

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

**FORM 10-Q**

(Mark One)

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

**For the quarterly period ended March 31, 2009**

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER: 333-130707

**EWORLD INTERACTIVE, INC.**

(Exact name of small business issuer as specified in its charter)

**Florida**

(State or other jurisdiction of incorporation or organization)

**65-0855736**

(IRS Employer Identification No.)

1147 Kang Ding Road, Room 208, Block D

Shanghai, China 200042

(Address of principal executive offices)

**(021) 6888 0708**

(Issuer's telephone number)

\_\_\_\_\_  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 ☒ 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 ☐

The number of shares outstanding of each of the issuer's classes of common equity as of March 31, 2009:

58,305,425 shares of common stock

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EWORLD INTERACTIVE, INC. AND SUBSIDIARIES  
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET  
MARCH 31, 2009  
(STATED IN U.S. DOLLARS)

	<u>March 31, 2009</u> (Unaudited)	<u>December 31, 2008</u> (Audited)
Assets:		
Current assets:		
Cash	\$ 36,599	\$ 3,798
Total current assets	36,599	3,798
License fees	-	-
Fixed assets	-	-
Intangible assets	-	-
	<u>\$ 36,599</u>	<u>\$ 3,798</u>
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts and other payables	\$ 498,043	\$ 395,545
Due to shareholders	15,000	15,000
Short-term borrowings	40,000	-
Convertible notes	<u>2,226,185</u>	<u>2,226,185</u>
Total current liabilities	<u>2,779,228</u>	<u>2,636,730</u>
Stockholders' Equity:		
Preferred stock, no par value, 5,000,000 shares authorized, no shares outstanding	-	-
Common stock, no par value, 150,000,000 shares authorized, 58,305,425 and 51,789,551 shares issued and outstanding at March 31, 2009 and December 31, 2008	3,895,402	3,895,402
Unissued shares, no par value, 1,000,000 shares	382,500	382,500
Comprehensive income	(1,113)	74,220
Accumulated deficit	<u>(7,019,418)</u>	<u>(6,985,054)</u>
	<u>(2,742,629)</u>	<u>(2,632,932)</u>
	<u>\$ 36,599</u>	<u>\$ 3,798</u>

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

EWORLD INTERACTIVE, INC. AND SUBSIDIARIES  
 CONDENSED INTERIM CONSOLIDATED STATEMENT OF OPERATIONS  
 THREE MONTH PERIOD ENDING MARCH 31, 2009  
 (UNAUDITED)  
 (STATED IN U.S. DOLLARS)

		Three Month Period Ended March 31,	
		2009	2008
Sales		\$ -	\$ 1,678,483
Cost of sales		<u>-</u>	<u>1,594,347</u>
	Gross profit (loss)	-	84,136
Professional fees		17,000	263,637
Salaries and benefits			253,211
Advertising		-	164,132
Depreciation and amortization		-	35,417
Loan fees		92,253	315,364
General and administrative expenses		<u>(75,334)</u>	<u>185,798</u>
	Total operating expense	<u>33,919</u>	<u>1,217,559</u>
Operating loss		(33,919)	(1,133,423)
Interest expense		<u>(444)</u>	<u>(49,643)</u>
	Net loss	<u>\$ (34,363)</u>	<u>\$ (1,183,066)</u>
Net loss per share basic and diluted		<u>\$ (0.00)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding		<u>58,305,425</u>	<u>53,720,390</u>

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

EWorld Interactive, Inc. and Subsidiaries  
Condensed Interim Consolidated Statement of Cash Flows

Three Month Period Ending March 31, 2009

(Unaudited)

(Stated in U.S. Dollars)

	Three Month Period Ended March 31,	
	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net loss	\$ (34,363)	\$ (1,183,066)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	-	35,417
Loan fees settled with Company stock	-	315,364
Liabilities settled with Company stock	-	531,700
Accretion of warrants and beneficial conversion	-	4,384
Changes in operating assets and liabilities:		
Accounts receivable	-	(374,110)
Prepaid production costs	-	329,413
Prepaid assets and related parties	-	(1,930)
Prepaid assets	-	(10,934)
Due to shareholders	15,000	(116,917)
Deferred revenue	-	(397,232)
Accounts and other payables	<u>87,498</u>	<u>181,348</u>
Cash used in operating activities	<u>68,135</u>	<u>(686,599)</u>
Cash flows from investing activities:		
Purchase of fixed assets	<u>-</u>	<u>(805)</u>
Cash used in investing activities	<u>-</u>	<u>(805)</u>
Cash flows from financing activities:		
Short-term borrowings	40,000	576,057
Convertible notes issued	<u>-</u>	<u>50,000</u>
Cash provided by financing activities	<u>40,000</u>	<u>626,057</u>
Effect on exchange rate changes	<u>(75,334)</u>	<u>16,091</u>
Increase (decrease) in cash	32,801	(45,256)
Cash, beginning of period	<u>3,798</u>	<u>154,132</u>
Cash, end of period	<u>\$ 36,599</u>	<u>\$ 108,876</u>
Supplemental disclosure of cash flow information:		
Non-cash financing activities:		
Liabilities settled with Company stock	<u>\$ -</u>	<u>\$ 531,700</u>
Loan fees settled with Company stock	<u>\$ -</u>	<u>\$ 315,364</u>

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

EWorld Interactive, Inc.  
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
THREE MONTH PERIOD ENDING MARCH 31, 2009  
(UNAUDITED)

**Note 1 - Basis of Presentation**

The unaudited condensed interim consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and reflect all adjustments which, in the opinion of management, are necessary for a fair presentation. All such adjustments are of a normal recurring nature. The results of operations for the interim period are not necessarily indicative of the results to be expected for a full year. Certain amounts in the prior year statements have been reclassified to conform to the current year presentations. The statements should be read in conjunction with the financial statements and footnotes thereto included in our Form 10-KSB for the year ended December 31, 2008.

The condensed interim consolidated financial statements include our wholly owned subsidiary. All significant inter-company transactions and balances have been eliminated.

**Note 2 – Going Concern**

The accompanying condensed interim consolidated financial statements have been prepared assuming that we will continue as a going concern. As the Company has now become a shell company with no operating revenue, our ability to continue as a going concern is dependent upon acquiring new company with profitable operations. Any acquisition of a business venture involving reorganization and issuance of the Company's restricted securities. There are currently no contracts or agreements between any companies that are searching for shell companies with which to merge.

We also intend to use other borrowings and security sales to mitigate the affects of our cash position, however, no assurance can be given that debt or equity financing, if and when required, will be available. The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should we be unable to continue in existence.

**Note 3 – Convertible Notes**

On January 4, 2008, we sold \$114,710 in a convertible note at an interest rate of 12% per annum that matures on March 3, 2009. On January 4, 2008, we sold \$102,000 in a convertible note at an interest rate of 12% per annum that matures on March 3, 2009.

We extended the above convertible notes that were originally due on March 3, 2009 to July 25, 2009.

On March 3, 2008, we sold \$50,000 in a convertible note at an interest rate of 12% per annum that matures on March 3, 2009. The note is convertible at a 20% discount to the ten-day average trading price of our stock at the time the request for conversion is received. The convertible note had a beneficial conversion of \$4,348. This was accreted as additional interest expense. We extended the convertible note originally due on March 3, 2009 to September 3, 2009.

**Note 4 – Related Party Transactions**

The Company records transactions of commercial substance with related parties at fair value as determined with management. The following is a list of related party transactions and balances as at March 31, 2009 and 2008:

	2009	2008
Closing balances as at March 31,		
Prepaid assets with related parties	\$ -	\$ 52,253
Due to shareholders	15,000	273,416
Short term borrowings	<u>-</u>	<u>220,000</u>
Transaction for the period:		
Consulting fees	\$ 15,000	\$ 29,000
Rental expenses for occupancy by management	<u>-</u>	<u>18,131</u>

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

This statement may include projections of future results and “forward looking statements” as that term is defined in Section 27A of the Securities Act of 1933 as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934 as amended (the “Exchange Act”). All statements that are included in this Quarterly Report, other than statements of historical fact, are forward looking statements. Although management believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

### **Results of Operations**

Eworld Interactive formerly operated: Eworld China and Mojo Mediaworks.

Although, Eworld Interactive was able to launch an online game as intended and Mojo Media Works was able to produce a television show in the PRC as intended, revenues did not develop rapidly enough to sustain operations and the Company was unable to obtain sufficient additional financing to maintain operations.

The Company has disposed of Shanghai Eworld China Information Technologies Co., Ltd (“Eworld China”) and Mojo Media Works Limited and its subsidiaries in August 2008. The Company has ceased all business in online game and media production business and became a shell company with no functional operations.

In March of 2009, the Company entered into a stock purchase agreement with Blue Atelier, Inc. Blue Atelier will acquire 25,000,000 newly authorized and issued common stock of Eworld Interactive Inc. (“Eworld”) after Eworld executes a forty to one reverse split of the presently issued and outstanding Eworld common stock in exchange for \$250,000. Blue Atelier will provide the Company a non-interest bearing loan up to \$250,000 for costs and fees required to maintain the full reporting status of Eworld and quotation of its common stock on the OTCBB.

Eworld then expects to seek to acquire a new operating entity that may have a different business scope.

It may be that any acquisition of a business venture the Company would make would be by conducting a reorganization involving the issuance of the Company’s restricted securities. Such a reorganization may involve a merger (or combination pursuant to state corporate statutes, where one of the entities dissolves or is absorbed by the other), or it may occur as a consolidation, where a new entity is formed and the Company and such other entity combine assets in the new entity.

There are currently no contracts or agreements between any operating companies that are searching for shell companies with which to merge.

### **Financial Summary**

#### Results of Operations for the Three-Months Ended March 31, 2009

The Company reports a net loss of \$34,363 for the three-months ended March 31, 2009 versus a net loss of \$1,183,066 for the three-months ended March 31, 2008.

The net loss for the three-months ended March 31, 2009 of \$34,363 is comprised of an operating loss of \$33,919 and interest expense of \$444.

The net loss for the three-months ended March 31, 2008 of \$1,183,066 is comprised of operating expenses of \$1,133,423 and interest expenses of \$49,643; offset by net revenues for the period of \$84,136.

Liquidity and Capital Resources

During the three-months ended March 31, 2009 the Company's cash position increased \$32,801. Net cash realized from operating activities totaled \$68,135; no cash was realized from or used in investing activities; and \$40,000 was provided by financing activities from short-term borrowings. Effect of exchange rate changes was a decrease of \$75,334.

Cash Flow Requirements for Operations.

As of March 31, 2009 we had available cash of \$36,599. Our current operations are limited due to a lack of available funding develop our business plans. Cash demands are currently debt payable, administrative, accounting and legal expense. We are operating month to month satisfying our cash requirements with loans and equity sales. We will continue to rely on continued loans and other investment which may or may not be available to us when needed and could impact negatively our ability to continue operations.

Convertible Notes

In July 2007, we sold \$500,000 in convertible notes at an interest rate of 12% per annum with a maturity period on 25 January 2008 (later extended to July 25, 2009). The notes are convertible at a 20% discount to the ten day average trading price at the time the request for conversion. The convertible notes had a beneficial conversion of \$145,800.

In November 2007, we sold \$450,000 in convertible notes at an interest rate of 12% per annum with a maturity period on 25 January 2008 (later extended to July 25, 2009). The notes are convertible at a 20% discount to the ten day average trading price at the time the request for conversion. Also, the convertible notes had a beneficial conversion of \$199,043.

We extended the above convertible notes that were originally due on January 25, 2008 to July 25, 2008, and subsequently to July 25, 2009 with the terms and conditions as laid out in the original agreement. On March 18, 2008 we authorized 1,985,874 shares to be issued to the convertible note holders and 440,000 shares to be issued to the short term note lender as compensation for the maturity date extensions.

On March 3, 2008, we sold \$50,000 in a convertible note at an interest rate of 12% per annum that matures on March 3, 2009. The note is convertible at a 20% discount to the ten-day average trading price of our stock at the time the request for conversion is received. We extended the convertible note originally due on March 3, 2009 to September 3, 2009.

During the second quarter of 2008, we sold \$372,254 of convertible notes in aggregate at an interest rate of 12% per annum with maturity dates from April 5 to July 15, 2009. These notes are convertible at a 20% discount to the ten-day average trading price of our stock at the time the request for conversion is received.

On July 15, 2008, we sold \$100,000 in a convertible note at an interest rate of 12% per annum that matures on July 15, 2009. The note is convertible at a 20% discount to the ten-day average trading price of our stock at the time the request for conversion is received.

If all of the convertible notes were converted we would need to change the authorized amount of our shares because the conversion would exceed 150,000,000 shares. Based on the closing price of our stock on December 31, 2008 a total of 171,531,750 shares would be issued for the convertible notes.

*Going Concern*

The accompanying condensed interim consolidated financial statements have been prepared assuming that we will continue as a going concern. As the Company has now become a shell company with no operating revenue, our ability to continue as a going concern is dependent upon acquiring new company with profitable operations. Any acquisition of a business venture involving reorganization and issuance of the Company's restricted securities. There are currently no contracts or agreements between any companies that are searching for shell companies with which to merge.

We also intend to use other borrowings and security sales to mitigate the affects of our cash position, however, no assurance can be given that debt or equity financing, if and when required, will be available. The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should we be unable to continue in existence.



**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Not Applicable

**Item 4T. Controls and Procedures**

*Evaluation of Disclosure Controls and Procedures*

The Company's Principal Executive Officer and Principal Financial Officer, Mr. Peckham, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer has concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

*Changes in Internal Controls*

There has been no change in the Company's internal controls over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Internal control systems, no matter how well designed and operated, have inherent limitations. Therefore, even a system which is determined to be effective cannot provide absolute assurance that all control issues have been detected or prevented. Our systems of internal controls are designed to provide reasonable assurance with respect to financial statement preparation and presentation.

**Part II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

None, for the three month period ending March 31, 2009

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

None, for the three month period ended March 31, 2009

**Item 3. Defaults Upon Senior Securities**

None, for the three month period ended March 31, 2009

**Item 4. Submission of Matters to a Vote of Security Holders**

None, for the three month period ending March 31, 2009

**Item 5. Other Information**

None

**Item 6. Exhibits**

Eworld Interactive, Inc. includes by reference the following exhibits:

- 3.1 Articles of Incorporation, exhibit 3.1 filed with the registrant's Registration Statement on Form SB-2, as amended; filed with the Securities and Exchange Commission on December 27, 2005.
- 3.2 Amendment to Articles of Incorporation, exhibit 3.2 filed with the registrant's Registration Statement on Form SB-2, as amended; filed with the Securities and Exchange Commission on December 27, 2005.
- 3.3 Amendment to Articles of Incorporation, exhibit 3.3 filed with the registrant's Registration Statement on Form SB-2, as amended; filed with the Securities and Exchange Commission on December 27, 2005.
- 3.4 Bylaws, filed as exhibit 3.4 with the registrant's Registration Statement on Form SB-2, as amended; filed with the Securities and Exchange Commission on December 27, 2005.
- 3.5 Amendment to Articles of Incorporation, filed as exhibit 3.5 with the registrant's Registration Statement on Form 8-A; filed with the Securities and Exchange Commission on December 14, 2006.
- 4.1 Form of Convertible Note Payable – 12% interest rate filed as exhibit 4.1 with the registrant's Annual Report on Form 10-K; filed with the Securities and Exchange Commission on April 14, 2009.
- 10.1 Stock Purchase Agreement – Between Eworld Interactive, Inc., and Blue Atelier, Inc., March 30, 2009 filed as exhibit 10.1 with the registrant's Current Report on Form 8-K; filed with the Securities and Exchange Commission on April 3, 2009.

Eworld Interactive, Inc. includes herewith the following exhibits:

- 31.1 Certification of Principal Executive Officer and Principal Financial Officer (Rule 13a-14(a)/15d-14(a))
- 32.1 Certification of Principal Executive Officer and Principal Financial Officer (18 U.S.C. 1350)

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Eworld Interactive, Inc.**

Date: May 14, 2009

By: /s/ Guy Peckham, President  
Guy Peckham, President  
Principal Executive Officer  
Principal Accounting Officer