



Press Release

Source: S3 Investment Company

S3 Investment Company Announces \$21.7 Million in 2007 Revenues for Redwood Capital Client Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd.

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DANVILLE, CA--(MARKET WIRE)--Nov. 20, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that the 2007 fiscal year revenues (audited) for Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd. (CMMC), a reverse merger client of S3's Redwood Capital, Inc. subsidiary, exceeded \$21.7 million.

An audit of the company's financials is an important milestone in the planned reverse merger of Changzhou Haijie Metallurgical Machinery Manufacturing Co. into a U.S. public company. The 2007 audited revenue numbers are reflective of a March 31, 2007 fiscal year end for Changzhou Haijie Metallurgical Machinery Manufacturing Co.

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 through a reverse merger transaction. 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.

"The audited 2007 revenue numbers of Changzhou Haijie Metallurgical Machinery Manufacturing Co. clearly validates Redwood's belief that this is an excellent candidate for reverse merger into the U.S. public markets," stated S3 chairman and chief executive officer Jim Bickel. "We believe that there will be significant interest in this company, and Redwood Capital is looking forward to completing the additional steps necessary to consummate the reverse merger transaction. The projected equity value to Redwood Capital from each completed reverse merger transaction also impacts S3's bottom line and the expected long-term value for S3 shareholders."

Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd. is located in the Xinbei District of the Changzhou High and New Technology Industrial Development Zone, which lines the southern bank of the Yangtze River in the northern part of the city. Changzhou, which is among the top 50 Chinese cities in terms of its comprehensive economic strength, has been characterized as an investment magnet due to its rich history, pleasant living environment, daily conveniences, respect for diverse customs, perennially congenial climate, solid industrial foundation, industrial diversity, good legal environment and government efficiency, and geographical advantages and low logistics costs.

Historically, Changzhou Haijie Metallurgical Machinery Manufacturing Co. was a sub-plant of Baosteel Group, one of the most profitable steel enterprises in the world, with an annual production capacity of about 20 million tons. The main products of Changzhou Haijie Metallurgical Machinery Manufacturing Co. include complete sets of metallurgical equipment and spare parts, electrical power equipment (including wind-driven generator boxes and large scale transformers), automotive parts, mechanical engineering parts, and large gearboxes.

Changzhou Haijie Metallurgical Machinery Manufacturing Co.'s fabrication, machinery and assembly products are already distributed internationally to a select few significant foreign companies, and with its planned entry into the U.S. capital markets, the company is expected to expand distribution to additional worldwide markets. The company is also expanding internally with additional property and a new 200-ton heavy-duty steel structure workshop due to open later this month.

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 to achieve reverse merger transactions, 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.

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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