



S3 INVESTMENT COMPANY, INC.

Stock Symbol: SIVC

www.s3investments.com

AUGUST 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

Authorized Shares: 500 Million

Issued and Outstanding: 145 Million*

(*estimated as of 0806/07)

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Websites

S3 Investment Company, Inc.

www.s3investments.com

SINO UJE, Ltd.

www.sinouje.com

Redwood Capital, Inc.

www.redwoodcapinc.com

Recent News

7/31 - S3 Investment Company, Inc. Announces Market Awareness Program with AGORACOM

7/19 - S3 Investment Company, Inc. Announces Continued Sales of Ulrich Product Line for SINO UJE Subsidiary in China

7/17 - S3 Investment Company, Inc. Announces CEO Trip to China for Meetings With Subsidiary Management and Reverse Merger Clients

7/11 - S3 Investment Company, Inc. CEO Jim Bickel Interviewed by SmallCapVoice.com

7/09 - S3 Investment Company, Inc. Issues July 2007 Newsletter

S3 Investment Company Continued Sales of Ulrich Product Line for SINO UJE Subsidiary in China

S3 Investment Company, Inc., a publicly traded holding company (Stock symbol - OTC: SIVC) with two subsidiaries doing business in the China market, has reported that its SINO UJE subsidiary is achieving continued sales of Ulrich GmbH & Co. injector systems. Ulrich injector systems are sold by SINO UJE to Chinese hospitals and original equipment manufacturers (OEMs), including GE Medical Systems, Siemens and Philips.

SINO UJE currently has reported four pending orders of Ulrich injector systems totaling over \$100,000.

Ulrich (www.ulrich-ulm.de/eng/start.html) is a world leader in the design and manufacture of injector systems used for a variety of medical imaging applications, such as CT and MRI equipment.

SINO UJE is in the business of distributing high-tech medical and industrial products to markets throughout China. SINO UJE purchases products from Original Equipment Manufacturers (OEMs) in North America, Europe and Japan and re-sells the equipment to end users through its distribution network in China.



for our SINO UJE subsidiary and have a significant impact on S3's bottom line," stated S3 chairman and chief executive officer Jim Bickel.



"Ulrich also serves as an excellent model for other potential European suppliers that produce high-tech equipment and who are seeking exposure in the massive Chinese market. SINO UJE, Ltd. provides for these

high-tech suppliers an effective and experienced distribution partner with an established distribution network.

"China has a growing middle class population expanding need for first-class healthcare, so Chinese medical facilities will continue to be pressed to

have the best possible equipment on hand. Ulrich's CT and MRI injector systems are among the many vital products for China's healthcare industry, and we foresee increasing demand in the coming years," he added.

(continued on page 2)

"Ulrich products continue to be major performers for our SINO UJE subsidiary and have a significant impact on S3's bottom line."

**S3 Investment Company
CEO Jim Bickel**

Inside This Issue

Message from S3 CEO
Jim Bickel pg. 2

AGORACOM Market
Awareness Program
Initiated pg. 2

CEO Trip to China pg. 3

SmallCap Voice Interview
Posted pg. 3

Greetings from the CEO

August 9, 2007

My recent trip to China, which is discussed in this edition of our monthly investor newsletter, was another opportunity for S3 management to support and assist the management of our subsidiaries operating in China.

Each visit to monitor the progress of our two subsidiaries further convinces me that we are on the right track to bring value to S3 investors as these companies fully execute their respective business plans.

The Ulrich orders mentioned in our lead story are part of a consistent flow of business that SINO UJE experiences each month, and we look forward to continued growth in SINO's revenues as it expands distribution of new and existing product lines.

Of course, a major focus of our meetings in China was on the reverse merger clients of our Redwood Capital subsidiary. These meetings were very successful, and we are pleased to report that the work toward completing these reverse mergers is progressing nicely. The tremendous potential value of these transactions - upwards of \$8 million - is a primary reason that we are placing so much focus on our Redwood Capital subsidiary.

I was encouraged by the progress I was able to see on my visit to China, and I hope to report additional details to our shareholders in the coming weeks.

As always, I hope that S3 shareholders find our newsletter to be informative and a good way to track the company's progress.

*Best regards,
Jim Bickel - Chairman, Chief Executive Officer*

S3 Reports Continued Sales of Ulrich Product Line in China

(continued from page 2)

Mr. Bickel recently concluded a two-week visit to China where he met with the management of S3's SINO UJE subsidiary and planned for the continued growth of the company, including expansion of SINO UJE's distribution network in China and the potential addition of new suppliers of western high-tech medical and industrial equipment.

S3 Investment Company Begins Market Awareness Program With AGORACOM

S3 Investment Company, Inc. has retained the services of AGORACOM (www.agoracom.com) to provide comprehensive market awareness services.

A customized and monitored S3 Investment Company stock HUB (<http://www.agoracom.com/ir/S3Investment>) allows both S3 and AGORACOM to communicate with investors simultaneously, anytime and in real time, while providing shareholders with equal access and complete transparency in all communications.

The stock HUB will provide one-click access to all critical S3 Investment Company information. In addition, the HUB provides investors with a monitored discussion forum for the purposes of constructive and high-quality discussion about the company.

AGORACOM will also be responsible for raising awareness for S3 among retail investors for the purposes of attracting new and prospective shareholders. As an exclusive small-cap content provider to Yahoo Finance Canada, AOL Finance Canada and every Blackberry device on the planet, AGORACOM provides Tier-1 financial coverage of all meaningful S3 Investment Company press releases.

"We are pleased to be working with AGORACOM to bring additional awareness to S3 in the public markets," commented chairman and chief executive officer Jim Bickel.

"By providing another outlet through which we can communicate the S3 story, we hope to reach a broader audience and make additional potential investors aware of the expanding opportunities for the S3's subsidiaries operating in the China market. We believe that AGORACOM will provide increased awareness while allowing management to focus on executing the business plan during this important period of growth," Mr. Bickel added.

S3 shareholders are encouraged to visit the company's profile at www.agoracom.com where they can subscribe to AGORACOM's e-mail list.

All statements included in this newsletter, including statements regarding potential future plans and objectives of S3 Investments are forward-looking statements. Such statements are necessarily subject to risks and uncertainties, some of which are significant in scope and nature beyond S3's control. There can be no assurance that such statements will prove accurate. Actual results and future events could differ materially from those anticipated in such statements depending on many factors. Historical results are not necessarily indicative of future performance.

S3 Investment Company Announces CEO Trip to China for Meetings With Subsidiary Management and Reverse Merger Clients

Three-Week Trip Considered Vital to Advance Redwood Capital Reverse Merger Transactions

S3 Investment Company chairman and chief executive officer Jim Bickel traveled to China in July for a two-week visit, during which time he met with the three current reverse merger clients of S3's Redwood Capital subsidiary and explored additional expansion opportunities for both Redwood Capital and the company's SINO UJE, Ltd. subsidiary.



While in China, Mr. Bickel participated in meetings with representatives of

Dalian Chuming Group Co., LTD, Shandong Green Paper Co., and Changzhou HaiJai Metallurgical Machinery Manufacturing Co. Ltd. (CMMC), to review the progress of work toward their reverse mergers into U.S. public "shell" companies.

Redwood Capital assists private Chinese companies in accessing the U.S. capital markets by utilizing a network of investment banking relationships to achieve successful reverse mergers.



Mr. Bickel also conducted meetings with additional Chinese companies that Redwood Capital has identified and currently conducting due diligence work. While in Beijing, Mr. Bickel will meet with Redwood Capital's legal firm for the China market.

As part of the continued marketing of S3 and its Redwood Capital subsidiary in the China market, Mr. Bickel met with the director of the Qingdao High-Tech Zone, located in the southeast part of Shandong Province.

Mr. Bickel then met with SINO UJE managing director Li Jun to review the ongoing work on behalf of the Abaxis

product line and the status of distribution of all of SINO UJE's product lines in China.

SINO UJE is a distributor of medical and industrial high-tech products to markets throughout China.

"These visits to China for face-to-face meetings with management of our subsidiary operations is a critical element of successfully achieving the expansion of revenues and increased value for S3 shareholders," stated Mr. Bickel after arriving in China.

"It is also extremely beneficial to meet with Redwood Capital's current reverse merger clients considering the potential for an estimated \$8 million in combined equity value for those three deals and to explore additional opportunities for Redwood Capital here in China," he added.

New Audio Interview Featuring S3 Chairman/CEO Jim Bickel Posted at SmallCapVoice.com

Jim Bickel, chairman and chief executive officer of S3 Investment Company, Inc., was the featured guest in an audio interview posted at SmallCapVoice.com in early July.

SmallCapVoice.com is a corporate consulting firm, with clients nationwide, known for its ability to help emerging growth companies build a following among retail and institutional investors.

To hear the interview and to learn more about Smallcapvoice.com and their services, please visit <http://www.smallcapvoice.com/>.

S3 Investment Company Subsidiary Operations



51% EQUITY INTEREST

www.sinouje.com



100% EQUITY INTEREST

www.redwoodcapinc.com