

**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 June 30, 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 June 30, 2009:
58,305,425 shares of common stock

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EWORLD INTERACTIVE, INC. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
JUNE 30, 2009
(STATED IN U.S. DOLLARS)

	<u>June 30, 2009</u> (Unaudited)	<u>December 31, 2008</u> (Audited)
Assets:		
Current assets:		
Cash	\$ 166	\$ 3,798
Accounts receivable	<u>29,800</u>	<u>-</u>
Total current assets	29,966	3,798
License fees	-	-
Fixed assets	-	-
Intangible assets	<u>-</u>	<u>-</u>
	<u>\$ 29,966</u>	<u>\$ 3,798</u>
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts and other payables	\$ 457,986	\$ 395,545
Due to shareholders	20,600	15,000
Short-term borrowings	115,000	-
Convertible notes	<u>2,226,185</u>	<u>2,226,185</u>
Total current liabilities	<u>2,819,771</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 June 30, 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>(7,066,594)</u>	<u>(6,985,054)</u>
	<u>(2,789,805)</u>	<u>(2,632,932)</u>
	<u>\$ 29,966</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 AND SIX MONTH PERIOD ENDING JUNE 30, 2009 AND 2008
 (UNAUDITED)
 (STATED IN U.S. DOLLARS)

	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
	2009	2008	2009	2008
Sales	\$ -	\$ 23,838	\$ -	\$ 1,702,321
Cost of sales	-	(152,968)	-	(1,747,315)
Gross profit (loss)	-	(129,130)	-	(44,994)
Bad debts	-	53,943	-	53,943
Professional fees	45,943	190,347	62,943	453,984
Salaries and benefits	-	152,392	-	405,603
Depreciation and amortization	-	16,229	-	51,646
Loan fees	-	-	92,253	315,364
Impairment of intangible assets and license fees	-	1,059,722	-	1,059,722
Office and miscellaneous expenses	-	241,270	(75,334)	591,201
Total operating expense	45,943	1,713,903	79,862	2,931,463
Operating loss	(45,943)	(1,843,033)	(79,862)	(2,976,457)
Interest expense	(1,233)	(137,420)	(1,677)	(187,063)
Net loss	<u>\$ (47,176)</u>	<u>\$ (1,980,453)</u>	<u>\$ 81,540)</u>	<u>\$ (3,163,530)</u>
Net loss per share basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.03)</u>	<u>\$ (0.00)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares outstanding	<u>58,305,425</u>	<u>58,719,566</u>	<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

Six Month Period Ending June 30, 2009

(Unaudited)

(Stated in U.S. Dollars)

	Six Month Period Ended June 30,	
	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Net loss	\$ (81,540)	\$ (3,163,520)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment of intangible assets and license fees	-	1,059,722
Depreciation and amortization	-	71,642
Loan fees settled with Company stock	-	315,364
Liabilities settled with Company stock	-	531,700
Accretion of warrants and beneficial conversion	-	70,722
Changes in operating assets and liabilities:		
Prepaid production costs	-	329,413
Prepaid assets and related parties	-	45,466
Prepaid assets	(29,800)	89,644
Due to shareholders	20,600	(75,953)
Deferred revenue	-	(451,446)
Accounts and other payables	47,443	22,519
Cash used in operating activities	<u>(43,298)</u>	<u>(1,154,727)</u>
Cash flows from investing activities:		
Purchase of fixed assets	-	(6,535)
Cash used in investing activities	<u>-</u>	<u>(6,535)</u>
Cash flows from financing activities:		
Short-term borrowings	115,000	582,090
Stock sold	-	100,000
Convertible notes issued	-	322,254
Cash provided by financing activities	<u>115,000</u>	<u>1,004,344</u>
Effect on exchange rate changes	<u>(75,334)</u>	<u>27,513</u>
Increase (decrease) in cash	(3,632)	(129,405)
Cash, beginning of period	<u>3,798</u>	<u>199,388</u>
Cash, end of period	<u>\$ 166</u>	<u>\$ 69,983</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
PERIOD ENDING JUNE 30, 2009
(UNAUDITED)

Note 1 - Basis of Presentation

The unaudited condensed 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-Q 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-K 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 a convertible note for \$50,000 at an interest rate of 12% per annum which 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.

The notes above were subsequently terminated in July 2009 and each note holder is entitled to facilitate the company's reorganization. See Notes 5 and 7 for further details.

Note 4 – Loans Payable

During the second quarter of 2009, we borrowed \$115,000 from Blue Atelier to maintain the full reporting status of Eworld and quotation of its common stock on the OTCBB (see Note 5 for further details) The loan is non-interest bearing and has no collateral.

Note 5 – Stock Purchase Agreement

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 full reporting status of Eworld and quotation of its common stock on the OTCBB.

EWorld Interactive, Inc.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
PERIOD ENDING JUNE 30, 2009
(UNAUDITED)

Note 6 – 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 June 30, 2009 and 2008:

	2009	2008
Closing balances as at June 30,		
Prepaid assets with related parties	\$ -	\$ 4,857
Due to shareholders	20,600	314,380
Short term borrowings	<u>115,000</u>	<u>220,000</u>
Transaction for the period:		
Consulting fees	\$ 30,000	\$ 15,000
Rental expenses for occupancy by management	<u>-</u>	<u>12,932</u>

Note 7 – Subsequent Events

In July 2009, we have entered into an agreement with each holder of the convertible notes mentioned in Note 3 above to bring to an end their respective rights and obligations on any unexercised options, warrants, or other rights to acquired securities of EWIN. The settlement agreement is intended to facilitate the company's reorganization as mentioned in Note 5 above. Each creditor will be given their respective portion of the common shares of the restructured EWIN as a full and final settlement of all claims and obligations.

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 June 30, 2009

The Company reports a net loss of \$47,176 for the three-months ended June 30, 2009.

The net loss for the three-months ended June 30, 2009 of \$47,176 is comprised of an operating loss of \$45,943 and interest expense of \$1,233.

The operating loss for the three-months ended June 30, 2009 of \$45,943 is comprised entirely of professional fees.

Liquidity and Capital Resources

During the six-months ended June 30, 2009 the Company's cash position decreased \$3,632. Net cash used in operating activities totaled \$43,298; no cash was realized from or used in investing activities; and \$115,000 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 June 30, 2009 we had available cash of \$166. Our current operations are limited due to a lack of available funding. 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

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.

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On March 3, 2008, we sold a convertible note for \$50,000 at an interest rate of 12% per annum which 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.

The notes above were subsequently terminated in July 2009 and each note holder is entitled to facilitate the company's reorganization.

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In July 2009, we have entered into an agreement with each holder of the convertible notes mentioned above to bring to an end their respective rights and obligations on any unexercised options, warrants, or other rights to acquired securities of EWIN. The settlement agreement is intended to facilitate the company's reorganization. Each creditor will be given their respective portion of the common shares of the restructured EWIN as a full and final settlement of all claims and obligations.

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 June 30, 2009

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

None, for the three month period ended June 30, 2009

Item 3. Defaults Upon Senior Securities

None, for the three month period ended June 30, 2009

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

None, for the three month period ending June 30, 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: August 14, 2009

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