

S3 Investment Company

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Redwood Capital: A Bridge Between China and U.S.

S3 Investment Company's subsidiary, Redwood Capital (acquired in November of 2004), bridges the gap between Chinese capital needs and American public markets. The gap exists because Chinese companies are virtually excluded from the U.S. (all international) markets for two primary reasons: 1) the Chinese government makes it virtually impossible for Chinese companies to raise capital outside of China through regulation and 2) typical management of Chinese companies has no experience with western securities markets, SEC compliance, investment banking or investor relations. Redwood Capital is providing these missing components by utilizing innovation and experience to give their Chinese clients access to western capital.

Chris Bickel, Chief Executive Officer and Chairman of S3 Investment Company, commented, "Redwood Capital is a perfect opportunity for S3 Investment Company to participate in the fast-growing investment banking market in China. Private Chinese companies need foreign capital to fuel their growth, and this need is real on a macro level where the Chinese economy relies more and more on foreign capital to fuel the country's economic growth. China's GDP growth has a 26-year track record of expansion and has averaged over 9% annual GDP growth during this period. As China's economy matures, this need becomes more apparent."

S3 Investment Company has been working aggressively to meet the capital needs of private Chinese companies by providing access to U.S. capital markets through private placements, public capital markets and

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SINO UJE: The China Connection

In November of 2004, S3 Investment Company acquired a 51% controlling interest in SINO UJE, Ltd., a multinational 3-year old company located in Mainland China that achieved over \$1 million in sales in 2004. SINO UJE is a non-stocking distributor of medical and industrial high-tech products to markets throughout China.

S3I acquired the company from YaSheng Group, a diversified industrial conglomerate that operates in hi-tech agriculture, salt chemistry and biological technology as its core business. Through its 136 subsidiaries, the company operating categories include: chemical engineering, agricultural production, biotech, pharmaceuticals, textile products, printing and dyeing, commercial trading, beverages and inorganic salt manufacturing.

S3 Investments CEO and Chairman Chris Bickel helped found SINO UJE with Masamichi Tamada of Japan. In 2003 Bickel sold the company. SINO currently has over 20 employees and offices in Shanghai, Guanzhou, Hong Kong, France, and the U.S.

"YaSheng expressed an interest in selling a portion of its ownership position in SINO UJE to S3 Investments in order to incorporate former management back into the company and to participate in the anticipated growth of S3 Investments. YaSheng Group are quality partners who will

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Profile: Bradley Smith of S3I

As Executive Vice President of S3I, Brad Smith's main focus is dealing with the company's interests in China. However, things Chinese are not new to Brad, who has had an ongoing love for Asian culture for some time now.

Brad earned a BA degree with a major in political science and a certificate in international relations, particularly dealing with U.S. foreign policy in regard to Asia. (He also holds a BS in philosophy from the same college (University of Utah), and earned his law degree from Gonzaga University School of Law in Spokane WA.

Putting feet to his commit-

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China

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facilitate many opportunities for S3 Investments in China through their 130-plus companies and divisions. We believe this acquisition fits into our plans well and expect that this relationship will expand our opportunities in the China market and worldwide,” said Chris.

SINO UJE, Ltd. distributes high technology products to the China market that are designed and produced in the USA, Japan, and Europe. The company maintains offices in the USA, Japan, and France for direct interface and coordination with suppliers. By bringing technology to China from the USA, Japan, and Europe, SINO UJE helps promote China’s industrial and economic development. ✦

L to R: Brad Smith, Mark Jin, Hong Xianming (Chairman and CEO of P9PIP www.p9pip.com a potential client for Redwood Capital’s investment banking business), Chris Bickel, Chris Wang – after a meeting with P9PIP during a February trip to China.



S3I Board Issues Statement

TEMECULA, Calif.—(BUSINESS WIRE)—Feb. 25, 2005—S3 Investment Company’s (OTCBB:SEIH - News) Board of Directors today issued a statement announcing plans to unwind the acquisition of TSPartner and re-file the company’s 10-Q Quarterly Report, which was filed on February 14, 2005.

The board issued the following statement: “As a result of recently uncovered intentional misrepresentations and misstatements by management of TSPartner, the company anticipates resubmitting its recent 10-Q Quarterly Report with a \$1,636,705 write down of net assets with a corresponding reduction of unrealized gains. We expect to have this filing completed within one week.

“Virtually all of the information produced by TSPartner during our due diligence process, which was relied upon for both the acquisition and to calculate our per share net asset value in the 10-Q Quarterly Report, was fraudulent. Greg Dawson has resigned from TSPartner and returned the S3 Investment Company stock that had been included as part of the acquisition. All stock that had been tendered to TSPartner management has been forfeited and the entire transaction will be unwound. We intend to pursue action against those involved in this deception.” ✦

Redwood

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reverse mergers. Redwood Capital has a core group of management that has extensive experience in China providing investment services, and has direct offices and employees in China, and is relying on a wide network of clients and business contacts to source the investment opportunities that Redwood and S3I focus on jointly.

Other factors in China’s capital market include the country’s rapid economic growth and an increasingly global reach that demands large amounts of private capital. Chinese economic policies also put a premium on Chinese corporations’ acquiring growth capital abroad. Obviously, U.S. stock exchanges are the premium venue for listing global corporations (European, Asian, American). In addition, experience with western investment banking practices is limited in Chinese corporations.

Based in New York City, Redwood Capital is a reverse merger specialist with a core group of management that has significant combined experience providing investment services in both the U.S. and China. With direct offices in San Diego, New York City, Beijing, and Shanghai, Redwood is in a strategic position to offer its clients comprehensive and specialized advisory and capital raising services. The company is working aggressively to meet the capital needs of private Chinese companies by providing access to U.S. capital markets through private placements, public capital markets and reverse mergers. ✦

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.redcap.com>

Profile

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ment to Asia, Brad also served two years as a missionary in Japan between 1984 and 1986. "I was 19 and made a lot of friends," he said, "and I fell in love with all things Asian, but an interesting thing happened on the way to the forum: I was bitten by the business bug."

Brad describes his Asian experiences as both humbling and eye-opening. "Japan was coming into its own as an economic power at that time," he explained, "and I was determined to stay involved."

To that end, he also earned his MBA in international management from Thunderbird, the American Graduate School of International Management. Upon graduation from Thunderbird in 1997, he worked for a business intelligence company that specialized in economic and political risk analysis for U.S. companies wanting to do business overseas. Subsequent work experience as an analyst focusing on Asia eventually

led him into intellectual property consulting. "But I missed my true love: Asia," he said.

That was when Brad met S3I's Chris Bickel, and was immediately intrigued when he saw what Chris was doing in the Asian marketplace. It was December, 2004, and the two talked in depth about S3I's connection with SINO UJE and Redwood Capital, while sharing stories of their experiences in Asia. Brad joined the company in January 2005, and in February spent 3 weeks in China.

"What we're seeing in China is a new generation. These young Chinese do not remember the cultural revolution. They are living in economic prosperity. Many speak English. Many have been educated overseas, and have a different perspective from their parents. After their education here, a surprising percentage of them are going back to China because of the

changes taking place over there. The giant is awakening. They see the opportunity, not only for their country but for themselves as well.

"For S3I, many opportunities exist in Mainland China. What it means to us is that there is real opportunity with SINO UJE, with both the human capital and the resources. Chris' efforts are paying off in the people relationships he's nurtured.

"Our associates at SINO UJE, Chris Wong and Mark Jin, are part of the new generation. The company meets our gold standard for companies we will work with. When we bring them to the States, they will be successful.

There are people who are visionaries, people who are early adopters, those who come in at the peak of the wave, then those who come in at the tail end. Chris Bickel is a visionary. He picked up on the prevalent feeling among the younger generation in China: economic development first; political change next." ✦



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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.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: The statements which are not historical facts contained in this advertisement are forward-looking statements that involve certain risks and uncertainties including but not limited to risks associated with the uncertainty of future financial results, additional financing requirements, development of new products, governmental approval processes, the impact of competitive products or pricing, technological changes, the effect of economic conditions and other uncertainties detailed in the Company's filings with the Securities and Exchange Commission.