mr. Yao of such amount loaned to him by the Company.

The Guangdong Xingbang Shareholders and entities controlled by Mr. Yao borrowed funds from Guangdong Xingbang. Guangdong Xingbang also borrowed funds from the Guangdong Xingbang Shareholders from time to time when it was short of cash for operations. All of the related party loans have been settled by November 14, 2011, and we do not intend to make such loans in the future absent a reasonable business purpose. The Audit Committee will be reviewing all related party transactions and will determine, on a case by case basis, what constitutes a “reasonable business purpose” pursuant to the authority the Board grants to the Audit Committee.

Capital Resources

We had working capital of $261,859 and $577,993 as of March 31, 2012 and December 31, 2011, respectively. The reason for the decrease from December 31, 2011 to March 31, 2012 was primarily due to the decrease in accounts receivable and other payables and accrued expenses.

We are a holding company with no significant revenue-generating operations of our own, and thus any cash flows from operations are and will be generated by Guangdong Xingbang through our WFOE's existing consulting services management arrangement with Guangdong Xingbang. Our ability to service our debt and fund our ongoing operations is dependent on the results of these operations and their ability to provide us with cash. The WFOE's ability to make loans or pay dividends are restricted under PRC law and may be restricted under the terms of future indebtedness, its governing documents or other agreements. Based upon the cash on hand, anticipated cash to be received from our operations and the expected availability of cash from Guangdong Xingbang's shareholders, we believe that our sources of liquidity will be sufficient to enable us to meet our cash needs for at least the next 12 months. Nonetheless, our liquidity and capital position could be adversely affected by:

- Loss of revenue from advertising, consulting services or from the ju51 Online Mall, which was opened on August 2, 2011;
- Guangdong Xingbang's delay or discontinuance of payment of consulting fees under the VIE agreements;
- any change of policy on accounts receivable;
- the enactment of new laws and regulations;
- our inability to grow our business as we anticipate by expanding our existing advertising, consulting services and operation of the new e-commerce business;
- any other changes in the cost structure of our underlying business model; and
- any of the other risks and uncertainties described in "Item 1A. Risk Factors."

Debt Obligations

The following is a summary of amounts outstanding under our debt obligations as of March 31, 2012 and December 31, 2011.

(Unaudited) (in US dollar)	For the periods ended March 31, 2012	December 31, 2011
Due to a related company	10,155	10,161
Accounts payable	23,193	19,670
Total debt	33,348	29,831

Due to related company

As of March 31, 2012 and December 31, 2011, Guangdong Xingbang owed Zhongshan Xingbang Purchase & Exhibition Service Co., Ltd ("Zhongshan Xingbang") $10,155, $10,161, respectively under an unsecured, interest-free, demand loan. Zhongshan Xingbang. is an entity controlled by Mr. Xiaohong Yao, our Chairman of the Board, CEO and President.

Accounts payable

As of March 31, 2012 and December 31, 2011, Guangdong Xingbang owed the printing company which prints its newspaper, $22,193 and $19,670, respectively.

Off-Balance Sheet Arrangements

On February 14, 2012, the board of directors resolved to exempt distributors from paying service charges from October 2011 to June 2012 and to authorize Mr. Yao, the Chairman, CEO and President, to exempt distributors from paying service charges, and brick-and-mortar stores or decoration companies from paying franchise fees. As of March 31, 2012 and December 31, 2011, we did not have any off-balance sheet obligations involving unconsolidated subsidiaries that provide financing or potentially expose us to unrecorded financial obligations. All of our obligations with respect to Guangdong Xingbang have been presented on our combined balance sheets as of each such date.

Recently Issued Accounting Pronouncements

See Note 9 of Notes to Condensed Consolidated Financial Statements included in "Part I — Item 1 — Financial Statements" for a description of recently issued and adopted accounting pronouncements, including the expected dates of adoption and estimated effects on our results of operations, financial position, and cash flows.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable to smaller reporting companies.

Item 4. Controls and Procedures.

We seek to maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures.

The Company's management, including our Chief Executive Officer and interim Chief Financial Officer, reassessed the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of March 31, 2012 and has subsequently determined that our disclosure controls and procedures were not effective as of March 31, 2012 due to certain material weaknesses including (i) lack of sufficient accounting personnel with appropriate understanding of U.S. GAAP and SEC reporting requirements; and (ii) lack of standard charter of accounts and written accounting manual and closing procedures to facilitate preparation of financial statements under U.S. GAAP for financial reporting processes. As a result of such material weaknesses, our disclosure controls and procedures were not effective.

Limitations on the Effectiveness of Disclosure Controls.

Readers are cautioned that our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the first quarter of 2012 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting, except as disclosed above.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We may be involved in litigation and other legal proceedings from time to time in the ordinary course of our business. Except as otherwise set forth in this quarterly report, we believe the ultimate resolution of these matters will not have a material effect on our financial position, results of operations or cash flows.

Item 1A. Risk Factors.

There have not been any material changes to the risk factors that were included in our 10-K filed with the SEC on March 26, 2012.

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

There were no issuances of our equity securities during the quarter ended March 31, 2012.

Limitations on Our Payment of Dividends

We have not paid any cash dividends to date and we do not anticipate or contemplate paying dividends in the foreseeable future. It is the present intention of management to utilize all available funds for the development of our business.

In the future, we may be a party to agreements that limit or restrict our ability to pay dividends.

In addition, Nevada corporate law prohibits us from making any distribution (including a dividend) on our capital stock at a time when:

- we would not be able to pay our debts as they become due in the usual course of business; or

- our total assets would be less than the sum of (i) our total liabilities plus (ii) the amount that would be needed, if we were to be dissolved at the time of distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution (although we presently do not have any stockholders with such preferential rights).

Guangzhou Xingbang Information Consulting Co., Ltd. is a wholly-foreign owned enterprise under the laws of the PRC. The principal regulations governing dividend distributions by wholly foreign owned enterprises and Sino-foreign equity joint ventures include:

- The Wholly Foreign Owned Enterprise Law (1986), as amended;
- The Wholly Foreign Owned Enterprise Law Implementing Rules (1990), as amended;
- The Sino-foreign Equity Joint Venture Enterprise Law (1979), as amended; and
- The Sino-foreign Equity Joint Venture Enterprise Law Implementing Rules (1983), as amended.

Under these regulations, wholly foreign owned enterprises and Sino-foreign equity joint ventures in China may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. Additionally, before paying dividends to their shareholders, these foreign invested enterprises are required to set aside at least 10% of their profits each year, if any, to fund certain reserve funds until the amount of the cumulative total reserve funds reaches 50% of the relevant company's registered capital. Accordingly, the WFOE is allowed to distribute dividends only after having set aside the required amount of its profits into the reserve funds as required under applicable PRC laws and regulations.

Item 3. Defaults on Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosure.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Exhibit No.	Description
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32.1*	Certification of Chief 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 Chief 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 Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herein

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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.

China Xingbang Industry Group Inc.

Date: May 9, 2012

By: /s/ Xiaohong Yao
Xiaohong Yao, Chairman, President and CEO
(principal executive officer)

By: /s/ Haigang Song
Haigang Song, Chief Financial Officer

EXHIBIT 31.1

I, Xiaohong Yao, certify that:

1. I have reviewed this annual report on Form 10-Q for the period ending March 31, 2012 of China Xingbang Industry 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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.

5. The registrant's 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 control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: May 9, 2012

By: /s/ Xiaohong Yao
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

I, Haigang Song, certify that:

1. I have reviewed this annual report on Form 10-Q for the period ending March 31, 2012 of China Xingbang Industry 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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.

5. The registrant's 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 control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: May 9, 2012

By: Haigang Song

Haigang Song
Chief Finance Officer
(Principal Finance Officer)

EXHIBIT 32.1

Certification Pursuant To
Section 906 of Sarbanes-Oxley Act of 2002

I, Xiaohong Yao, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Annual Report on Form 10-Q of the Company for the year ended March 31, 2012 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (U.S.C. 78m or 78o(d)); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2012

By: /s/ Xiaohong Yao
Xiaohong Yao
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely 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) and is not being filed as part of a separate disclosure document.

EXHIBIT 32.2

Certification Pursuant To
Section 906 of Sarbanes-Oxley Act of 2002

I, Haigang Song, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Annual Report on Form 10-Q of the Company for the year ended March 31, 2012 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (U.S.C. 78m or 78o(d)); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2012

By: /s/ Haigang Song
Haigang Song
Chief Finance Officer
(Principal Finance Officer)

The foregoing certification is being furnished solely 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) and is not being filed as part of a separate disclosure document.