

# S3 Investment Company

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OTC BB:SEIH

*May 2005 Newsletter*

## Gauging Systems Order Exceeds \$300,000 in Revenue *Largest Product Sale In SINO UJE History*

On April 29, 2005, S3 Investment Company chairman and chief executive officer, Chris Bickel, was very please to announce that the company's portfolio investment company, SINO UJE, has received the single largest order in its history, representing over \$300,000. Bickel said, "There are two aspects of primary importance with regard to this order. First, we have a strong supplier in Process Sensors Corp., a leading manufacturer of state-of-the-art moisture gauges and sensors, that is actively supporting our efforts to gain market share and infiltrate market segments previously not addressed by SINO UJE or Process Sensors Corp. Second, the expansion of our infrastructure and personnel at SINO UJE allows us to compete for bigger orders that have additional after-sales service requirements and require a regional office presence.

"We remain on track to more than triple our sales for calendar year 2005 at SINO UJE. Our goal was to double sales, and in real time, we are over three times SINO UJE's 2004 sales levels with eight months left in the year to continue to improve on this performance. I am extremely happy with our team in China and with our exclusive supplier, Process Sensors Corp., for doing the groundwork that has made this order possible and will continue to allow us to compete for these larger dollar orders."

The Chongqing Tobacco Factory is the 8th leading producer of tobacco in China. The order was for 15 moisture measurement gauging systems used in their processing facilities. Process Sensors Corporation (PSC), [www.processsensors.com](http://www.processsensors.com), has been a SINO UJE exclusive supplier since November 2004.

## Redwood Capital Acquires First Client

S3 Investment Company's portfolio investment company, Redwood Capital, Inc., has entered into an initial agreement with its first investment banking client, DALIAN FUSHI Bimetallic Products, Ltd., China's market leader in the manufacture of copper wire and cable. DALIAN FUSHI is a private company located in Liaoning province that generated almost \$16 million (USD) in 2004 revenues and, with increased capacity, projects over \$50 million for 2005. S3I made the announcement on April 7, 2005.

The initial agreement calls for Redwood to manage a reverse merger of DALIAN FUSHI into a public U.S. company and obtain funding in U.S. capital markets through an initial Private Investment in Public Equity (PIPE) followed by a listing on a U.S. national market and a subsequent secondary registered offering.

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## 1st Quarter Operations Reported For SINO UJE

S3 Investment Company released a report on April 12, 2005, on the first quarter calendar year 2005 operations of portfolio investment company SINO UJE, Ltd. Included in the report are sales in both medical and industrial divisions of the business, initial orders of new products from several suppliers and trial applications of multiple products, each expected to result in sales growth in subsequent quarters. The report was prepared by SINO UJE Managing Director Li Jun.

Mr. Li commented, "We are pleased to report that the growth of SINO UJE's operations in China continued during the first quarter of the 2005 calendar-year, and that we achieved a number of milestones that are expected to result in increased revenues for this and future quarters. SINO UJE executed con-

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## Lawsuit Filed Regarding TSPartner Acquisition

TEMECULA, Calif., May 02, 2005 - S3 Investment Company (OTCBB: SEIH) today announced that, at the direction of its Board of Directors, the company filed a lawsuit against Gregory D. Dawson, founder and chief executive officer of TSPartner on April 5, 2005.

The complaint, which was filed in Orange County Superior Court for the State of California, Orange County - Santa Ana, alleges the following: (1) breach of contract; (2) misrepresentation and fraud; (3) conversion of monies; and (4) rescission of acquisition agreement to acquire TSPartner.

Last week the company's legal counsel who filed the complaint received confirmation that Mr. Dawson had been served with notice of the lawsuit. ✦

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## Redwood's Beijing Office Opens

The registered office of portfolio investment company, Redwood Capital, Inc., has opened in Beijing, China. Located in Beijing's Central Business District, the registered office joins satellite office locations in Shanghai and Guangzhou and expands the company's reach in China.

"A registered office is one of the three types of businesses that a foreign company can operate in China and is clearly the most appropriate given the nature of Redwood Capital's advisory/consulting business. We are pleased to have this location open and actively doing business in Beijing as part of Redwood's network of offices. By making use of key contacts in the capital city, Redwood expects to reach a larger client base and gain additional business in the coming months," commented Chris Bickel Chairman and CEO of S3 Investment Company.

Redwood Capital's China offices are primarily responsible for sourcing and qualifying clients for its investment banking and business consulting services and managing clients both during and after the reverse merger process. The company has defined its *gold standard* for ideal clients in the pool of private Chinese companies seeking access to U.S. capital markets. ✦

## Redwood

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DALIAN FUSHI is the market leader in China with over 50% of the domestic supply of wire and cable widely used in network signal transmission, cable TV and distribution lines. This includes Local Area Networks (LANs) and access networks, telephone cable lines, patch cord for electric components, power supply systems, sliders and electrified railroads. The company's products are based on its proprietary *Copper-clad Steel and Copper-clad Aluminum* composite conductor technology.

In addition to the Chinese domestic market, DALIAN FUSHI is targeting international expansion. The company's international customers already include: Andrew Telecommunications (China) Co., Alcatel International Finnish NK Cables, Commscope, Hongxin, Largetech, Youzhan Enterprise, and The Yongming Group.

"DALIAN FUSHI is an excellent client for Redwood Capital with a strong organization and solid financials that has a need to increase its present production capacity to meet a market demand greater than its current capacity. With greater capital resources, DALIAN FUSHI can add focus to the international markets and more aggressively leverage the price advantages over the current market leaders to gain market share globally. The company's 3-4 year goal is to be the worldwide market leader in supply of copper-covered wire products," commented Chris Bickel, Chief Executive Officer of S3 Investment Company.

"DALIAN FUSHI meets the gold standard qualifications that Redwood has identified for its ideal client and is expected to be an attractive funding candidate for the U.S. investment community. When working on behalf of our clients, Redwood generates revenue from multiple sources, including transaction fees and a calculated fee structure for capital raises," added Mr. Bickel. ✦

## Redwood's Gold Standard Defined

Redwood Capital's gold standard qualifications for companies include: a profitable history with leading market position in the industry or sector, over \$10,000,000 in annual revenue and over \$1,000,000 in annual profit, an annual growth rate in revenue and net earnings that exceeds 20%, clean and GAAP worthy financials, a business model attractive to the U.S. investment community, and a strong management team with solid educational background and record of business success.

Redwood Capital's complete gold standard qualifications can be found at [www.redwoodcapinc.com/our\\_services/gold\\_standard.htm](http://www.redwoodcapinc.com/our_services/gold_standard.htm). ✦

## Operations

tracts for the sale of medical and industrial technologies, including sales of Ulrich injectors, which have far exceeded last year's results. We have initiated distribution for Plast-Control, a leading manufacturer of automation systems for the plastics extrusion industry and have entered into new contracts in the China market. Sales activity with our existing products in several new industries, including wood, coating, food, and chemical, are underway and we anticipate future business from new customers in these industries as well.

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"The most encouraging development has been that we are achieving sales to not only the industries with which we had previously done business, but there continue to be additional projects with new customers that actively seek out SINO UJE due to the company's growing profile and reputation in China," added Mr. Li.

Financial information on the SINO UJE subsidiary will be announced within one week and also included in the company's upcoming 10Q filing, scheduled for mid-May. ✦

## Redwood Capital's Website Launched

Redwood Capital's new website, [www.redwoodcapinc.com](http://www.redwoodcapinc.com), is designed to foster greater awareness and give potential customers an overview of the company. An effective web presence will also allow those seeking information on the company to familiarize themselves with Redwood's services and reach us through the contact information included on the site," commented Bradley Smith, Executive Vice President of S3I, who recently returned from New York City where he met with a number of investment firms and other potential clients. ✦

### Contact Us

#### General

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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.*

## Profile: Chris Wang, President of Redwood Capital

Chris Wang grew up in China with a sense of amazement at all that was happening in the world outside his homeland. If you've ever wondered just how much influence a good teacher really has on a young man, Chris' story will answer your question.

"When I was in high school," he explained, "my English teacher was American—a very interesting man, and very active. He had a totally different teaching style from a typical Chinese teacher. His influence stirred my curiosity and I really wanted to learn the language, believing it would open a whole new world for me. Majoring in English at Beijing University of Science and Technology (with a minor in economics), really did enable me to understand the American culture better and gain insights about the English-speaking world."

Two years after earning his Bachelor of Arts in English, Chris had the opportunity to go to Africa for two years. It was a once-in-a-lifetime experience to be exposed to a completely different culture, work style and work ethic. He related the importance of that experience this way.

"A lot of the abilities and skills I learned there have helped me a great deal in my career. After leaving Africa I made the decision to go back to school to enhance my skills in the area of financing, particularly how the financial world works, and how the capital market works. I was really very keen to learn finance inside-out and the best place to do that was at business school." He earned his MBA in Finance and Corporate Accounting in June of 2002 from William E. Simon Graduate School of Business Administration at the University of Rochester in Rochester, New York. It was excellent preparation for founding Redwood Capital with Chris Bickel.

"We both believed that China's economy had come of age," said Wang, "and time has proven that true. We knew from our own experience and interaction with Chinese entrepreneurs and business people over the years, that China has excellent manufacturing capabilities and some segments of the business community have very advanced technologies. What they lacked was knowledge of the international market.

"Because Chinese business had rarely interacted with the international capital market, they needed someone who could provide that interaction. The situation presented a great opportunity to tap the international capital market, especially the United States. If we could help them make that connection, China could experience an excellent trajectory of exponential growth."

Wang and Bickel founded Redwood Capital for that exact purpose: to help quality Chinese companies play the capital market and get to the next level of growth. Incorporated in November of 2004, Redwood soon became a 100% owned subsidiary of S3 Investment Company, Chris Bickel's company. Chris Wang was named president.

"We have been able to establish a credible financial and accounting management system to assist Chinese companies with SEC reporting issues, making it easier for them to do business in the United States and opening up the U.S. capital market for them," said Wang.

"We have a great team with a tremendous amount of experience on both sides of the ocean, and they are helping to make the connections between the right company and the right investors. We see this as the right time, the right place, with the right people, and we're doing the right thing in the right market niche (the private sector). The economic opportunities are obvious." ✨



### SINO UJE Ahead of Pace to Triple Annual Revenue

Gross revenue for SINO UJE, Ltd., for the month of March, 2005, was approximately \$300,000 (USD) with a net profit of \$55,669 for the same period.

"By repeating last month's performance, SINO UJE's calendar year 2005 revenues would exceed \$3 million, even without the continued expansion of sales that we anticipate throughout the year. With a net profit that exceeds 18% of gross revenues, SINO UJE is clearly controlling costs and running an efficient operation. Managing Director Li Jun and his staff in China are to be commended for the numbers that were posted in March, and we expect similar performance in the coming months as sales are achieved in new industries," commented Chris Bickel, Chairman and Chief Executive Officer of S3 Investment Company. ✨