

S3 Investment Company

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Redwood Capital To Open Beijing Office

S3 Investment Company's (S3I) portfolio investment company Redwood Capital, Inc. is opening new offices in Beijing, China. As China's capital city, Beijing is not only not only China's capital and seat of power, but also is an emerging key business center. S3I expects the city to play a major role in the growth of its subsidiary, Redwood Capital, Inc., especially in the areas of revenues and profits.

Executive Vice President of S3I, Bradley Smith, believes the choice of Beijing for a Redwood Capital presence is a logical one. Since Redwood Capital is concentrating on assisting private Chinese companies in accessing U.S. capital markets, it makes perfect sense to have an office there.

Brad said, "Financing tends to be a highly regulated activity in any country, and nowhere is this more the case than in China, where government oversight and regulation is ubiquitous in the business landscape. As a result, it makes sense for Redwood to be in a city that is both a major commercial center and the place where the country's regulatory policies are formulated. Chris Wang and his management team at Redwood Capital have developed an extensive network of contacts in Beijing, and we are confident that this new office will provide the high profile and access to a client base that will allow Redwood to effect quantum growth over the coming months.

"Through extensive due diligence in a familiar business environment, Redwood is able to identify Chinese

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Executive Vice President Bradley Smith Travels To NYC

Building on the already demonstrated significant interest in Redwood's investment banking services, Executive Vice President Bradley Smith recently traveled to New York City to meet with institutional investment firms, private investment firms, law firms, and other potential clients to familiarize financing resources with Redwood Capital, Inc.'s services. He also introduced the first private Chinese companies that Redwood is assisting to access capital in U.S. public markets.

"There has already been significant interest in Redwood's investment banking services, and our time in New York was well utilized to meet with several of the financial contacts we have made since acquiring Redwood several months ago," Brad said. "We know from experience that accessing U.S. capital for Chinese firms is not a problem. Finding the right opportunities in the China market is the real challenge for the U.S. investment community.

"Redwood's extensive network of contacts, investment expertise and feet-on-the-ground experience in China helps to cut through the risk and uncertainty often associated with investing in Chinese companies." ✦

Profile: SINO UJE's Li Jun

Li Jun was educated at Shanghai Jiaotong University in the Dept of Mechanics, and was graduated with a Bachelor of Science degree. He also earned a Master of Science degree from the same university.

He has been a distinguished engineer and lecturer at Nanjin Engineering University in their Mechanics Laboratory, and has held the position of Vice General Manager at both Nanchang Minmetals Machinery Imp & Exp Corp/Exp Dept II, where he had management and direct reporting of over 2,000 employees, and at Mintai International Co., Ltd., where

continued on page 3.

MacReport

In mid-March Chairman and Chief Executive Officer Chris Bickel recorded a presentation that was featured on www.MacReport.Net, a leading provider of online business and financial information.

The status of the company was discussed and its development over the last several months was reviewed. Chris also provided the most current projections of revenues for the calendar year 2005. These projections include an increase to \$5 million in combined revenues for the company's portfolio, \$3 million of which is expected to be generated by the SINO UJE subsidiary.

Here is a complete transcript of his MacReport.

Hello, my name is Chris Bickel and I am the Chairman and CEO of S3 Investment Company, a Business Development Company traded on the over-the-counter

continued on page 3.

Redwood

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companies with outstanding fundamentals and tremendous upside potential even beyond the recognized commercial centers. This is clearly an expanding niche for Redwood and is expected to allow the company to grow revenues at a rapid pace and bring value to S3 Investments shareholders in the coming fiscal quarters."

China's rapid economic growth and increasingly global reach demand large amounts of private capital, and experience with western investment banking practices is limited in Chinese corporations.

In addition, Chinese corporations have limited experience with western investment banking practices. Chinese low-tech and high-tech companies who wish to enter the U.S. market with rapid access to public capital markets need a way to bridge the gap between Chinese capital needs and American public markets. Redwood Capital is eminently positioned to do that very thing. It's a case of being in the right place at the right time. ✦

Li Jun Attended European Conference

SINO UJE's Managing Director, Li Jun, attended the European Congress of Radiology (one of the world's largest medical events) held March 4-8 in Vienna, Austria, where he met with key suppliers of the hi-tech medical products that SINO UJE distributes to markets throughout China. It was a tremendous opportunity for SINO UJE to interface with leading medical technology suppliers with a global outreach.

"Attendance at this event was important for SINO UJE to meet face-to-face with the world's most prominent medical technology suppliers. We expect to continue expanding our network of OEM suppliers as we increase sales our existing product lines in China," Li Jun said.

He also represented SINO UJE at the annual distributors meeting of Ulrich GmbH & Co, a world leader in the design and manufacture of injector systems for medical imaging applications, headquartered in Ulm, Germany. Mr. Li was able to discuss the six active orders for Ulrich equipment that SINO UJE is distributing to clients in China as well as details of the companies' supplier/distributor relationship.

Li Jun stated, "The meetings with Ulrich have been extremely valuable for SINO UJE, as we have been able to discuss the progress of our business relationship, which is translating into significant revenues for both companies. With regulatory approvals in place and reference installations in top hospitals completed, our focus is now to grow market share in China. It is critical to have regular contact with Ulrich to coordinate our business activity in China."

SINO UJE is on target to reach the previously stated \$2 million in 2005 revenues from the Ulrich product line alone. There is clearly more work to be done, and the progress of SINO UJE's sales activity will be monitored closely, and, if appropriate, adjust the projected revenue numbers upward as significant milestones are reached. ✦

Learn More...

S3 Investment Company <http://www.S3Investments.com>
SINO UJE (English) http://www.sinouje.com/global/index_e.htm
Securesoft Systems, Inc. <http://www.securesoftsystems.com>
Redwood Capital <http://www.redcapinc.com>

Profile

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he was principally responsible for the growth of the company from a small firm to total turnover in excess of USD \$100,000,000.

Li Jun has over twenty years of experience working in China in various fields and in various capacities. He served in the Chinese Peoples Liberation Army for eight years and retired as a Major.

Li Jun has been the Managing Director of SINO UJE, Ltd.

since its inception in 2001. He has been responsible for the building of this Hong Kong-based company from start

up through profitability. Under his leadership SINO UJE has posted growth in excess of 100% during all the years of its operation. ✨



MacReport

...continued from page 2

bulletin board market under the symbol SEIH. First, I would like to thank you for taking the time to listen to this presentation, and I invite you to visit our website at www.s3investments.com for more information on the company. We also welcome questions or comments by telephone at 951-587-8072 or by email at investors@s3investments.com.

S3 Investments functions as a closed-end investment company whose primary focus is to provide equity to emerging small and mid-sized companies that are positioned for strong industry growth and increased asset value. Our investment portfolio currently consists of three operating subsidiaries: Securesoft Systems, SINO UJE, Ltd. and Redwood Capital.

Current management came into S3 Investments last fall and inherited a company with no revenues, no assets of any real value and a number of significant liabilities that put the

Company's future in serious doubt. In a relatively short period, we have considerably improved the company's financial condition. We embarked on a short, medium and long term plan to build a successful company and one that has real value for its shareholders. In just over one fiscal quarter, we made acquisitions of two revenue generating portfolio companies, settled much of the hostile debt and many of its legal matters, serviced a good deal of the company's remaining debt, and spent a great deal of time working within the acquired and existing portfolio companies to create a platform to generate revenue, grow those revenues, and produce a profitable company in the medium term.

It has taken a tremendous amount of time, resources and hard work to bring the company from where it was in September 2004 to where we are today. The company's financial condition when I was

...continued on page 4

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About The Company

S3 Investment Company (OTCBB:SEIH) is a closed-end investment company whose primary focus is to provide equity and mezzanine debt to small and mid-sized companies, particularly in the software and technology markets.

The Company intends to build an investment portfolio of existing revenue-generating companies that is designed to provide its investors with an appreciation of SEIH stock as well as the potential of dividends received from the spin-out of portfolio investment companies into their own public vehicles.

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appointed as CEO made it necessary to raise significant capital to keep the company in business while also contributing the capital necessary to grow our subsidiary businesses and increase the value of our portfolio. We have been successful in this endeavor, increasing the net asset value even as the number of shares issued and outstanding has increased. Today our share count stands at approximately 825 million, and this is the number that we expect to report in our next financial filing, scheduled for 15 May. While that number is higher than any of us would like it to be, the fact is that we have built value ahead of the dilution caused by the raising of money to deal with the inherited liabilities and litigation. We are currently positioned to continue growing the company's value without the need to raise significant capital to cover our subsidiaries' operating expenses or to service the majority of the liabilities we faced several months ago.

In its most recent quarter, S3 Investments reported a net asset value several times higher than its current trading price. Our SINO UJE portfolio investment company was cash flow positive in the month of February and is on target to triple its 2004 revenues to \$3 million in 2005. Its business of distributing hi-tech medical and industrial products to markets throughout China is rapidly growing. By providing the capital it required to increase its purchasing power, we have allowed SINO UJE to make a digital step up in sales volume –essentially doubling sales volume in a single sales month. As SINO UJE's distribution and supplier networks grow, we anticipate even greater sales in coming years that are more organic in nature, not digital type steps that require additional cash flow support. Our Redwood Capital subsidiary is opening a registered office in Beijing and has begun working with private Chinese companies who wish to enter the U.S. market with rapid access to public capital markets. We are committed to seeking new channels to market and provide technical support for Securesoft Systems' COMPLY healthcare regulatory compliance product. As a result of this progress, we are projecting company-wide profitability by the middle of 2005 and a minimum of \$5 million in revenue for the calendar year.

We are pleased to have guided S3 Investments through this difficult transition and into a period of revenue generation and profitability, two things this company has not seen in its history. Our commitment is to continue building a company that can be evaluated on standard business matrixes such as revenue generation, growth, controlled costs, and bottom line profits.

We expect our company to perform well both in its core businesses and in the public market. It is apparent that the company's market performance is not keeping pace with its increasing net asset value but we will continue in our efforts to make the investment community aware of the progress of S3 investments and will work to earn the continued support of our shareholders.

Thank you again for taking the time to listen to this presentation. ✨

