



Press Release

Source: S3 Investment Company

S3 Investment Company Releases December 2007 Newsletter Reviewing Activities of Subsidiary Operations in China, Including Updates on Status of Reverse Merger Transactions

Issued Friday, December 7, 10:41 am ET

DANVILLE, CA--(MARKET WIRE)--Dec. 7, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today issued its December 2007 investor newsletter, which reviews recent events related to the company's subsidiary operations.

The December 2007 newsletter contains articles on the reverse merger transactions of S3's Redwood Capital, Inc. subsidiary, including Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd. ("Haijie"), which had 2007 fiscal year revenues (audited) that exceeded \$21.7 million. The newsletter also includes an article reviewing a recent announcement that S3's SINO UJE subsidiary is on pace to top \$4.5 million in gross revenues for calendar year 2007, an approximate 12% increase over the 2006 numbers.

A PDF version of the December 2007 newsletter can be viewed on the company's website at <http://www.s3investments.com/media/news/>.

Additional articles in the newsletter review the engagement of Hunter Wise Financial Group, LLC of Irvine, California to act as the exclusive investment banking firm for Haijie and the signing of Richardson & Patel, LLP to provide legal representation for Haijie's reverse merger into the U.S. public markets.

"As this edition of our investor newsletter clearly shows, there is a tremendous amount of very positive activity in our subsidiary operations," stated Jim Bickel, chairman and chief executive officer of S3 Investment Company. "Both Redwood Capital and SINO UJE are successfully operating their respective businesses, and we hope that our shareholders find the review of recent events in this newsletter to be informative."

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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