



Press Release

Source: S3 Investment Company

S3 Investment Company Reports 3rd Quarter 2007 Financial Results

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DANVILLE, CA--(MARKET WIRE)--Jun. 25, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced consolidated financial results for the quarter ended March 31, 2007.

S3 intends to post its detailed consolidated financial results on its website, www.s3investments.com, in the next several days.

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.

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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