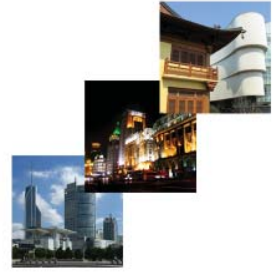




# S3 INVESTMENT COMPANY

Trading Symbol: SIVC | [www.s3investments.com](http://www.s3investments.com)



March 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

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## Websites

S3 Investment Company, Inc.  
[www.s3investments.com](http://www.s3investments.com)

SINO UJE, Ltd.  
[www.sinouje.com](http://www.sinouje.com)

Redwood Capital, Inc.  
[www.redwoodcapinc.com](http://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 Redwood Capital Agreement With Kensington Cross for Transactions Ranging From \$20 - \$100 Million

S3 Investment Company, Inc. recently announced that its Redwood Capital subsidiary has entered into a long-term agreement with Kensington Cross Ltd., a Delaware domiciled boutique investment banking firm with offices in Beijing, China, to fund private equity transactions.

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.

Kensington Cross and Redwood Capital together offer current and potential clients enhanced equity and joint venture alternatives transactions ranging from \$20 million to \$100 million (US).

Kensington Cross is expanding its operations into China and Latin America and is currently working on transactions in Costa Rica and China involving international flag hotels and industrial development projects respectively.

Jim Bickel, chairman/CEO of S3, stated, "Kensington Cross approached Redwood Capital with a number of select private equity deals after having completed an exhaustive due diligence process."



"That alone generated an internal interest within Redwood to create the alliance between the firms, and we look forward to working with Kensington Cross on the potential deals that they bring. Although Redwood's primary focus will remain the China market, we will entertain transactions involving companies in additional worldwide markets as appropriate," Mr. Bickel added.

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. Energroupholdings 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. Energroupholdings Corporation is traded under the symbol ENHD.

The company has two additional current Redwood Capital clients that are being positioned for reverse merger transactions.

**KENSINGTON CROSS, LTD**

# S3 Investment Company Announces Redwood Capital Subsidiary's Receipt of Equity Payment From Participation in Dalian Chuming Acquisition Transaction with Energroup Holdings Corp.

## At Recent Private Placement Price, the Value of Redwood Capital's Equity Payment Exceeds \$1.8 Million

S3 Investment Company has announced that its Redwood Capital subsidiary has received the equity portion of its payment for providing advisory services for the recently closed acquisition transaction involving Dalian Chuming, a pork processing company based in China.

Redwood Capital has been issued 428,095 shares of Energroup Holdings Corporation, a publicly traded Nevada corporation that acquired all of the issued and outstanding capital stock of Precious Sheen Investments Limited, a British Virgin Islands corporation ("PSI") and parent company of Dalian Chuming. Energroup Holdings Corporation is traded on the Over-the-Counter Bulletin Board under the symbol ENHD.



基础明 CHUMING

大连基础明集团有限公司

DALIAN CHUMING GROUP CO.,LD

As reported in a Form S-1 Registration Statement filing with the U.S. Securities and Exchange Commission, institutional and accredited investors participated in a \$17.0 million private placement with Energroup Holdings Corporation, paying \$4.40 per share. At the placement price, the value of Redwood Capital's equity position would exceed \$1.8 million (US). At the most recent trading price of Energroup common stock, the value of the equity position would exceed \$2.1 million (US).

Redwood Capital, which provides advisory services for private Chinese companies

seeking access to the U.S. public markets through reverse merger and acquisition transactions, participated in the transaction involving Dalian Chuming.

Dalian Chuming recently announced its preliminary financial results for the 2007 calendar year. The Company anticipates reporting revenues of \$128 million, representing an 82 percent increase over 2006, and net income of \$12.1 million, representing a 49 percent increase from 2006.

S3 previously announced that the company's Board of Directors had met and began formulating a plan to dividend shares of the stock of Redwood's reverse merger clients to S3 shareholders of record at a future date. The company continues to explore options in this regard with its S.E.C. counsel, and further details and plans to implement such a strategy are expected to be discussed as they are developed.

"The equity component is an important aspect of what makes Redwood Capital's business model so attractive to S3, and we are pleased that Redwood has received its payment from the Chuming transaction," stated Jim Bickel, CEO of S3.

"The value of Dalian Chuming and the strength of its audited financials demonstrates that Redwood seeks only the highest quality companies as clients, and we look forward to assisting with the close of acquisition/reverse merger transactions for Redwood's two current clients, just as we did with Chuming."

## RECENT NEWS

3/04 - S3 Investment Company, Inc. Announces Training for SINO UJE Representatives on Material Technologies, Inc. Products and Services

2/28- S3 Investment Company, Inc. CEO Schedules China Trip to Screen New Prospective Reverse Merger Clients for Redwood Capital Subsidiary

2/26 - S3 Investment Company, Inc. Announces Redwood Capital Agreement With Kensington Cross for Transactions Ranging From \$20 - \$100 Million

2/20 - S3 Investment Company, Inc. Retains Auditors and Compliance Officer to Begin Efforts to Achieve Fully Reporting Status and Re-Listing on the OTCBB

2/14 - S3 Investment Company, Inc. Announces Redwood Capital Subsidiary's Receipt of Equity Payment From Participation in Dalian Chuming Acquisition Transaction

2/13 - S3 Investment Company, Inc. Releases February Newsletter With Re-Cap of New Redwood Capital Reverse Merger Clients and Recent SINO UJE Representation Agreement

## **S3 Investment Company CEO Schedules China Trip to Screen New Prospective Reverse Merger Clients for Redwood Capital Subsidiary**

### **Mr. Bickel Will Also Visit Current Redwood Capital Clients and Review Progress of SINO UJE Subsidiary**

S3 Investment Company has announced that Chairman and Chief Executive Officer Jim Bickel is scheduled to travel to China on March 5, 2008 for meetings with up to 6 potential new reverse merger clients for S3's Redwood Capital subsidiary, and while in China, will visit with Redwood Capital's two current clients, Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd. and Wuhan International Trade College.

Redwood Capital participated in a recently closed acquisition transaction involving Dalian Chuming, a pork processing company. Energroupholdings 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. Energroupholdings Corporation is traded under the symbol ENHD.

Redwood Capital was issued 428,095 shares of Energroupholdings Corporation as the equity portion of its payment for providing advisory services for the recently closed acquisition transaction involving Dalian Chuming. Institutional and accredited investors participated in a \$17.0 million private placement with Energroupholdings Corporation, paying \$4.40 per share. At the placement price, the value of Redwood Capital's equity position would exceed \$1.8 million.

In addition to providing assistance in the screening and initial due diligence on potential Redwood Capital clients, Mr. Bickel will visit the offices of S3's SINO UJE subsidiary, which represents western products and services imported into the China market. Traditionally, SINO UJE has functioned as a distributor of medical and industrial high-tech products to markets throughout China, and the company recently 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 has 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.

While meeting with the SINO UJE management team, Mr. Bickel will discuss new product lines and review progress of preparations for an audit of SINO UJE's financials as part of efforts for S3 to achieve fully reporting status and reinstatement to the Over-the-Counter Bulletin Board (OTCBB) market. Samuel H. Wong and Co. LLP, a leading certified public accounting firm with offices in the United States and Asia, has initiated work to audit SINO UJE's financials and is expected to perform an audit of S3's Redwood Capital subsidiary as well.

"There is much to be accomplished on my upcoming trip, and I look forward to reporting tangible progress from China as well as providing a comprehensive review of the trip upon my return to the United States," commented Mr. Bickel.

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### **S3 Announces Training for SINO UJE Representatives on Material Technologies, Inc. Products and Services in China**

On March 4, 2008, S3 Investment Company announced that as part of its 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, representatives from its SINO UJE subsidiary have been trained on the fundamentals of Material Technologies' patented Electrochemical Fatigue Sensor (EFS) System.

**(continued on page 4)**

## **S3 Investment Company Retains Auditors and Compliance Officer to Begin Efforts to Achieve Fully Reporting Status and Re-Listing on the OTCBB**

**With the completed financial reports, S3 has targeted an OTCBB application by September 2008**

S3 Investment Company recently announced that it has engaged an auditing firm to conduct audits of its subsidiary businesses in China as part of its efforts to achieve fully reporting status and reinstatement to the Over-the-Counter Bulletin Board (OTCBB) market.

Samuel H. Wong and Co. LLP, a leading certified public accounting firm with offices in the United States and Asia, has initiated work to audit S3's SINO UJE subsidiary and is expected to perform an audit of S3's Redwood Capital subsidiary as well. Samuel H. Wong and Co. is familiar with S3 and its subsidiary companies, having conducted the audit for Redwood Capital's reverse merger client, Dalian Chuming, which was successfully acquired by a U.S. public company in a reverse merger transaction in January 2008.

In addition to the subsidiary audits, S3 has hired a compliance officer to manage the process of completing and filing 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.

With the completed financial reports, S3 has targeted an OTCBB application by September 2008.

"With all of the recent progress that S3 has made, particularly the recent close of the Dalian Chuming transaction, the time has come for S3 to be re-listed on the Over-the-Counter Bulletin Board, and we are pleased to begin the process," stated Jim Bickel, chairman and chief executive officer of S3 Investment Company.

"The company has a solid base of financial reporting in its not so distant past, having operated as a fully reporting bulletin board company until late 2006. We do not expect significant difficulties in achieving an OTCBB listing and look forward to progress toward that goal, even as we continue to build a client base for Redwood Capital and support the growth of SINO UJE in China," he added

S3 recently announced that it had received a financing commitment that results in the company being fully funded for 2008. 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 committed to completing the audited financial reports required to file for an OTCBB listing.

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## **SINO UJE Begins Training for Material Technologies Products and Services in China**

**(continued from page 3)**

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.



It is expected that the training of SINO UJE representatives and introductions to decision-makers in the Chinese government will develop into a locally based marketing campaign executed by SINO UJE on behalf of the MATECH products and services.

MATECH's patented 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. Its 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."