



Press Release

Source: S3 Investment Company

S3 Investment Company Announces Settlement of Legal Action against Financial Services Firm

Issued Friday July 25, 10:00 am ET

DANVILLE, CA--(MARKET WIRE)--Jul. 25, 2008--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with subsidiary operations in the China market, today announced the successful settlement of a legal action that S3 brought against a financial services firm that had represented the company under a consulting agreement.

Specific terms are confidential, but S3 received a cash payment as part of the settlement. In addition, to the cash payment, fees due from S3 to the financial services company under terms of the consulting agreement between the two parties were eliminated as were warrants that were to be granted by S3 as part of the agreement.

“We are very pleased to have achieved a successful resolution to this matter,” stated Jim Bickel, chairman and chief executive officer of S3 Investment Company.

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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