



# S3 INVESTMENT COMPANY, INC.

Stock Symbol: SIVC

www.s3investments.com

JULY 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 07/06/07)

## Contact

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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

6/25 - S3 Investment Company, Inc. Reports 3rd Quarter 2007 Financial Results

6/19 - S3 Investment Company, Inc. Announces Agreement With Hunter Wise Financial Group for Investment Banking Services for Redwood Capital Reverse Merger Clients

6/11 - S3 Investment Company, Inc. Announces Completion of Audit for New Redwood Capital Reverse Merger Client Dalian Chuming Group

6/08 - S3 Investment Company, Inc. Issues June 2007 Newsletter Featuring CEO Question and Answer with Shareholders

## S3 Investment Company Selects Hunter Wise Financial Group to Provide Investment Banking Services for Redwood Capital Reverse Merger Clients

S3 Investment Company, Inc., a publicly traded holding company (Stock symbol - OTC: SIVC) with two subsidiaries doing business in the China market, has selected Hunter Wise Financial Group, LLC of Irvine, California to act as the investment banking firm for its Redwood Capital reverse merger clients.



banking for Redwood Capital's reverse merger clients," commented S3 chairman and chief executive officer Jim Bickel.

The three new clients that Redwood Capital has signed are Dalian Chuming Group Co., LTD [www.chuminggroup.com](http://www.chuminggroup.com), a major producer and exporter of fresh and frozen pork and other cooked meat products; Shandong Green Paper Co., a leading producer of paper pulp molding products made from 100% natural raw materials that can be recycled and that decompose naturally; and Changzhou HaiJai Metallurgical Machinery Manufacturing Co. Ltd. (CMMC), a leader in metal fabrication.

*"We have developed an excellent working relationship with Hunter Wise and believe that it is the ideal firm to handle the investment banking for Redwood Capital's reverse merger clients,"*

S3 Investment Company  
CEO Jim Bickel

Hunter Wise has also entered into an agreement with S3 to provide services in the areas of corporate development and

financing for both S3 and its subsidiaries, including the efforts to secure bridge capital for the reverse merger transactions undertaken by Redwood Capital.

At the time that the initial agreement with Hunter Wise was announced, Mr. Bickel stated, "This agree-

ment with Hunter Wise is expected to result in access to critical capital that will help to facilitate an increased number of reverse merger transactions for Redwood Capital clients and strengthen the launch of the Abaxis product line in China."



Hunter Wise Financial Group, LLC and its wholly owned NASD registered Broker/Dealer, Hunter Wise Securities, LLC, a NASD, SIPC member firm, provide investment banking services including institutional finance, financial advisory services, seller representations, strategic alternative advisories, buyer representations, management buyouts, recapitalizations, corporate valuations, defensive advisories, fairness opinions, international transactions, and mergers, acquisitions and divestitures.

"We have developed an excellent working relationship with Hunter Wise and believe that it is the ideal firm to handle the investment

## Inside This Issue

Message from S3 CEO Jim Bickel	..... pg. 2
3rd Quarter Financial Results Reported and Posted to Website	..... pg. 3
Audit for Redwood Capital's Dalian Chuming Group Client is Completed	..... pg. 3

## Greetings from the CEO

July 6, 2007

*I would again like to again thank shareholders and others who are tracking the progress of S3 Investment Company for taking the time to read this newsletter and specifically my monthly address to our readers.*

*While June 2007 was a typically busy month for S3 and its subsidiaries operating in the China market, we did not have a very active press release schedule for the month. We do expect there to be more news during July, particularly due to meetings I will have in China on an upcoming visit.*

*July is expected to bring the reporting of additional progress for our SINO UJE and Redwood Capital subsidiaries. Both are continuing to achieve growth in their respective markets, and with the selection of Hunter Wise as the investment banking firm for Redwood Capital clients, we believe that the potential of the three new reverse merger clients for Redwood can be reached.*

*As a reminder to shareholders, the research conducted by Chief Capital, Redwood Capital's financial advisory partner based in China, the aggregate value of equity holdings expected from Redwood Capital's three recently signed Chinese client companies is as high as \$8.14 million.*

*This tremendous potential value is a primary reason that there is so much focus is currently being placed on our Redwood Capital subsidiary. At the same time, we would like our shareholders to know that we also continue to support and oversee the growth of SINO UJE.*

*SINO UJE is successfully expanding its business, and we expect to have several updates for shareholders in the coming weeks. Also, when I visit with SINO UJE at its offices in China, I expect to bring back to the United States additional information to report. The SINO UJE management team continues to work very hard, and we are encouraged by the progress we have seen since the beginning of the year.*

*As always, I hope that S3 shareholders find our newsletter to be a productive communications tool in following the company's progress. We continue to encourage them to contact our Investor Relations representatives by telephone at 951-677-8073 or by email at [investors@s3investments.com](mailto:investors@s3investments.com).*

**Best regards,**

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

## S3 Investment Company Reports 3rd Quarter 2007 Financial Results

S3 Investment Company, Inc. has announced its consolidated financial results for the quarter ended March 31, 2007.

The company was expected to post its detailed consolidated financial results on its corporate website, [www.s3investments.com](http://www.s3investments.com), shortly after the results were announced. (See story on page 3)

The company reported \$532,215 in revenues (unaudited) for the quarter and a gross profit of \$174,716. All of the revenues for the quarter were generated by the SINO UJE subsidiary operating in China. SINO UJE is a non-stocking distributor of high-tech medical and industrial equipment in the China market. The company reported a net operating loss of \$227,266 for the period.

As of the end of the quarter, S3 reported consolidated assets of \$2,538,682, including almost \$1.2 million in accounts receivable for SINO UJE.

"While the third quarter financial results for our two subsidiaries operating in the China market are not as strong as they have been in other recent quarters, we still expect to meet the projected annual revenues of between \$4 million and \$4.5 million for the year," stated S3 chairman and chief executive officer Jim Bickel.

"It is also important to note that the company's consolidated numbers are impacted by expenses during the quarter related to the three new reverse merger clients signed by Redwood Capital. The equity value of Redwood Capital's expected stock positions in these three new client companies was recently estimated be in excess of \$8 million. Needless to say, S3 management believes that the expenses booked during this period are well worth the anticipated value once these transactions are completed," Mr. Bickel added.

Consolidated financial results from the comparable period last year were not included in the report, since the company was operating as a business development company as defined by the Investment Company Act of 1940 and could not consolidate the financial results of its subsidiaries into S3's financial results.

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.

## Redwood Capital Subsidiary Announces Completion of Audit for Reverse Merger Client Dalian Chuming Group

S3 Investment Company subsidiary, Redwood Capital, Inc., has announced the completion of the audit for Redwood Capital reverse merger client, Dalian Chuming Group Co., LTD. Samuel H. Wong & Co. LLP, a leading certified public accounting firm with offices in the United States and Asia, conducted the audit work required for Dalian Chuming Group's entrance into the U.S. capital markets.

Redwood Capital, Inc. 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 process. Included in Redwood Capital's services toward the reverse merger is to prepare the client company's internal accounting for the audit.

With the audit complete, Redwood Capital has now turned its attention to the completion of offering documents. The compliance team at S3 Investment Company will provide support for Redwood Capital as it prepares the offering documents.

"The completion of the audit is a major milestone in the process of preparing Dalian Chuming Group for its planned reverse merger into a U.S. public company, and we are pleased to have reached this stage," commented S3 chairman and chief executive officer Jim Bickel.

"Considering the expected value in equity of each of Redwood Capital's reverse merger deals, moving the Dalian Chuming Group closer to completion is an important step," he added.

Samuel H. Wong & Co. LLP, with offices in San Francisco, California, USA, Shanghai, China and Hong Kong, is experienced in performing the types of audits required for transactions such as reverse mergers of private Chinese companies into U.S. public "shell" companies. Samuel H. Wong & Co. LLP was signed to perform the audit for Dalian Chuming Group earlier this year.

Dalian Chuming Group Co., LTD, [www.chuminggroup.com](http://www.chuminggroup.com), is a major producer and exporter of fresh and frozen pork and other cooked meat products.



The Chuming Group is among a select group of industrialized farming corporations in northeastern China and is known for its international quality management standards and international safety certifications. In late 2006, the company officially opened a \$2.9 million feedmill with a capacity of 200,000 tons per year that will support its expansion of pork production. The pursuit of a U.S. public listing is expected to allow the Chuming Group to expand into additional worldwide markets.

Redwood Capital announced the signing of Dalian Chuming Group Co., LTD as a client in April 2007.

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### S3 Posts Financial Results on Corporate Website - [www.s3investments.com](http://www.s3investments.com)

Consolidated financial results for S3 Investment Company, Inc. for the quarter ended March 31, 2007 have been posted to the company's corporate website, [www.s3investments.com](http://www.s3investments.com).

Files including the Balance Sheet, Income Statement and Cash Flows have been posted in the "Media Room" section of the site under the "Other Media" tab.

The company is planning to expand its website to accommodate a section for the addition of future quarterly and annual financial results.

"S3 is committed to continued transparency and anticipates the release and posting of all future financial filings," stated S3 CEO Jim Bickel.

#### S3 Investment Company Subsidiary Operations



51% EQUITY  
INTEREST

[www.sinouje.com](http://www.sinouje.com)



100%  
EQUITY  
INTEREST

[www.redwoodcapinc.com](http://www.redwoodcapinc.com)