



TM

"DISCOVERING TOMORROW'S BLUE CHIPS TODAY"™

VISIBILITY

3RD QUARTER UPDATE

RESEARCH ANALYST

Rahul Sowani

AT A GLANCE

TICKER	WEMU
SECTOR	INDUSTRIAL MACHINERY
FISCAL YEAR	DECEMBER
RECENT PRICE	\$5.30
TARGET PRICE	\$8.00
MARKET CAP	19.2M
52-WEEK HIGH	\$7.50
52-WEEK LOW	\$2.05
REVENUE (TTM)	\$53.8M
PRICE/EARNINGS (TTM)	16.5x
PRICE/SALES (TTM)	0.4x
PRICE/BOOK (MRQ)	1.6x
BOOK VALUE PS (MRQ)	\$3.34
OPERATING MARGIN (TTM)	4.9%
AVERAGE VOLUME (3 MOS)	19,035
SHARES OUTSTANDING	3.6M
FLOAT	1.9M
INSIDER OWNERSHIP	45.6%
CEO	JIMMY WANG

As of December 21, 2009



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 South San Francisco, CA 94080
 Phone: 650-794-9888
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Worldwide Energy and Manufacturing USA, Inc. (OTC BB: WEMU)

DECEMBER 22, 2009 | TARGET PRICE: \$8.00 | RATING: SPECULATIVE BUY

\$46 million in new solar orders provides rebound from a difficult FY09. Upgrading rating to Speculative Buy and raising target price to \$8.00.

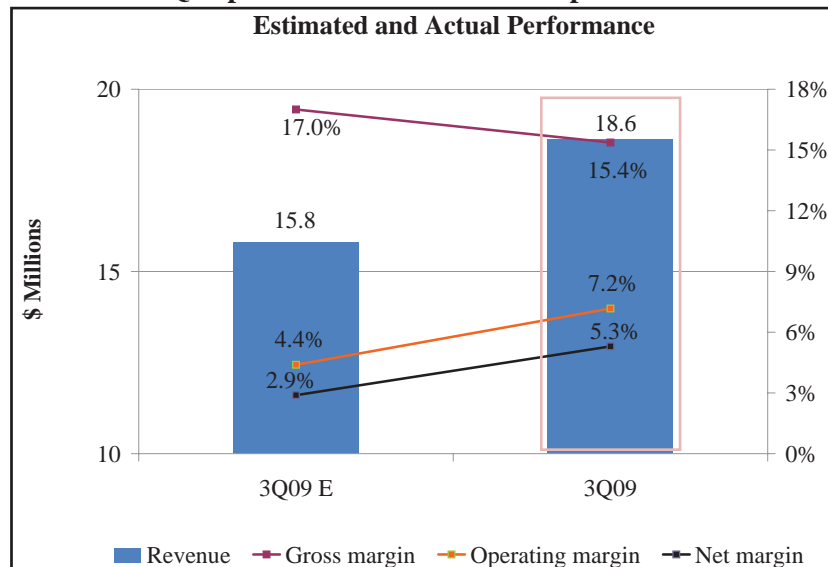
WEMU received orders for 23 megawatts (MW) of solar modules from three customers worth approximately \$46 million. Shipment of these orders are expected in FY10. Management estimates current order backlog at 28 MW coming from five customers. WEMU believes that superior structural technology and cost efficiencies of its solar panels, coupled with its quick turnaround and delivery ability, is helping to bring the Company new contracts.

WEMU has reiterated its revised FY09 expectations for revenues of at least \$60 million, EBITDA of \$2.8 million and net profit of about \$1.8 million. In 4Q09, WEMU expects its solar division to ship orders totaling at least 5 megawatts (MW), accounting for approximately \$10 million in revenue, while the contract manufacturing division is expected to generate at least \$3 million in revenue in the same period.

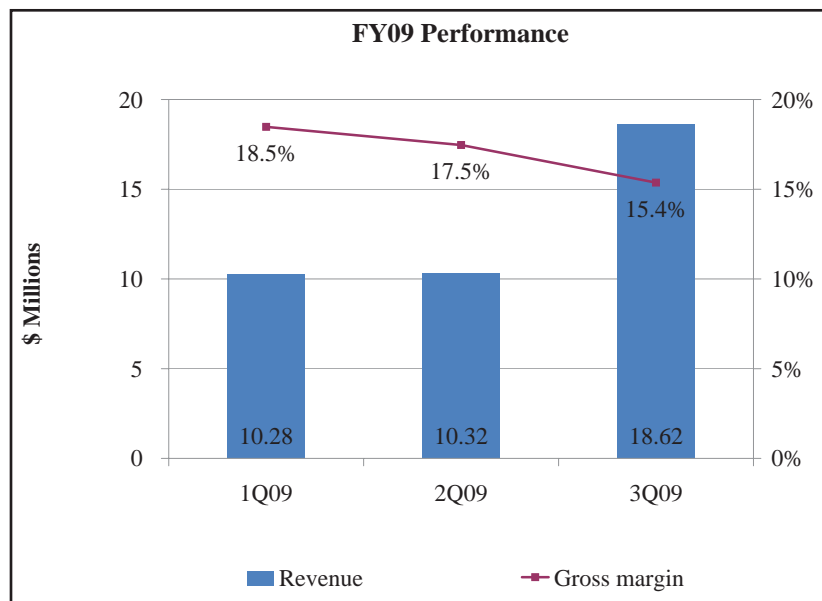
FINANCIAL RESULTS

WEMU's 3Q09 performance beat our expectations by reporting nearly 18% higher revenue than we had estimated and respectable operating and net margins of 7.2% and 5.3% respectively. Granted, our expectations had been severely reduced after the Company failed to meet its earlier guidance and hence was forced to slash its estimates by 40% for FY09. However, if WEMU can sustain its improved performance in the coming quarters they will be well on their way to regaining investor confidence and a deservedly higher valuation.

3Q09 performance better than expectations



Year-over-year revenue fell marginally by 2.5% from \$19.1 million in 3Q08 to \$18.6 million in 3Q09. Nevertheless, the revenue was more than our projections of \$15.8 million. The Company's AmeriSolar brand continued to drive the top line accounting for 83% of total revenue. However, gross margin continued to be under pressure declining from 18.5% in 1Q09 to 17.5% in 2Q09 to 15.4% in 3Q09 as further declines in solar module prices overshadowed decreasing solar module costs. On a nine-month basis, solar module revenue was \$29.4 million, accounting for 75% of total revenue, which represents a 36% increase over the nine-month period of last year.



WEMU's continued emphasis on its solar business was evident from the increase to over 83% of the Company's total revenue in 3Q09. Solar module shipments have increased over 200% in the first nine months of 2009 compared to 2008. Contract manufacturing continues to play a smaller part in the Company's business. This shift in sales mix has steadily shifted towards the growing high-margin solar business and we expect the trend to continue in 2010.

The Company's acquisition of Detron and continued promotion of its solar business in 3Q09 resulted in a 75% year-over-year increase in SG&A expenses from \$0.8 million in 3Q08 to \$1.3 million in 3Q09. Total operating expenses amounted to \$1.5 million in 3Q09 as compared to \$0.8 million in 3Q08. Operating margin remained nearly flat at 7% in 3Q09 with operating profit of \$1.3 million. WEMU reported EBITDA of \$1.53 million in 3Q09 and EPS of \$0.25 on net profit of \$903,357 resulting in net margin of 4.9%.

Looking at the balance sheet, the cash and cash equivalents were a little above \$5 million while total borrowings increased to over \$4 million. The working capital requirement of the Company has increased significantly primarily due to market conditions and competitive pressures, which has forced WEMU to extend payment terms to its customers, but on the other side, the Company is getting better terms from its suppliers. Days sales outstanding (DSO) on both the contract manufacturing and solar sides of the business will tend to be higher as a result of the increase in the customer credit period from 30 days to up to 90 days.

SOLAR MARKET

The solar industry showed signs of recovery in 3Q09 after being severely affected by the global recession. Demand rebounded significantly in comparison with the first half of the year, driven primarily by a strong German market. Major players in the industry are seeing prices for solar modules either stabilizing or falling at a much slower pace compared to the peak of the recession.



Below are the recent results and comments from the major solar players:

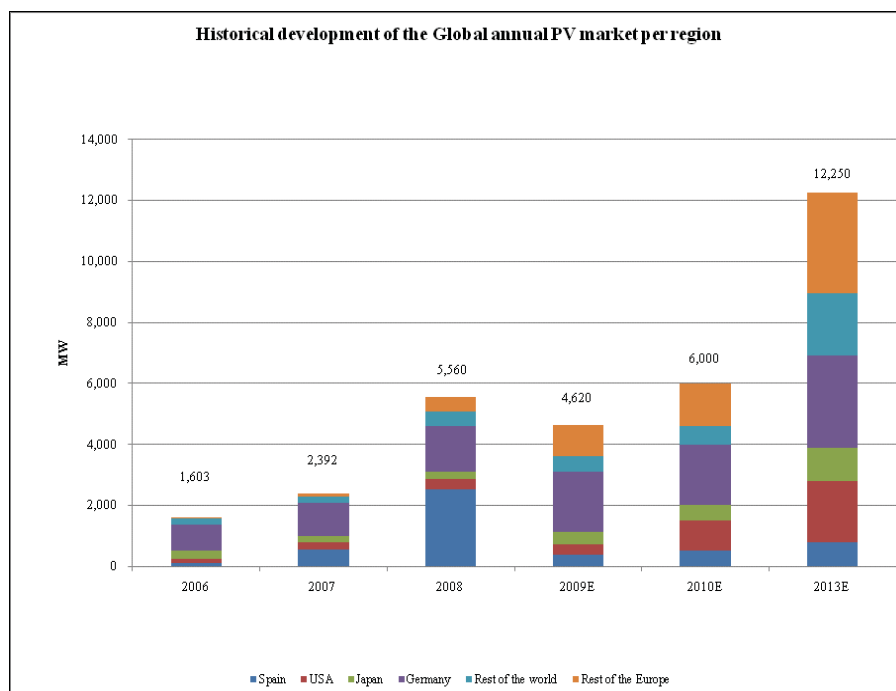
<u>Company</u>	<u>Recent Results & Comments</u>
Suntech Power	Net revenue jumped 47% sequentially in Q3. Seeing a deceleration of ASP decline with a possible increase in ASP for early 2010. Company expects strong demand in Q4 and has raised earning shipment guidance. Estimates 75% shipment growth in 2010 with 15MW to be shipped in Q1 and Q2.
First Solar	Cost per watt produced 2.3% in Q3 due to lower material cost. Sees customers in a healthy position entering 2010 with strong demand coming from Germany, Italy, and France.
Trina Solar	Reported record PV shipments in Q3 and increased 2009 guidance. Company reports increasing visibility in 2010 as it enters new markets.
SunPower	Revenue in Q3 rose 57% from Q2. Manufacturing panels at less than \$2 per watt and expects to drop to \$1 per watt by 2014. Raised the bottom end of guidance to reflect better visibility and financing of projects.
Yingli Green Energy	Sees high demand from Germany with a pickup in sales to Spain. Raised expected PV shipments for 4Q and expects 2009 to exhibit 75% growth from 2008. Gross margin targets also have been raised.
Energy Conversion Devices	Reduced production by 25% in latest quarter due to a restructuring after an announced acquisition. Cost of production estimated near \$2 per watt. Projects a decline in cost per watt and 10-15% increase in revenues in 2010.
JA Solar	Expects 4Q shipments to exceed the high-end of guidance and thus raising 2009 and 2010 guidance.
Canadian Solar	Reiterates 4Q guidance and expects to double shipments in 2010. Identifies Germany, Italy, U.S., Czech Republic, South Korea, and Spain as major markets with new markets in Canada, Japan, China.
Solarworld AG	Expects to triple capacity through the end of 2010 at German location and open a new U.S. production facility. Roof systems will be main market driver.

Germany remains the most important market and the key driver of global demand. According to the Federal Grid Agency, 953 MW of new solar plants were installed in Germany in 3Q09 alone compared to only 518 MW in the first half of the year. Capacity additions in Germany are set to accelerate further, helped by the sharp decline in module prices, resumption of lending to solar power projects, and policy initiatives by the new coalition government. As a result, and based on the current figures of the Federal Grid Agency, analysts are predicting solar capacity additions between 2.2 and 2.6 GW for all of 2009.

The Italian and Spanish markets gained momentum in the third quarter, but did not grow as much as originally expected because of a difficult financing environment and severe economic weakness. In Italy, new installations in the first nine months amounted to 226 MW as opposed to the original forecast of 400 to 450 MW at the start of the year.

Future growth to come from emergence of solar markets in U.S. and China. Sluggishness in Europe (Italy, Spain, etc.) is likely to be offset by fast growth in emerging solar markets in the U.S and China. The U.S. is the largest energy consumer in the world, however it accounts for only a mere 6% of the global photovoltaic cell demand. However, that is set to change following certain key policy guidelines adopted by the Treasury in the third quarter. A subsidy program that converts the 30% investment tax credit (ITC) for new solar plants into cash grants and the Department of Energy's loan guarantee program totaling \$ 30 billion was fleshed out. Out of this amount, \$2.75 billion has been set aside for commercially renewable projects. Due to the delayed introduction of loan guarantee guidelines and the ITC cash grant program, the U.S. market will grow only slightly this year, however from 2010 onwards these programs are expected to have a stronger influence on demand. As a result, the European Photovoltaic Industry Association expects new installations in the U.S. to cross 1,200 MW in 2010 compared to just 360 MW in 2009.

Despite being the largest solar manufacturer, China's solar installations are miniscule in the global context as 98% of the country's modules are currently exported. However, a push to reduce fossil fuel consumption driven by climate change concerns is expected to unlock the huge potential in China. In an effort to improve domestic consumption, China recently announced a subsidy for solar power. The government will offer 20 Yuan (approx. \$2.93 USD) per watt for solar projects with generating capacity of at least 50 kilowatts. 20 Yuan per watt is approximately half the installation cost per watt of solar power. Such a subsidy may lead to doubling of the domestic solar market in China. China had 145 MW of cumulative solar power installed at the end of 2008 of which 45 MW were added in 2008. EPIA expects China to add 100 MW in 2009 if the government supports the industry.

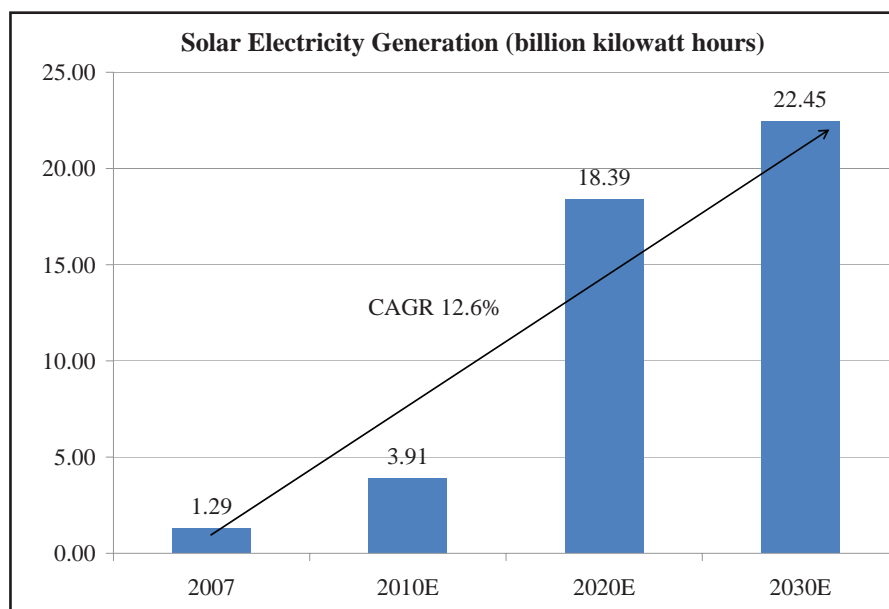


Excess capacity still exists, though the situation has improved following a robust third quarter. In 2009 the industry's capacity to manufacture solar modules far exceeded demand as customers struggled to negotiate the tough economic environment. However, instead of reducing supply to control prices, solar manufacturers further increased supply, dragging down prices. Though a rebound in demand in 3Q09 alleviated the situation somewhat, it was insufficient to absorb the entire excess supply. Total module inventories had increased by 15% at the end of 3Q09 although module inventory days (including crystalline silicon and thin film product) declined by 9 days.

The future outlook is also dampened by the fact that major industry participants, particularly aggressive Chinese manufacturers are taking advantage of the improved financial markets to raise capital and add capacity. Oversupply by Chinese companies has dragged down the price of solar panels by almost 56% over the last year from the peak of around \$4.5 million per megawatt last year to around \$2 million per megawatt in September of 2009. A solar module supplier in the industry had to sell double the modules in order to keep revenue comparable to the 3rd quarter of last year. Consequently, while aggregate excess capacity through the supply chain is declining, it is likely that overcapacity will be prevalent for at least the next two to three years. In its recently revised forecasts, iSuppli estimates the global supply of solar panels to exceed demand by 65.9%, which is down from its August forecast of a 91.9% average oversupply.

SOLAR MARKET GROWTH PROJECTIONS

- According to Lux Research, the global solar energy market is expected to double in the next five years from \$36 billion in 2008 to \$70 billion in 2013.
- Solar cell manufacturing capacity is expected to increase by about 50% in the next 5 years.
- Solar revenues are expected to grow 30%-35% annually in next three years with earnings projected to rise from \$3.3 billion in 2008 to \$5.6 billion in 2010 according to Ardour Capital Investments.
- The European Photovoltaic Industry Association (EPIA) expects the global incremental solar power installation to grow from 5.6 GW in 2008 to 12.6 GW in 2013, i.e. a CAGR of 18%.



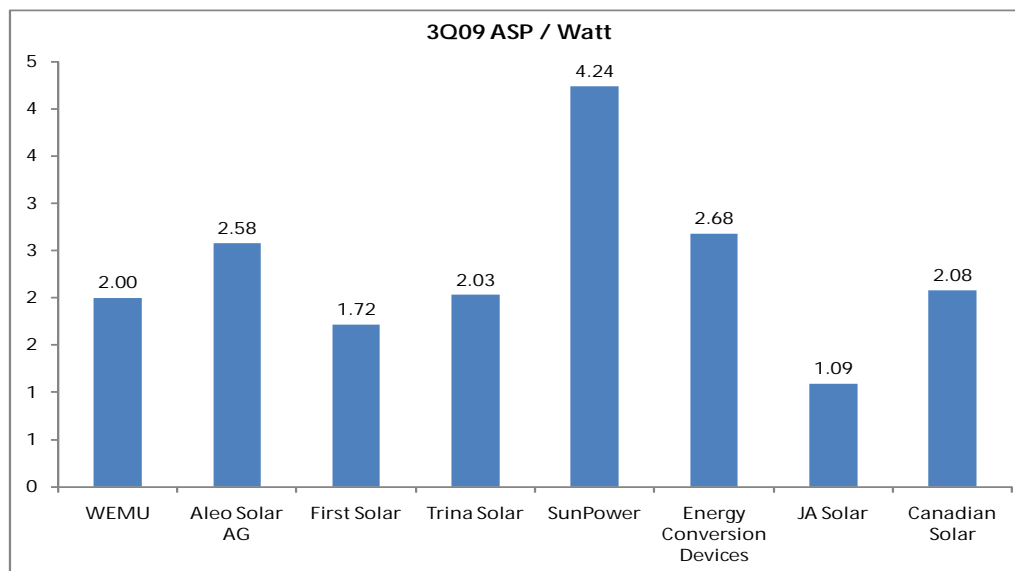


PEER ANALYSIS

DPDM PEER GROUP COMPARISON & VALUATION ANALYSIS										
	Symbol	Price \$	Market Cap \$ (M)	P/E (X)	Forwar d P/E (X)	Price to Sales (X)	Price to Book (X)	Revs \$ (M) (LFY)	Revs/Share \$ (LFY)	Book Value/Sh are \$
WORLDWIDE ENERGY & MANUFACTU	WEMU US	5.40	19.56	12.27	NA	0.35	1.62	45.91	16.81	3.34
SOLARWORLD AG	SWV GY	€14.86	€1,660.16	17.84	16.51	1.91	1.93	€900.31	€8.06	€7.70
SMA SOLAR TECHNOLOGY AG	S92 GR	€91.78	€3,184.77	26.68	21.92	4.67	11.34	€681.59	€19.64	€8.09
ALEO SOLAR AG	AS1 GY	€9.15	€119.23	76.25	NA	0.37	1.54	€360.54	€27.67	€5.93
FIRST SOLAR INC	FSLR US	135.67	11546.57	18.09	22.25	6.04	4.69	1246.30	15.18	28.91
TRINA SOLAR LTD-SPON ADR	TSL UN	51.53	1760.47	25.87	13.21	1.80	2.33	831.90	30.92	22.08
SUNTECH POWER HOLDINGS-ADR	STP US	16.98	2986.46	NA	27.17	1.83	1.94	1923.50	11.28	8.75
YINGLI GREEN ENERGY HOLD-ADR	YGE US	15.05	2233.12	NA	19.88	2.13	2.25	1107.07	8.72	6.69
ENERGY CONVERSION DEVICES	ENER US	10.72	490.38	NA	NA	1.72	0.68	316.29	7.41	15.87
JA SOLAR HOLDINGS CO LTD-ADR	JASO US	5.73	962.54	NA	15.36	2.02	1.38	785.68	3.79	4.15
CANADIAN SOLAR INC	CSIQ US	26.78	1143.90	95.64	13.30	2.13	2.55	705.01	22.33	10.49
SUNTECH POWER HOLDINGS-ADR	STP US	16.98	2986.46	NA	27.17	1.83	1.94	1923.50	11.28	8.75
ASCENT SOLAR TECHNOLOGIES	ASTI US	4.83	128.28	NA	NA	59.58	0.80	1.50	0.09	6.02
HOKU SCIENTIFIC INC	HOKU US	2.75	58.84	NA	NA	23.56	1.20	4.96	0.24	2.29
SPIRE CORP	SPIR US	4.42	36.84	NA	NA	0.48	7.48	75.41	8.91	0.59
EVERGREEN SOLAR INC	ESLR US	1.52	315.90	NA	NA	1.13	0.64	111.96	0.86	2.39
DAYSTAR TECHNOLOGIES INC	DSTI UR	0.44	14.59	NA	NA	NA	0.56	0.00	0.00	0.78
Median				25.87	19.9	1.87	1.93			

Pricing. In 2009, the solar industry moved from a seller’s market to a buyer’s market. The industry’s manufacturing capacity to produce solar modules today exceeds demand, resulting in increased competitive pressures and falling prices. The situation has been exacerbated by the challenges faced by customers in the current economic environment, including extended cash realization cycles, weakened balance sheets, and lack of credit. In addition, subsidies for customers in key markets continue to decline.

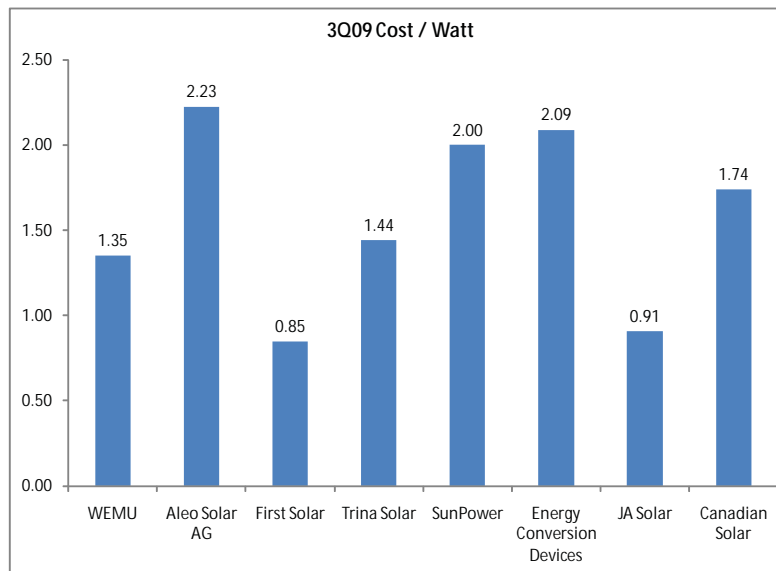
Oversupply by Chinese companies has dragged down the price of solar panels by almost 50% over the last year. Standard silicon panels have hovered in the \$3 per watt range with thin-film photovoltaic panels dipping below \$1 earlier this year. Industry survey firm Solarbuzz logged 1,069 price declines and only 231 price rises (a ratio of nearly 5:1 downwards) during 2009. Most major players in the industry have seen their average selling prices (ASP’s) decline anywhere between 25% and 50% from the end of 2008. Trina Solar’s ASP fell 44% between 4QFY08 and 3QFY09, while Aleo’s ASP declined by 28% over the same period. Going forward, however, the industry sees the pressure on prices moderating, though prices will continue to fall in the coming quarters, albeit at a lower rate. While companies such as SunPower and SolarWorld expect their respective ASP’s to stabilize at current levels, FirstSolar and Yingli expect modest declines in their ASP’s in the fourth quarter before stabilizing in 2010.





The current overcapacity and subsequent sharp reduction in solar module prices has led many competitors to cut jobs. First Solar's CEO, Mike Ahearn, recently told analysts on a conference call "as good as things look for the mid-term and beyond, the short-term outlook for the solar industry in our view has never looked more difficult" and Q-Cells CEO, Anton Milner, wrote in a report to shareholders "We are without a doubt in a difficult situation."

Costs. The trend in costs has tracked pricing in the solar industry as wafer and module manufacturers increased efficiency and pressurized suppliers to lower prices. Polysilicon prices have declined dramatically over the last 10 months, falling from \$400 per kilogram to approximately \$60 per kilogram. Manufacturers have also driven cost reduction initiatives and improved operational efficiency by investing in superior technologies, automation and lower energy consumption. FirstSolar has been able to reduce its manufacturing cost to \$0.85 per watt in 3QFY09 from \$0.98 in 4QFY08, a reduction of 13% in nine months. Costs are expected to fall further in the near future as the industry counters price declines. While FirstSolar targets a 10% yearly reduction in coming years, Energy Conversion Devices estimates a 25% reduction in its manufacturing costs next year.



FORECASTS & VALUATION

In 2008 WEMU shipped a total of 7.2 MW, generating \$31 million in solar revenues from seven customers in Europe and South Korea. In the first nine months of 2009 alone, the Company shipped 13 megawatts, generating solar revenues of \$29.4 million despite the sharp fall in market prices. We expect WEMU to ship around 18 MW in 2009 and for 2010, we have assumed that the Company will be able to ship at least 29 MW.

	Solar Segment Volumes (MW)							
	1Q'09	2Q'09	3Q'09	4Q'09E	1Q'10E	2Q'10E	3Q'10E	4Q'10E
Order Backlog (MW)	12	0	0	12	28	26	26	22
Orders processed (MW)	1	2	8	7	5	7	8	9
Additional New Orders (MW)	0	0	0	0	3	3	8	6
Price/Watt	4.50	3.75	2.00	1.80	2.00	2.00	2.00	2.00

WEMU's current backlog of 28 MW consists of 23 MW of new orders combined with 5 MW of unprocessed backlog from this year. The Company expects to ship 5 MW to 7 MW of solar backlog this quarter (4Q09E).



The Company's average selling price stands at \$2 million/MW. Assuming WEMU's solar division can ship 7 MW in the fourth quarter, we expect the Company to make \$14.0 million in solar revenues in the fourth quarter, taking the total full year solar revenue to \$43.4 million.

The Company's contract manufacturing (CM) business, which was severely impacted by the recession, made \$3.1 million in revenues in 3Q09. Management has noted a marked improvement in this business recently and expects revenues to pick up in 4Q09 and FY10. We estimate the Company to generate over \$4.3 million from its contract manufacturing business in 4Q09 and \$14.1 million in FY09. We expect over 20% year-over-year revenue growth in the CM division in FY10 and estimate over \$17.0 million in FY10 revenues from this segment.

We believe WEMU is likely to improve its gross margin to 16% for FY09, compared to 13.4% for FY08. Silicon prices have fallen by over 50% in 2009 and silicon contributes about 60% of the cost of a solar module. Hence, WEMU's raw material prices have fallen and gross margins improved in FY09 compared to FY08. In FY10, the economic recovery may gradually push up silicon prices and thus we expect WEMU's gross margin to stabilize at about 15.0%. We also expect WEMU's gross margin improvement to flow down to the net income level. Our cost assumptions imply an improvement in the Company's net margin from 2.6% in FY08 to 4% in FY09.

WEMU currently trades at 16x its trailing 12-month EPS. We believe the Company is significantly undervalued compared to its solar peers whose average trailing P/E is about 26x with a forward P/E of about 20x. We believe that WEMU's future performance remains too exposed to solar module price fluctuations as demonstrated by the Company's drastic downward revisions to its revenue guidance this year. We therefore are comfortable assigning a forward P/E of 15 to the Company's 12-month forward earnings. However, given the recent volatility in the Company's earnings and backlog value, we believe it is appropriate to apply a 30% risk factor to 12-month forward EPS of \$0.76 which when multiplied by our assigned 15x P/E derives a our price target of \$8.00.

INVESTMENT CONCLUSION

The market for WEMU has changed for both the CM and solar sides of the business – with the solar side affecting the Company more based on the percentage of solar sales relative to total sales. The Company has been able to establish itself in the solar module market within two years of operation and is poised to grow at double digit rates based on its new solar orders and existing backlog.

Yet WEMU remains a speculative investment option because of the inherent risks it possesses as a smaller player in the solar module market. Demand for solar panels today is primarily dependent on government subsidies and any further decline in subsidies in key markets, such as Germany will exacerbate earnings volatility. Additionally, WEMU's early entrance into the nascent U.S. solar market is expected to improve sales growth in 2010, however no specific initiative has been announced by management and initial sales thus far have been insignificant. Lastly, management was forced to make drastic downward revisions to its revenue guidance earlier this year, and although this was more a result of a steep fall in solar module prices, it highlights the risk category in which WEMU's businesses operate.

Following the 3Q09 results, WEMU's share price has increased over 60% from \$3.30, where it settled after 2Q09 results were announced, to over \$5.00 recently. As solar market conditions improve into 2010 we expect WEMU to deliver further good results in the next few quarters. We will be closely watching next quarter's results as it's crucial for the Company to get more orders in 4Q09 so as to build up its order backlog before moving into the traditionally weaker first quarter.

Although management has reiterated its FY09 guidance and the new orders for its solar and contract manufacturing business will help WEMU strengthen its performance, we are skeptical about the timely delivery of the solar orders in FY10 and we want to remain conservative in our projections due to the drastic downward guidance revisions made by management in prior quarters.

We are upgrading WEMU shares from Hold to a Speculative Buy rating and raising our target price to \$8.00.



COMPANY NEWS

- On December 03, 2009, WEMU announced two new solar panel contracts for a total of 23 megawatts, valued at approximately \$46 million. All of these solar contracts will be shipped in 2010.
- On December 01, 2009, WEMU announced the signing of three new customers with contracts totaling \$760,000. The new orders are expected to add to revenues and earnings in the fourth quarter of 2009 and continuing through 2010.
 - Shanghai Intech Electric and Electronics Co. Ltd., one of Worldwide Energy’s China-based manufacturing subsidiaries, signed a new customer, Shanxi Guangyu Power Supply Co., Ltd., to an initial \$600,000 contract for LED power supply products.
 - Shanghai Intech Precision Mechanical Products Manufacturing Co. Ltd., a wholly owned China-based subsidiary, added two new customers -- Shanghai Wuteng Hardware Factory and Su Zhou Weitang Metal Factory -- for die-casting contracts totaling \$160,000.
- On November 18, 2009, WEMU reiterated its fiscal 2009 outlook and expects revenues of at least \$60 million and EBITDA of \$2.8 million.
- On November 5, 2009, WEMU announced that for fiscal 2010, it expects double digit earnings and revenue growth. According to Reuters Estimates, analysts were expecting the Company to report revenue of \$138.23 million and EPS of \$2.57 for fiscal 2010.
- On October 21, 2009, WEMU announced that it ranked number 226 on Technology Fast 500(TM), Deloitte LLP’s ranking of 500 of the fastest growing technology, media, telecommunications, life sciences and clean technology companies in North America. Rankings are based on percentage of fiscal year revenue growth during the five-year period from 2004-2008. WEMU grew 585% during this period.
- On September 28, 2009, WEMU announced in its Form 8-K that John Ballard resigned as Chief Financial Officer (CFO) and as a Director of the Company on September 25, 2009. On September 25, 2009, Jeff Watson was appointed acting CFO of the Company.

12-MONTH PRICE CHART





Worldwide Energy and Manufacturing USA, Inc. (WEMU)

FINANCIAL STATEMENTS

3RD QUARTER UPDATE

Income Statement					
All Figures in US\$					
FY Ending December 31,					
	3Q08	4Q08	1Q09	2Q09	3Q09
Regular sales, net of returns	19,102,654	14,552,267	10,281,867	10,316,913	18,618,508
Cost of goods sold	17,738,721	12,249,338	8,382,275	8,515,313	15,757,244
Gross profit	1,363,933	2,302,929	1,899,592	1,801,600	2,861,264
Other selling, general and administrative	750,983	1,602,950	1,213,383	1,198,367	1,316,386
Stock based compensation expenses/(pay back)	(15,000)	33,597	32,120	83,100	46,800
Management and professional fees paid to stockholders	72,680	80,320	90,000	90,000	80,000
Depreciation	2,879	112,210	73,176	89,705	83,485
Total operating expenses	811,542	1,829,077	1,408,679	1,461,172	1,526,671
Net operating income	552,391	473,852	490,913	340,428	1,334,593
Interest income	8,267	9,779	11,113	44	3,007
Interest expenses	(1,287)	(45,607)	(7,602)	(13,207)	(20,114)
Interest expense paid to shareholders	(9,838)	-	-	-	-
Other income	5,704	108,353	903	(7,895)	13,391
Dividend income	-	242,770	-	-	-
Gain on disposal	-	(101,982)	-	-	-
Other expenses	-	(243,765)	-	-	-
Exchange loss	-	(363,376)	3,637	1,460	97,996
Total other income (expenses)	2,846	(393,828)	8,379	(19,598)	94,280
Income from continuing operations before income taxes	555,237	80,024	499,292	320,830	1,428,873
Income taxes expense	(8,514)	(267,556)	38,546	204,078	(427,497)
Income from continuing operations before minority interest	546,723	(187,532)	460,746	116,752	1,001,376
Loss share by minority interest	-	(15,843)	(25,157)	(97,453)	(98,019)
Income from continuing operations	546,723	(203,375)	435,589	19,299	903,357
Income/ (Loss) from discontinuing operations, net	(6,115)	9,053	-	-	-
Net income	540,608	(194,322)	435,589	19,299	903,357
Foreign currency translation	146,017	(198,204)	21,035	86,621	83,423
Comprehensive income attributable to the non-controlling interest	-	-	(13,552)	(19)	524
Comprehensive income	686,625	(392,526)	443,072	105,901	987,304
Earnings per share					
EPS- Continuing operations	0.17	(0.11)	0.16	0.01	0.25
Weighted average shares outstanding	3,170,906	3,291,125	2,884,129	3,617,512	3,621,611



Worldwide Energy and Manufacturing USA, Inc. (WEMU)

FINANCIAL STATEMENTS

3RD QUARTER UPDATE

Balance Sheet					
All Figures in US\$					
FY Ending December 31,	3Q08	4Q08	1Q09	2Q09	3Q09
Current assets:					
Cash and cash equivalents	4,462,744	5,092,476	3,520,399	4,111,937	5,067,638
Restricted cash	-	-	-	-	1,417,356
Accounts receivables, net	5,895,061	4,790,506	8,600,995	9,061,246	14,985,055
Notes receivables	-	269,507	149,937	104,081	354,263
Inventories	3,809,341	3,754,765	4,665,481	4,840,432	4,926,189
Income tax receivable	87,732	-	240,001	338,148	186,157
Advances to suppliers	299,756	99,824	745,603	455,390	539,394
Related parties receivable	255,781	446,373	439,100	-	-
Other receivables	-	-	-	185,400	111,006
Prepaid and other current assets	419,956	206,770	160,069	671,119	401,260
Total current assets	15,230,371	14,660,221	18,521,585	19,767,753	27,988,318
Property, plant and equipment, net					
Property, plant and equipment, net	1,193,805	1,353,539	2,029,878	2,050,320	3,554,610
Intangible assets	-	1,386,714	1,101,000	1,101,000	1,101,000
Goodwill	-	-	285,714	285,714	285,714
Investments	-	-	16,000	51,892	51,892
Deposits paid for investment	777,068	1,724,976	1,551,890	2,500,000	-
Long term receivable - related party	-	-	-	253,729	253,996
Other assets	19,074	7,559	-	-	-
Total assets	17,220,318	19,133,009	23,506,067	26,010,408	33,235,530
Current liabilities:					
Accounts payable	4,063,532	3,400,253	7,563,166	8,492,605	14,481,008
Bank loan	1,960,000	-	1,300,000	1,300,000	2,000,000
Accrued expenses	284,638	867,291	524,468	1,046,332	1,029,332
Tax payable	97,493	364,213	337,951	481,468	492,516
Customer deposits	-	964,998	133,599	788,162	175,723
Due to related parties	-	1,243,024	1,242,248	1,242,393	1,351,276
Acquisition cost payable	-	285,714	-	-	-
Current portion of long-term debt	884	-	-	-	-
Total current liabilities	6,406,547	7,125,493	11,101,432	13,350,960	19,529,855
Non-current liabilities					
Loan payable to stockholders	60,025	60,024	-	-	-
Long term bank loan	965,368	937,075	877,869	848,702	763,285
Total non-current liabilities	1,025,393	997,099	877,869	848,702	763,285
Total liabilities	7,431,940	8,122,592	11,979,301	14,199,662	20,293,140
Minority interest in subsidiary	-	612,639	624,244	748,775	846,315
Stockholders equity					
Common stock	4,944,240	6,108,379	6,296,899	6,223,599	6,270,399
Accumulated other comprehensive income	398,060	487,478	508,513	581,563	665,510
Deferred stock based compensation	-	-	(140,400)	-	-
Retained earnings	4,446,078	3,801,921	4,237,510	4,256,809	5,160,166
Total stockholders equity	9,788,378	10,397,778	10,902,522	11,061,971	12,096,075



Worldwide Energy and Manufacturing USA, Inc. (WEMU)

FINANCIAL STATEMENTS

3RD QUARTER UPDATE

Cash Flow Statement					
All Figures in US\$					
FY Ending December 31,	3Q08	4Q08	1Q09	2Q09	3Q09
Cash flows from operating activities					
Net income	1,195,967	1,459,260	435,589	454,888	1,358,245
Income attributable to non-controlling interest	-	-	25,157	122,610	220,629
Depreciation	74,646	193,948	73,176	162,881	246,564
Allowance for bad debts	(20,000)	(20,000)	226,796	226,796	234,796
Stock based compensation expense	-	128,597	32,120	115,220	162,020
Dividend paid to shareholders of new subsidiary	-	(449,837)	-	-	-
Minority interest	-	15,843	-	-	-
Gain on disposal of property, plant and equipment	-	42,763	-	-	-
Gain on disposal of subsidiary	-	138,582	-	-	-
Stock issued for services	95,000	-	48,120	-	-
Accounts receivable	(2,496,611)	521,719	(4,032,814)	(4,352,836)	(10,250,963)
Inventories	(1,433,804)	(610,826)	(908,147)	(1,085,510)	(1,167,944)
Notes receivables	-	(44,064)	(645,560)	165,476	(84,468)
Income tax receivable	(2,375)	80,906	(239,967)	(338,190)	(185,921)
Advances to suppliers	(4,847)	187,228	-	(335,272)	(438,754)
Prepaid and other current assets	(277,531)	(87,169)	39,200	116,897	(198,622)
Accounts payable	1,308,977	(189,464)	4,363,837	5,096,026	11,155,323
Related party payable	-	-	-	6,497	6,497
Accrued expense	105,196	316,820	(359,284)	(434,784)	(123,636)
Income tax payable	14,105	36,865	(26,444)	117,220	128,152
Loan receivable from affiliate	-	-	119,892	-	-
Customer deposits	-	960,873	(831,558)	(176,385)	(789,339)
Net cash provided by (used in) operating activities	(1,441,277)	2,682,044	(1,728,085)	(158,466)	272,579
Cash flows from investing activities					
Cash from acquired subsidiary	-	411,316	-	-	-
Acquisition of investment in subsidiary	-	(729,421)	-	-	-
Loan to related parties	(207,130)	-	-	-	-
Capital expenditure	(648,887)	(768,411)	(760,013)	(847,124)	(744,218)
Deposits to restricted amount	-	-	-	-	(1,417,356)
Deposits paid for investment in subsidiaries	(772,692)	(1,724,802)	(285,714)	(1,120,193)	-
Net cash used in investing activities	(1,628,709)	(2,811,318)	(1,045,727)	(1,967,317)	(2,161,574)
Cash flows from financing activities					
Proceeds from issuance of common stock	4,578,494	4,608,036	-	-	-
Proceeds / repayment of shareholders loan	(438,788)	(439,672)	(60,024)	(60,024)	(60,024)
Due to related parties	-	(410,364)	-	-	-
Proceeds/ repayments of long term debt	-	937,074	(43,749)	(88,373)	2,000,000
Loan from related parties	-	233,106	6,133	-	107,521
Proceeds / repayment from lines of credit	1,166,786	(1,758,584)	1,300,000	(1,300,000)	(173,790)
Net cash flows provided by financing activities	5,306,492	3,169,596	1,202,360	(1,151,603)	1,873,707
Effect of exchange rate changes in cash	114,413	(59,671)	625	(6,359)	(9,550)
Net increase (decrease) in cash	2,350,919	2,980,651	(1,572,077)	(980,539)	(24,838)
Cash- beginning of year	2,111,825	2,111,825	5,092,476	5,092,476	5,092,476
Cash- end of year	4,462,744	5,092,476	3,520,399	4,111,937	5,067,638



Worldwide Energy and Manufacturing USA, Inc. (WEMU)

PROJECTED FINANCIAL STATEMENTS

3RD QUARTER UPDATE

Projected Income Statement					
All Figures in US\$					
FY Ending December 31,	1Q09	2Q09	3Q09	4Q09E	FY09E
Revenues	10,281,867	10,316,913	18,618,508	18,323,911	57,541,199
Cost of revenues	8,382,275	8,515,313	15,757,244	15,575,325	48,230,157
Gross profit	1,899,592	1,801,600	2,861,264	2,748,587	9,311,043
Operating expenses:					
Other selling, general and administrative	1,213,383	1,198,367	1,316,386	1,295,557	5,023,693
Management and professional fees paid to shareholders	90,000	90,000	80,000	78,734	338,734
Depreciation	73,176	89,705	83,485	88,736	335,102
Stock based compensation expenses	32,120	83,100	46,800	40,000	202,020
Total operating expenses	1,408,679	1,461,172	1,526,671	1,503,028	5,899,550
Operating income (loss)	490,913	340,428	1,334,593	1,245,559	3,411,493
Other income (expense):					
Interest income	11,113	44	3,007	2,372	16,536
Interest expense	(7,602)	(13,207)	(20,114)	(20,114)	(61,037)
Other income	903	(7,895)	13,391	-	6,399
Exchange (loss)	3,637	1,460	97,996	-	103,093
Total other income (expenses)	8,379	(19,598)	94,280	(17,742)	64,991
Income from continuing operations before income taxes	499,292	320,830	1,428,873	1,227,817	3,476,484
Income taxes (benefit)	38,546	204,078	427,497	367,344	1,037,465
Income from continuing operations before minority interest	460,746	116,752	1,001,376	860,473	2,439,019
Loss share by minority interest	(25,157)	(97,453)	(98,019)	(46,982)	(267,611)
Income from continuing operations	435,589	19,299	903,357	813,491	2,171,408
Foreign currency translation	21,035	86,621	83,423	-	191,079
Comprehensive income attributable to the company	(13,552)	(19)	524	-	(13,047)
Net income	443,072	105,901	987,304	813,491	2,349,440
Earnings per share - diluted	0.16	0.01	0.25	0.22	0.60
Diluted shares outstanding (average)	2,884,129	3,617,512	3,621,611	3,621,611	3,621,611



Worldwide Energy and Manufacturing USA, Inc. (WEMU)

PROJECTED FINANCIAL STATEMENTS

3RD QUARTER UPDATE

Projected Income Statement					
All Figures in US\$					
FY Ending December 31,	1Q10E	2Q10E	3Q10E	4Q10E	FY10E
Revenues	14,256,623	17,521,141	19,860,635	23,404,889	75,043,288
Cost of revenues	12,118,129	14,892,970	16,881,540	19,894,156	63,786,795
Gross profit	2,138,493	2,628,171	2,979,095	3,510,733	11,256,493
Operating expenses:					
Other selling, general and administrative	1,425,662	1,401,691	1,290,941	1,404,293	5,522,588
Management and professional fees paid to shareholders	61,258	75,285	85,337	100,566	322,446
Depreciation	89,524	90,312	91,100	91,887	362,823
Stock based compensation expenses	40,000	40,000	40,000	40,000	160,000
Total operating expenses	1,616,444	1,607,288	1,507,378	1,636,747	6,367,857
Operating income (loss)	522,049	1,020,883	1,471,717	1,873,987	4,888,636
Other income (expense):					
Interest income	2,372	2,372	2,372	2,372	9,488
Interest expense	(20,114)	(20,114)	(20,114)	(20,114)	(80,456)
Total other income (expenses)	(17,742)	(17,742)	(17,742)	(17,742)	(70,968)
Income from continuing operations before income taxes	504,307	1,003,141	1,453,975	1,856,245	4,817,668
Income taxes (benefit)	150,881	300,125	435,007	555,360	1,441,373
Income from continuing operations before minority interest	353,426	703,017	1,018,968	1,300,885	3,376,295
Loss share by minority interest	(19,297)	(38,385)	(55,636)	(71,029)	(184,348)
Income from continuing operations	334,129	664,632	963,332	1,229,855	3,191,948
Net income	334,129	664,632	963,332	1,229,855	3,191,948
Earnings per share - diluted	0.09	0.18	0.27	0.34	0.88
Diluted shares outstanding (average)	3,621,611	3,621,611	3,621,611	3,621,611	3,621,611

DISCLOSURE

None of the profiles issued by RedChip Companies, Inc., constitutes a recommendation for any investor to purchase or sell any particular security or that any security is suitable for any investor. Any investor should determine whether a particular security is suitable based on the investor's objectives, other securities holdings, financial situation needs, and tax status. All materials are subject to change without notice. Information is obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed. The analysts contributing to this report do not hold any shares of Worldwide Energy and Manufacturing USA, Inc. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. RedChip certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report. In July 2007, Worldwide Energy and Manufacturing USA, Inc. ("WEMU"), paid RedChip Visibility, a division of RedChip Companies, Inc., \$15,000 for twelve (12) months of RedChip Visibility Program services, which included the preparation of the equity research reports. In July 2008, the subject security was determined to meet RedChip Companies' criteria for independent research coverage. Since July 2008, RedChip Companies has not received any compensation from Worldwide Energy and Manufacturing USA, Inc., or any other party for the writing and preparation of the equity research reports. WEMU is a client of RedChip Companies, Inc. and of RedChip Visibility, a division of RedChip Companies. RedChip Companies, Inc., is currently engaged by this company to provide investor awareness services. Investor awareness services and programs are designed to help small-cap companies communicate their investment characteristics. These services may include investor conferences, digital and print distribution of investor-related materials and radio programming. Beginning July 26, 2007 and continuing through December 31, 2008, RedChip received a monthly fee of \$10,000 in cash for investor relations services. In 2008, RedChip Capital LLC, a RedChip Company, was paid a one-time consulting fee of \$115,000 for consulting services related to financial public relations in 2008. In January 2009, WEMU agreed to pay RedChip Companies, Inc. a monthly fee of \$7,500 in cash for twelve (12) months of investor relations services. RedChip Companies, Inc., employees and affiliates may have positions and affect transactions in the securities or options of the issuers mentioned herein.