



**Press Release**

**Source: S3 Investment Company**

## **S3 Investment Company Announces New Reverse Merger Client for Redwood Capital Subsidiary**

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DANVILLE, CA--(MARKET WIRE)--Apr. 4, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that its Redwood Capital subsidiary has signed a new client, Shandong Green Paper Co. Ltd. Redwood Capital will assist Shandong Green Paper in its efforts to access the U.S. capital markets through a reverse merger into a U.S. public company.

Redwood Capital 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. Redwood Capital relies on a highly experienced investment and corporate management team focused on the emerging presence of Chinese corporations in the global capital markets.

Shandong Green Paper is a leading producer of paper pulp molding products made from 100% natural raw materials that can be recycled and that decompose naturally. The company is located in the Denzhou Commerce and Trade Development Area and owns 14 high quality, automated, integrated pulp molding production lines. Shandong Green Paper has consistently won awards in areas ranging from production quality and advanced technology to environmental sensitivity.

The company's products are currently sold throughout China and are exported to other Asian markets. By pursuing a listing in a U.S. public market, Shandong Green Paper is targeting expansion to worldwide distribution of its products.

"We are pleased to have reached agreement with Shandong Green Paper and look forward to assisting this company through the reverse merger process," stated S3 chairman and chief executive officer Jim Bickel. "In each of its agreements with client companies, S3 receives the dual benefit of revenues earned for services provided through the reverse merger transaction as well as the equity participation it receives in the new U.S. public company. The equity participation with Redwood Capital clients is expected to represent significant value for S3, especially considering management's goal to have at least one new client signed in each quarter."

To sign up to receive information by email directly from S3 Investment Company when new press releases, investor newsletters, SEC filings or other information is disclosed, please visit <http://www.s3investments.com/investors/>.

#### About S3 Investment Company

S3 Investment Company, Inc. (<http://www.s3investments.com>) is a holding company with two subsidiaries doing business in the China market. S3 holds a 100% equity interest in Redwood Capital (<http://www.redwoodcapinc.com>), which assists private Chinese companies in accessing U.S. capital markets by utilizing a network of investment banking relationships, and a 51% equity interest in SINO UJE (<http://www.sinouje.com>), a non-stocking distributor of medical and industrial high-tech products to markets throughout China. SINO UJE has been granted exclusive distribution rights in China to medical and industrial products manufactured by leading companies in Europe, North America and Japan. These products are marketed to end-users, including major Chinese hospitals and private companies in a variety of fields, as well as original equipment manufacturers (OEMs), such as Phillips, Siemens and GE, that package the products with their technologies.

Any statements contained herein related to future events 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 Investment Company, Inc. undertakes no obligation to update any such statements to reflect actual events.

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