



S3 INVESTMENT COMPANY

Trading Symbol: SIVC | www.s3investments.com



February 2008

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

Contact

Investor Relations
Gemini Financial
Communications, Inc.
(1) 951-677-8073
investors@s3investments.com

Websites

S3 Investment Company, Inc.
www.s3investments.com

SINO UJE, Ltd.
www.sinouje.com

Redwood Capital, Inc.
www.redwoodcapinc.com

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 Wuhan International Trade College as New Reverse Merger Client for Its Redwood Capital Subsidiary

S3 Investment Company, Inc. (Other OTC:SIVC. PK - News), a holding company with two subsidiaries doing business in the China market, today announced that its Redwood Capital subsidiary has signed Wuhan International Trade College, the second largest vocational education school in Hubei Province, as its newest client. Redwood Capital is in the business of assisting private Chinese companies to access the U.S. capital markets through reverse mergers into U.S. public companies.

Wuhan International Trade College (<http://www.whicu.com>), a for-profit institution that has cooperative ties to universities in North America and Europe, has developed an aggressive growth strategy, which is expected to include the construction of new buildings to accommodate a rapidly growing enrollment and the acquisition of another existing private college.

The demand for higher education in China is rapidly increasing with the growth of the middle class and the need for educated workers to fill positions in the expanding Chinese economy. However, according to a 2005 report from the American Council on Education, the higher education system does not meet the needs of 85% of China's college-aged population.

"We are pleased to announce Wuhan International Trade College as the new client for our Redwood Capital subsidiary, and we look forward to working toward its entrance into the U.S. public markets," said S3 chairman and chief executive officer Jim

Bickel. "S3 has set a goal for Redwood Capital to reach 4 completed reverse merger transaction per year, and we believe that it is currently positioned to achieve a minimum of 3 in 2008. We will continue to update Redwood's progress on Wuhan International Trade College, as well as on its Changzhou Haijie Metallurgical Machinery Manufacturing client, as events warrant.

Redwood Capital participated in a recently closed acquisition transaction involving Dalian Chuming, a pork processing company with USD \$70.4 million in sales in 2006, and USD \$89.7 million in unaudited sales in the first three quarters of 2007. Energroup Holdings Corporation, a publicly traded Nevada corporation, acquired all of the issued and outstanding capital stock of Precious Sheen Investments Limited, a British Virgin Islands corporation ("PSI") and parent company of PRC-based Dalian Chuming. Energroup Holdings Corporation is traded under the symbol ENHD.



The Campus of Wuhan International Trade College

S3 Announces Representation Agreement for SINO UJE Subsidiary With Material Technologies, Inc. for the China Market

S3 Investment Company announced that its SINO UJE subsidiary has entered into a representation agreement with Material Technologies, Inc., a California-based engineering, research and development company that specializes in technologies to measure microscopic fractures in



metal structures and to monitor metal fatigue.

Material Technologies ("MATECH"), a publicly traded company, recently announced that it had been invited to meet with several companies to discuss prospective business opportunities in China, and SINO UJE is acting as its representative in China to assist with introductions to the appropriate individuals and departments within the Chinese government that are charged with the safety and development of the country's infrastructure.

MATECH's patented Electrochemical Fatigue Sensor (EFS) System is a nondestructive crack inspection technology, similar in concept to a medical EKG, which is used to determine if actively growing fatigue cracks are present. MATECH's initial focus in China will be in the field of bridge inspections. However, its technology is applicable to many other market sectors, such as general aerospace, ships, cranes, power plants, nuclear facilities, chemical plants, mining equipment, and "heavy iron."

As part of its relationship with SINO UJE, MATECH's Chief Engineer, Dr. Brent Phares, will train a local SINO UJE representative on the

fundamentals of the EFS System. It is anticipated that this training will lead to the establishment of a locally based marketing campaign executed by SINO UJE.

"With the Beijing Olympics rapidly approaching as well as increased growth across China due to its economic development, the country is placing more focus on the quality of its infrastructure," commented Jim Bickel, chairman and chief executive officer of S3 Investment Company.

MATECH is an engineering, research and development company specializing in technologies to measure microscopic fractures and flaws in metal structures and monitor metal fatigue in real time. The company's leading edge metal fatigue detection, measurement and monitoring solutions can accurately test the integrity of metal structures and equipment including bridges, railroads, airplanes, ships, cranes, power plants, mining equipment, piping systems and heavy iron.

MATECH owns the only nondestructive testing technology able to find growing cracks as minute as 0.01 inches -- critical information that allows structural engineers to isolate and repair the more than 100,000 steel bridges in the US which have been classified as structurally deficient or functionally obsolete by the Federal Highway Administration. MATECH has exclusive rights to Seven patents along with \$8.3 million in already completed contracts from the U.S. government for research, testing and validation of its innovative solutions.



RECENT NEWS

2/7 - S3 Investment Company Announces Representation Agreement for SINO UJE Subsidiary With Material Technologies, Inc. for the China Market

2/5 - S3 Investment Company Secures Full Operational Financing for 2008 and Implements Strategy for Re-Listing on the OTCBB

1/31 - S3 Investment Company Announces Wuhan International Trade College as New Reverse Merger Client for Redwood Capital Subsidiary

1/28 - S3 Investment Company Announces Results of CEO Trip to China With Report on Subsidiary Operations Including New Redwood Capital Client and Representation Relationship for SINO UJE

1/23 - S3 Investment Company Announces Appointment of Director of Research for Redwood Capital Subsidiary

1/17 - S3 Investment Company Announces Update on CEO Trip to China With Signing of New Redwood Capital Client

1/10 - S3 Investment Company Board Discusses Plan to Dividend Shares of Redwood Capital Client Companies to S3 Shareholders

1/8 - S3 Investment Company Announces Close of Acquisition Involving Redwood Capital Client Dalian Chuming(TM)

S3 Investment Company Announces Appointment of Director of Research for Redwood Capital Subsidiary

Mr. Totty was identified as the #1 performing analyst on Wall Street by the Wall Street Journal in 1996

S3 Investment Company has announced the appointment of Matthew Totty to the position of Director of Research for its Redwood Capital subsidiary.

In the Director of Research position, Mr. Totty will work with the S3 and Redwood Capital management teams on Redwood Capital's future investment banking deals. He will work with the company's Chinese due diligence team to confirm financials and estimates and to create business plans, presentations and other relevant information. He will also provide assistance with the public company management and planning for S3 Investment Company.

Redwood Capital, which provides advisory services for private Chinese companies seeking access to the U.S. public markets through reverse merger/acquisition transactions, participated in a recently closed acquisition transaction involving Dalian Chuming, a pork processing company with USD \$70.4 million in sales in 2006, and USD \$89.7 million in unaudited sales in the first three quarters of 2007.

Energroupholdings Corporation, a publicly traded Nevada corporation, has acquired all of the issued and outstanding capital stock of Precious Sheen Investments Limited, a British Virgin Islands corporation ("PSI") and parent company of PRC-based Dalian Chuming. Energroupholdings Corporation is traded on the Over-the-Counter Bulletin Board market under the symbol ENHD.

Mr. Totty has been involved in many startup companies in the capacities of Founder, CEO, President and Head of Research, focusing on business plan development, infrastructure and financial modeling. Mr. Totty has taken these companies from start-up to IPO and acted as Chief Equity Analyst for many investment banking deals and public companies.

Mr. Totty began his career as a retail securities broker and soon transitioned to one of the nation's top performing analysts and hedge fund managers. Mr. Totty was identified as the #1 performing analyst on Wall Street by the Wall Street Journal in 1996 and his newsletter, Totty's Leading Industry Growth Stocks, was listed as "the fastest growing and hottest stock newsletter" in 1997.

Mr. Totty founded The Buy, Sell or Hold Company, listed in 2000 as one of the South's top 50 fastest growing companies and Top Stock Analysis Websites according to Individual Investor and Online Investor magazines. Mr. Totty applied his training as an analyst, along with industry standard tools to develop the Instant Analyst software, the world's first online stock analysis software, which served tens of thousands of brokers and investors.

Mr. Totty has aided in managing over \$250 million and held the title of Chief Equity Analyst at three retail brokerage firms serving hundreds of brokers. One such firm managed the "best-performing" short-selling hedge fund in the nation according to MAR Research.

Because of his success, Mr. Totty has consulted for several companies and brokerages and helped initiate policies and procedures at firms with offices across the nation. Mr. Totty has hosted two financial television programs and has been featured on additional TV, magazines and newswires around the globe.

Mr. Totty has also been a contributing analyst to William O'Neil & Co.'s Institutional Research Department, publishers of Investor's Business Daily, Zacks Research and First Call's earnings estimates. Mr. Totty has been an affiliate of the Market Technicians Assoc. (MTA) and a colleague of the International Federation of Technical Analysts (IFTA).

In 1999, Mr. Totty and his company were asked to be a prestigious member of the Business Council for the United Nations.

"We are pleased to bring Matt Totty aboard to apply his considerable experience and expertise on behalf of our Redwood Capital subsidiary and its role in reverse merger transactions involving private Chinese companies," said Jim Bickel, chairman and chief executive officer of S3 Investment Company.

Mr. Totty accompanied Mr. Bickel on his recent trip to China.

"Mr. Totty is clearly well qualified to serve as Director of Research for our Redwood Capital subsidiary, and we look forward to his immediate attention on current Redwood clients who seek to enter the U.S. capital markets," Mr. Bickel added.

S3 Announces Results of CEO Trip to China With Report on Subsidiary Operations Including New Redwood Capital Client and Representation Relationship for SINO UJE

Six Additional Potential Clients Targeted by Redwood Capital Subsidiary

S3 Investment Company provided to shareholders a report on CEO Jim Bickel's recently concluded trip to China and his activities on behalf of S3's subsidiary businesses operating there. The report includes the recent signing of a new reverse merger client for the company's Redwood Capital subsidiary and discussions with additional potential reverse merger clients.

During the China trip, Mr. Bickel reviewed and conducted meetings with 6 potential clients, and management believes that 2 of the potential clients are positioned to execute a contract with Redwood Capital in the near term.

Redwood Capital, which provides advisory services for private Chinese companies seeking access to the U.S. public markets through reverse merger/acquisition transactions, participated in a recently closed acquisition transaction involving Dalian Chuming, a pork processing company with USD \$70.4 million in sales in 2006, and USD \$89.7 million in unaudited sales in the first three quarters of 2007.

S3 also expects to report on the status of the equity payment from the Dalian Chuming transaction to Redwood Capital within the next several days.

Mr. Bickel visited the offices of S3's SINO UJE subsidiary during this most recent trip and met with management regarding the status of current supplier relationships. He reviewed new potential business opportunities and reported that SINO UJE anticipates a new representation contract with a U.S. company seeking access to the China market very shortly.

"There is a tremendous amount of activity involving our subsidiary companies operating in China, and I am pleased to report that we will have a number of follow-up announcements concerning the business of both Redwood Capital and SINO UJE over the next few weeks," stated Mr. Bickel. "We will have the announcement of the name of our new Redwood client and company that signed a representation agreement for SINO UJE, as well as additional events that we expect to impact the revenues and future value of the company. Clearly, a key component of the value proposition presented by S3 is the equity component received by Redwood Capital with every

closed reverse merger transaction. We expect that Redwood will receive the equity portion in the coming days, and we look forward to announcing that event once it has occurred," Mr. Bickel added.

S3 recently announced that the company's Board of Directors had met and began formulating a plan to dividend shares of the stock of Redwood Capital's reverse merger clients to S3 shareholders of record at a future date. Further details and plans to implement such a strategy are expected to be discussed as they are developed.

S3 Investment Company Secures Full Operational Financing for 2008 and Implements Strategy for Re-Listing on the OTCBB

S3 has announced that it has received a financing commitment, which results in the S3 being fully funded for 2008 and is implementing a strategy by which the company will apply for reinstatement to the Over-the-Counter Bulletin Board market. The funding covers all corporate expenses for the 2008 calendar year and would eliminate the need for any equity transactions to finance S3 operations for the year.

As part of the financing terms, S3 will complete the audited financial reports required to file for an OTCBB listing. The audited financials to be filed are expected to include annual reports for the 2006, 2007 and 2008 calendar years.

"We are pleased to have received the financing commitment that will cover all corporate expenses for 2008 and eliminate the need to use S3 stock as a funding resource for the year," stated Jim Bickel, chairman and chief executive officer of S3 Investment Company. "The deal flow that has been established by our Redwood Capital subsidiary, which includes the recently closed Dalian Chuming transaction, as well as current clients HaiJai Metallurgical Machinery Manufacturing and Wuhan International Trade College, provides significant anticipated value based on equity participation in each closed transaction. This, and the continued growth of our SINO UJE subsidiary, is expected to make 2008 another strong year for S3."