



S3 INVESTMENT COMPANY

Trading Symbol: SIVC | www.s3investments.com



May 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 (OTC)

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www.s3investments.com

Subsidiary Sites:

SINO UJE, Ltd.
www.sinouje.com

Redwood Capital, Inc.
www.redwoodcapinc.com

S3 Investment Company, Inc. Announces New Additions to the S3 and Redwood Capital Management Teams

New appointments position the company to achieve fully reporting status and further develop Redwood Capital client base

S3 Investment Company, traded on the Over-the-Counter Bulletin Board under the symbol SIVC, has announced the hiring of 3 new associates to the S3 and Redwood Capital teams.

Lesly H. Mohr, CPA, has been hired to serve as controller for S3 Investment Company. The company is currently implementing a strategy by which it will complete the audited financial reports necessary to apply for reinstatement to the Over-the-Counter Bulletin Board (OTCBB) market. These filings are expected to include annual reports for the 2006, 2007 and 2008 fiscal years.

S3 has engaged an auditing firm to conduct audits of its subsidiary businesses in China as part of the effort to achieve fully reporting status, and expects to announce the engagement of an additional independent auditing firm for S3 in the near term. The S3 auditor will be SEC approved and will meet all applicable PCAOB standards.

Ms. Mohr has considerable experience as a controller for companies in the manufacturing and service industries. In her role, she has implemented standard reporting procedures; prepared monthly, quarterly and year-end financial data; prepared quarterly and annual financial reports; prepared tax returns; and implemented internal control structures compliant with Sarbanes Oxley governance.

"The OCTBB listing is an important element of S3's long term strategy, especially as the company seeks to return value for shareholders through stock appreciation and potential future stock dividends."

**S3 Investment Company
CEO Jim Bickel**

She has also assisted businesses in adopting standard operating procedures for audit practice; including documentation technique, planning activities, and audit approaches; identified inefficiencies in processing accounting data and financial reporting; and assisted businesses in implementing new processes.

Ms. Mohr's experience also includes employment with a major audit firm during which time she planned, performed and coordinated audits of financial statements of publicly and privately held companies;

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S3 Investment Company CEO Travels to China for Meetings With Existing Redwood Capital Clients and to Bolster Pipeline of Prospective Redwood Clients

S3 Investment Company Chairman and Chief Executive Officer Jim Bickel is currently traveling to China for meetings with existing Redwood Capital clients and to support the expansion of Redwood's pipeline of prospective clients.



Redwood Capital has three current Chinese private company clients, Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd., Wuhan International Trade College, and Shandong Yiteng Chemical Co., Ltd.

Given the company's goal to complete one reverse merger transaction per quarter, Redwood Capital will continue to target and evaluate additional potential clients. The company's extensive network of contacts and the burgeoning business landscape in China provides abundant deal flow for Redwood Capital.

"In order to meet our goal of one closed reverse merger transaction per quarter and given the nature of the Redwood Capital business, the development of a robust pipeline of prospective clients is a critical element in the successful execution of Redwood's strategy," Mr. Bickel stated.

"The reality is that not every client in the Redwood Capital pipeline is going to ultimately complete a reverse merger transaction. The pipeline is much larger than just the announced clients, and

some companies in the pipeline will not meet the necessary standards for a U.S. public listing."

"The work of sorting through all potential client companies requires significant support from S3, and we will continue to provide that support, even when it entails frequent trips to China," Mr. Bickel added.

S3 recently announced that the Redwood Capital business has become an even greater focus due to the priority that management has placed on building value for shareholders.

S3 Donates to Red Cross to Benefit Earthquake Victims

S3 announced that on behalf of the company, its shareholders and its wholly owned subsidiaries operating in China, S3 is making a donation to the Red Cross to assist in the relief effort for victims of the recent earthquake in Sichuan province.

S3's subsidiary operations are based in China, and the company conducts business in areas throughout the country.

As China began three days of national mourning on Monday, May 19, the country observed three minutes of silence at 2:28 p.m., exactly one week after the earthquake struck.

S3 Chairman and Chief Executive Officer Jim Bickel is in China to support its wholly owned

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RECENT NEWS

5/20 - S3 Investment Company Announces Donation to Red Cross to Benefit Earthquake Victims

5/15 - S3 Investment Company Announces New Project Manager for Redwood Capital Subsidiary

5/9 - S3 Investment Company Appointment of Controller to Assist With Financial Filings in Preparation for OTCBB Application

5/7 - S3 Investment Company Announces Promotion of Annie Lian to Position of Project Manager for Redwood Capital Subsidiary

4/29 - S3 Investment Company Announces CEO Trip to China for Meetings With Existing Redwood Capital Clients and to Bolster Pipeline of Prospective Redwood Clients

4/24 - S3 Investment Company Releases April 2008 Newsletter Highlighting Value of Successful Reverse Merger Transaction

Forward-looking Statements

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.

Hiring of 3 New S3 and Redwood Capital Team Members Announced

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prepared financial statements, accompanying footnote disclosures and related reports in accordance with generally accepted accounting principles, auditing standards, and SEC regulations.



Ms. Lesly Mohr

“We are pleased to bring Lesly Mohr aboard as controller to assist in the process of achieving fully reporting status, so that an application for an OTCBB listing can be made on behalf of the company,” stated Jim Bickel, chairman and chief executive officer of S3 Investment Company. “She is more than qualified to fulfill this role for S3, and we look forward to her ongoing contributions to our financial reporting and compliance efforts.”

“The OCTBB listing is an important element of S3’s long term strategy, especially as the company seeks to return value for shareholders through stock appreciation and potential future stock dividends,” Mr. Bickel added.

Ms. Mohr’s experience also includes employment with a major audit firm during which time she planned, performed and coordinated audits of financial statements of publicly and privately held companies; prepared financial statements, accompanying footnote disclosures and related reports in accordance with generally accepted accounting principles, auditing standards, and SEC regulations.

“We are pleased to bring Lesly Mohr aboard as controller to assist in the process of achieving fully reporting status, so that an application for an OTCBB listing can be made on behalf of the company,” stated Jim Bickel, chairman and chief executive officer of S3 Investment Company. “She is more than qualified to fulfill this role for S3, and we look forward to her ongoing contributions to our financial reporting and compliance efforts.”

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value for shareholders through stock appreciation and potential future stock dividends,” Mr. Bickel added.

John Bai has been appointed as project manager for Redwood Capital. Mr. Bai brings to Redwood Capital extensive experience in international financial markets.

Mr. Bai most recently worked with Redwood Capital’s client, Dalian Chuming, a pork processing company that trades in the U.S. as Energroup Holdings Corporation under the symbol ENHD. Mr. Bai facilitated road shows and meetings with investors; coordinated public announcements, quarterly and annual earnings releases and conference calls; managed professional services providers including investor relations, legal



Mr. John Bai

and auditing; assisted the CFO in SEC regulations and compliance, filings and disclosure; and arranged Board meetings and shareholder meetings and prepared the relevant documents for each.

Previously, Mr. Bai worked as an investment advisor for a full-service investment dealer based in Canada. In this position, he introduced and recommended pre-IPO companies to investors; provided financing service for public companies through private financing; kept track of the general economy, forecasted sector trends and analyzed companies’ financial reports, such as balance sheets and cash flows to understand the companies’ financial status; and independently analyzed, evaluated and recommended stocks, stock options and bonds to clients with satisfactory results.

Mr. Bai also served as the manager for a private fund based in Los Angeles, California, where he increased the return for each of the three years he held his position. In this role, he applied financial theories, focused on quality stocks with strong fundamentals and

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New Hires and Promotion for S3 and Subsidiaries

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growth potential, disciplined in entry points selection with technical analysis, and created effective stop/loss processes.

As project manager and then chief project manager for the Ministry of Aerospace of China, Mr. Bai negotiated \$20 million in savings in procurement of key components and significantly reduced the risk for a project valued in excess of \$100 million, conducted numerous negotiations and signed many contracts with prices below targets, extensively traveled internationally and domestically and significantly promoted and enhanced company's business and image.

"I am very pleased to join the Redwood Capital team in the capacity of project manager," commented Mr. Bai. "There continues to be tremendous opportunities for Redwood Capital in China. and I look forward to contributing to the companies ongoing growth."

Jim Bickel, who is currently conducting business in China, stated, "We are extremely fortunate to have a professional with the experience of Mr. Bai join Redwood Capital at this time. He has proven to be highly capable in a variety of financial market settings, and his recent experience with the Dalian Chuming transaction further elevates his value to Redwood Capital."



Redwood Capital also has promoted Annie Lian, who has served as administration manager for approximately two years, to the position of project responsible for marketing and further development of Redwood Capital's pipeline of existing and prospective clients.

In addition to Redwood Capital's existing client base, it has a larger number of prospective clients that are in various stages of due diligence. A critical element of Redwood Capital's expertise is in sourcing and qualifying private Chinese companies that can successfully enter the U.S. public markets through reverse merger transactions. The promotion of Ms. Lian will allow Redwood Capital to

expand the capabilities of its due diligence process and increase its marketing efforts within China.

"Since joining the company, Ms. Lian has become a highly effective and integral part of the Redwood Capital team, and we expect that in her new position she will allow Redwood to achieve even better results as it participates in future reverse merger transactions," said Mr. Bickel.

Ms. Lian joined Redwood Capital in June 2006, working initially as administration manager in Redwood's Beijing registered office, where she was responsible for legal work, company professional procedures, daily operations, and staff support. She was also tasked with a variety of operations management duties, included but not limited to due diligence requests and collection, document preparation and translation, and IT development.

Previous to her employment at Redwood Capital, Ms. Lian worked as a journalist and in marketing for an exhibition services company.

Ms. Lian graduated from China University of Political Science and Law where she received her Bachelor's degree in with a major in Political Science and Administration.

S3 Contributes to China Earthquake Aid

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Redwood Capital subsidiary and participate in meetings with existing Redwood clients and facilitate further expansion of its pipeline of prospective clients. Redwood Capital assists private Chinese companies in accessing the U.S. capital markets through reverse mergers into U.S. public companies.

Mr. Bickel commented, "Not only do we operate in China, but S3's subsidiaries employ a substantial number of Chinese nationals in their businesses. This tragedy, which occurred during my visit to China, has impacted all of China's citizens, and we are pleased to do our part to contribute to relief efforts. We send our most heartfelt condolences to all of those affected by the earthquake and look forward to seeing the recovery efforts continue even as the country honors the victims with the national mourning period."