

# S3 Investment Company

43180 Business Park Drive, Suite 202 • Temecula CA 92590

Phone: 951-587-3618 • Fax: 951-587-8866

www.s3investments.com • investors@s3investments.com



OTC BB:SEIH

July 2005 Newsletter

## S3I Announces Dalian Fushi Agreement With Kuhns Brothers

On June 16, 2005, S3 Investment Company announced that DALIAN FUSHI, the first investment banking client of portfolio company Redwood Capital, reached agreement with Kuhns Brothers, a leading investment firm, to provide services for DALIAN FUSHI's entrance into the U.S. public markets. Kuhns Brothers, a licensed broker/dealer and a member of the National Association of Securities Dealers, Inc., has been engaged to obtain financing of approximately \$11.75M in a Private Investment in Public Equity (PIPE) transaction simultaneous with a reverse merger of DALIAN FUSHI into a U.S. public company.

"Kuhns Brothers is the quality of broker/dealer that Redwood

Capital had hoped to work with the DALIAN FUSHI reverse merger, as they are the cream of the crop for investment bankers dealing with private Chinese companies that are going through the process of a U.S. listing and capital raising," commented Chris Bickel, chairman and chief executive officer for S3 Investment Company. "Kuhns Brothers has a history of successful financing for companies like DALIAN FUSHI, and we are very happy to be working with this investment banking partner in the DALIAN FUSHI transaction.

"Senior principals of Kuhns Brothers have met with DALIAN FUSHI at their Chinese headquarters and are actively working with Redwood Capital and DALIAN FUSHI to facilitate all of the work

necessary to accomplish this transaction. Kuhns Brothers employs consummate professionals and have a long history of successful transactions. We are pleased to be aligned with Kuhns Brothers for this transaction and hope it is the beginning of a long-term relationship," added Mr. Bickel.

Redwood Capital'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. Through extensive due diligence in a familiar business environment, Redwood is able to identify Chinese companies with outstanding fundamentals and tremendous

*continued on next page...*

## S3I Announces New Order for SINO UJE

On June 22, 2005, S3 Investment Company announced that its portfolio investment SINO UJE, Ltd., has received a \$150,000 order from Dalian Bingshan Rubber & Plastic Co, LTD, for six PLAST-CONTROL gravimetric feeders, one automatic control unit, and one air ring.

Dalian Bingshan ordered PLAST-CONTROL's newly developed extrusion system, which is designed to give the user the possibility to integrate both functions of gravimetric mean thickness and the profile control (PRO-CON) software package on one computer. PLAST-CONTROL, the leading manufacturer of automation systems for the plastics extrusion industry, will be supplying Dalian Bingshan with a System ACS 5300 AS, which includes the 6 gravimetric dosing units, a controlled PRO-CON air ring, and an automatic control unit.

Chris Bickel, chairman and chief executive officer of S3 Investments, commented, "PLAST-CONTROL is an important supplier for SINO UJE's distribution network in China due to the quality of its products and the attention they receive in the large medical technology market. We expect continued interest in PLAST CONTROL's product line and look forward to continued revenue expansion for SINO as additional orders are

*continued on next page...*

## Dalian Fushi

...continued from front page

upside potential even beyond the recognized commercial centers.

"Redwood Capital has done a good job of sourcing and working with DALIAN FUSHI, and we look forward to the opportunities presented by the potential financing of DALIAN FUSHI. We are very enthusiastic about China, and are always looking for high quality clients to finance in the U.S. capital markets," commented a spokesman for Kuhns Brothers. "DALIAN FUSHI is a solid company that has a history of growth and profitability, and this type of company is attractive to the U.S. investment community."

Kuhns Brothers is an investment firm that provides its clients with investment banking, research, portfolio management, and venture capital services. Kuhns Brothers or its affiliates are a licensed broker/dealer and a member of the National Association of Securities Dealers, Inc., and a registered investment advisor. ✦

---

## S3I's CEO Returns to China

On July 1, 2005, the company announced that chairman and CEO, Chris Bickel, has returned to China for talks with Xingye Copper Co., Ltd, a leader in the production of high-precision copper strips and the next potential investment banking client for portfolio company Redwood Capital, Inc.

Xingye Copper produces and markets copper-based alloy strips used primarily in electronics, electrical appliances, communications, networks, home appliances, and other related industries. Among its products, the lead frame material for integrated circuits has become the new material of choice in the high-technology development of China.

In addition to his discussions with Xingye Copper, Mr. Bickel and the Redwood Capital team are engaged in the preparation of offering materials in advance of a road show for its Dalian Fushi investment banking client scheduled for July 12-16 in New York City.

"There are numerous investment banking opportunities being considered by Redwood Capital at this time, and we are optimistic that an agreement with Xingye Copper is imminent, commented Mr. Bickel. "Redwood puts a great deal of emphasis on quality due diligence, and S3 investments will provide whatever support and assistance is needed to close deals and expedite prospective clients through Redwood's screening process." ✦

## New Order

...continued from front page

taken in China."

PLAST-CONTROL, founded in Remscheid Germany in 1979, has been the innovative supplier of process automation systems and partner for the plastics industry. As a pioneer of new technologies, PLAST-CONTROL creates standards for extrusion automation. From this on-going development process PLAST-CONTROL has created a complete family of products from individual controls to a complete system from its GDC Gravimetric Dosing Controller to its PRO-CON Profile Control system. ✦

## Contact Us

### General

S3 Investment Company  
43180 Business Park Dr, Ste 202  
Temecula CA 92590  
Phone 951-587-3618  
Fax 951-587-8866

### Website:

[www.s3investments.com](http://www.s3investments.com)

### E-mail:

[investors@s3investments.com](mailto:investors@s3investments.com)

### Investor Relations

Gemini Financial Communications  
Andrew Beyer 951-587-8072

## 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.