



S3 INVESTMENT COMPANY

Trading Symbol: SIVC | www.s3investments.com



December 2007

Corporate Profile

S3 Investment Company, Inc. (OTC: SIVC) is a holding company with two subsidiaries doing business in the burgeoning China market: SINO UJE, Ltd., a non-stocking distributor of high-tech western medical and industrial equipment into China and Redwood Capital, Inc., which assists private Chinese companies in accessing U.S. capital markets through a reverse merger process.

Market Information

Trading Symbol: SIVC
Market: Over-the-Counter

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Safe Harbor

Any statements contained in this newsletter related to future events of S3 Investment Company are forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on forward-looking statements. S3 undertakes no obligation to update any such statements to reflect actual events.

S3 Investment Company Announces \$21.7 Million in 2007 Revenues for Redwood Capital Client Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd.

S3 Investment Company, Inc., a holding company traded on the Over-the-Counter market under the symbol SIVC, has announced that the 2007 fiscal year revenues (audited) for Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd. (Haijie), a reverse merger client of S3's Redwood Capital, Inc. subsidiary, exceeded \$21.7 million.

An audit of the company's financials is an important milestone in the planned reverse merger of Haijie into a U.S. public company. The 2007 audited revenue numbers are reflective of a March 31, 2007 fiscal year end for Changzhou Haijie Metallurgical Machinery Manufacturing Co.



Redwood Capital provides an array of services to private Chinese companies and utilizes its extensive network of investment banking relationships to facilitate the client's listing on a U.S. public market through a reverse merger transaction. Redwood Capital relies on a highly experienced investment and corporate management team focused on the emerging presence of Chinese corporations in the global capital markets.

"The audited 2007 revenue numbers of Haijie Metallurgical clearly validates Redwood's belief that this is an excellent candidate for reverse merger into the U.S. public markets," stated S3 chairman and chief executive officer Jim Bickel.

"We believe that there will be significant interest in this company, and Redwood Capital is looking forward to completing the additional steps necessary to consummate the reverse merger transaction. The projected equity value to Redwood Capital from each completed reverse merger transaction also impacts S3's bottom line and the expected long-term value for S3 shareholders," he added.

Haijie is located in the Xinbei District of the Changzhou High and New Technology Industrial Development Zone, which lines the southern bank of the Yangtze River in the northern part of the city. Changzhou, which is among the top 50 Chinese cities in terms of its comprehensive economic strength, has been characterized as an investment magnet due to its rich history, pleasant living environment, daily conveniences,

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Changzhou is located on the southern bank of the Yangtze River

Hunter Wise Financial Group and Richardson & Patel Signed to Represent Dalian Chuming Group for U.S. Reverse Merger Transaction

Dalian Chuming Group Co., LTD, a client of S3's Redwood Capital subsidiary, has selected Hunter Wise Financial Group, LLC of Irvine, California to act as the exclusive investment banking firm for its reverse merger into the U.S. public markets.

Dalian Chuming Group management executed the investment banking contract with Hunter Wise Financial Group, LLC during S3 chairman and chief executive officer Jim Bickel's October 2007 trip to China.



Hunter Wise Financial Group, LLC and its wholly owned Broker/Dealer, Hunter Wise Securities, LLC, a FINRA and SIPC member firm, provide investment banking services including institutional finance, financial advisory services, international transactions, and mergers, acquisitions and divestitures. Dalian Chuming Group has engaged Hunter Wise Financial Group to act as its exclusive financial advisor, and Hunter Wise Securities to act as the exclusive placement agent in connection with its pursuit of a U.S. public listing.

"We have developed a very strong working relationship with Hunter Wise over the past several months, and we are extremely confident that this firm is the best choice to handle the investment banking services for the Dalian Chuming Group reverse merger transaction," commented S3 chairman and chief executive officer Jim Bickel.

S3's Redwood Capital subsidiary is currently assisting with Dalian Chuming Group's entrance into the U.S. markets.

Dalian Chuming Group Co., LTD (www.chuminggroup.com) is a major producer of fresh and frozen pork and other processed meat

products. Dalian Chuming Group Co., LTD is among a select group of industrialized farming corporations in northeastern China and is known for its international quality management standards and global safety certifications. It is the first company in the meat industry to receive "Green Food" certification from China's Ministry of Agriculture. Dalian Chuming Group is the second largest meat producer in China's Northeast Region, which has a population of 108 million. The pursuit of a U.S. public listing is expected to allow the Chuming Group to expand into additional geographic markets.

In a subsequent news release, S3 announced that Dalian Chuming Group had selected Richardson & Patel, LLP to provide legal representation for the reverse merger transaction.



The business law firm of Richardson & Patel provides growing public companies an unrivaled combination of business acumen and legal expertise. Richardson & Patel's capabilities exceed mere legal compliance and include a comprehensive understanding of the capital markets and financial practices that enable clients to maximize their potential value. The firm's Asian Practice Group, headed by partner Kevin K. Leung, represents numerous Asian companies including main land Chinese, Hong Kong and Korean companies that have gone public in the U.S. or are in the process of going public in the U.S. Headquartered in Los Angeles, Richardson & Patel has offices in New York City.

"Given the firm's focus on Asia and its significant experience with Asian reverse merger transactions, Richardson & Patel is a perfect fit to provide U.S. legal representation for Dalian Chuming Group, and we are pleased that they have been retained," stated Mr. Bickel.

RECENT NEWS

12/04 - S3 Investment Co. Announces Redwood Capital Client Agreement: Hunter Wise Financial Group, LLC to Provide Investment Banking Services for Reverse Merger Transaction

11/29 - S3 Investment Co. Announces Promotion of Wellman Liu to the Position of General Manager of SINO UJE China Operations

11/27 - S3 Investment Co. Announces Dalian Chuming Group Agreement With Richardson & Patel as U.S. Law Firm for Reverse Merger Transaction

11/20 - S3 Investment Co. Announces \$21.7 Million in 2007 Revenues for Redwood Capital Client Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd.

11/15 - S3 Investment Co. Announces Beijing Event for Ulrich Product Line Hosted by SINO UJE Subsidiary

11/13 - S3 Investment Co. Projects \$4.5 Million in 2007 Revenues for SINO UJE Subsidiary

11/1 - S3 Investment Co. Announces Dalian Chuming Group Agreement With Hunter Wise Financial Group, LLC to Provide Investment Banking Services for Reverse Merger Transaction

10/30 - S3 Investment Co. Announces Return of CEO From China With Report on Progress of Redwood Capital Reverse Merger Client Dalian Chuming Group

10/11 - S3 Investment Co. Announces Recent Sales of Ulrich Products in China by SINO UJE Subsidiary

10/9 - S3 Investment Co. Announces CEO Trip to China for Review of Subsidiary Operations Including Visits With Redwood Capital Reverse Merger Clients

S3 Investment Company Projects \$4.5 Million in 2007 Revenues for SINO UJE Subsidiary

Gross Revenues Expected to Increase Approximately 12% Over 2006 Numbers

S3 Investment Company, Inc. has announced that its subsidiary SINO UJE Ltd. is on pace to top \$4.5 million in gross revenues for calendar year 2007, an approximate 12% increase over the 2006 numbers.

SINO UJE (<http://www.sinouje.com>), a non-stocking distributor of medical and industrial high-tech products to markets throughout China, has been granted exclusive distribution rights in China to medical and industrial products manufactured by leading companies in Europe, North America and Japan.



The products that SINO UJE distributes are marketed to end-users, including major Chinese hospitals and private companies in a variety of fields, as well as original equipment manufacturers (OEMs), such as Phillips, Siemens and GE, that package some of the distributed products with their technologies.

SINO UJE recently opened a new Beijing office to provide support to the continuing growth of its operations in conjunction with the company's existing offices in Shanghai and Guangzhou.

"The financial performance of our SINO UJE continues to be strong, with double digit revenue growth projected for the year," stated Jim Bickel, chairman and chief executive officer of S3 Investment Company.

"With the expansion of the company's capabilities through its new Beijing office, SINO will continue to seek out new suppliers for its China distribution network. The draw of SINO UJE's distribution expertise coupled with the largest potential consumer market in the world provides almost limitless upside potential for this subsidiary in China. We look forward to keeping S3 shareholders informed as SINO UJE continues to successfully grow," he added.

Wellman Liu Promoted to the Position of G.M. of SINO UJE China Operations

Mr. Liu Responsible for Continued Revenue Growth in S3 Subsidiary

The Board of Directors of S3's SINO UJE subsidiary has promoted Wellman Liu to the position of general manager of SINO UJE China operations. Mr. Liu most recently served as vice general manager of SINO UJE.

In the position of general manager, Mr. Liu will manage the sales and general business of SINO UJE's China operations, directing the company's ongoing expansion through the distribution of its high tech medical and industrial product lines.

S3 recently announced that SINO UJE is on pace to top \$4.5 million in gross revenues for calendar year 2007, an approximate 12% increase over the 2006 numbers.

"We are pleased that Wellman Liu has accepted the appointment to head SINO UJE, and we look forward to his leadership," stated S3 CEO Jim Bickel.

Mr. Liu graduated with a degree in International Business Law from the University of International Business & Economics in Beijing.

His work experience includes key management positions in several companies, including SINO UJE. As the Industrial Department Manager for SINO UJE from March of 2004 to April of this year, Mr. Liu was responsible for identifying new market opportunities and assisting Mr. Li with operations and legal affairs. Mr. Liu was highly successful in leading his team to capture two-thirds of the market share of mainland China for one industrial product line and fostering excellent relationships with influential OEM customers.

Previously, Mr. Liu served as marketing manager for Shanghai Machinery & Equipment Import & Export Co. Ltd. and from 1996 to 2000, Mr. Liu was marketing manager for the Nanchang Foreign Trade Corporation.

SINO UJE Hosts Beijing Event for Ulrich Product Line

Ulrich Products Represent Majority of Projected 4.5 Million in 2007 Sales

S3's SINO UJE subsidiary recently hosted an event in Beijing to heighten awareness of the product lines of supplier Ulrich GmbH & Co. in the Chinese medical community. The distribution of Ulrich products represents the majority of SINO UJE's projected \$4.5 million in sales for 2007.

Ulrich CEO Klaus Kiesel, marketing director Anke Mittelsteiner and Asia manager Frank Fonferk participated in the event, which was attended by a broad range of Chinese medical professionals, including physicians, technicians and hospital staff.



Ulrich (www.ulrich-ulm.de) is a world leader in the design and manufacture of injector systems used for medical imaging applications, such as CT and MRI equipment. SINO UJE purchases products from manufacturers in North America, Europe and Japan and re-sells the equipment to end users through its distribution network in China as well as original equipment manufacturers (OEMs), including GE Medical Systems, Siemens and Philips.

During the Beijing event Mr. Kiesel provided to attendees



an introduction to Ulrich and its injector products, and three physicians presented their abstracts on the application of Ulrich injectors in medical settings.

SINO UJE has opened a new Beijing office to facilitate expansion of its distribution network. The Beijing office, in conjunction with the company's offices in Shanghai and Guangzhou, provides support to the continuing growth of SINO UJE's operations and allows it to host high profile events in the capital city to bring additional attention to its product offerings.

S3 recently announced that SINO UJE is on pace to top \$4.5 million in gross revenues for calendar year 2007, an approximate 12% increase over the 2006 numbers.

"China is clearly a market with a growing demand for quality medical technologies, and we are pleased that SINO UJE is taking every opportunity to expand awareness of the product lines it represents within the Chinese medical community," stated S3 CEO Jim Bickel.

"Ulrich orders produce a significant percentage of SINO UJE revenues and the demand for its products is expected to grow as awareness is increased through targeted opportunities, such as this Beijing event," he added.

\$21.7 Million in 2007 Revenues Announced for Redwood Client Haijie

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respect for diverse customs, perennially congenial climate, solid industrial foundation, industrial diversity, good legal environment and government efficiency, and geographical advantages and low logistics costs.

Historically, Haijie was a sub-plant of Baosteel Group, one of the most profitable steel enterprises in the world, with an annual production capacity of about 20 million tons. The main products of Changzhou Haijie Metallurgical Machinery Manufacturing Co. include complete sets of metallurgical equipment and spare parts, electrical power equipment (including wind-driven generator boxes and large scale transformers), automotive parts, mechanical engineering parts, and large gearboxes.

Haijie's fabrication, machinery and assembly products are already distributed internationally to a select few significant foreign companies, and with its planned entry into the U.S. capital markets, the company is expected to expand distribution to additional worldwide markets. The company is also expanding internally with additional property and a new 200-ton heavy-duty steel structure workshop due to open later this month.