



**Press Release**

**Source: S3 Investment Company**

## **S3 Investment Company Updates Progress toward Financial Filings and Fully Reporting Status**

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DANVILLE, CA--(MARKET WIRE)--Aug. 6, 2008--S3 Investment Company, Inc. (Other OTC: SIVC) and its wholly owned Redwood Capital subsidiary, which assists private Chinese companies in accessing the U.S. capital markets through reverse mergers into public companies, today updated the progress of work to complete the financial reports necessary to apply for reinstatement to the Over-the-Counter Bulletin Board (OTCBB) market. The audited financials to be filed are expected to include annual reports for the 2006, 2007 and 2008 calendar years.

There has been continued progress on the annual reports, and the company expects to have them completed and ready to file by September 2008.

An auditing firm was engaged to conduct audits of its subsidiary businesses in China as part of the effort to achieve fully reporting status, and the company retained its previous SEC approved independent auditing firm to complete the audits on the public company financials.

S3 also appointed Lesly H. Mohr, CPA, to serve as controller for S3, and she has managed the process of compiling the financial data for the annual reports. Ms. Mohr has considerable experience as a controller for companies including the implementation of standard reporting procedures; preparation of monthly, quarterly and year-end financial data; preparation of quarterly and annual financial reports; preparation of tax returns; and implementation of internal control structures compliant with Sarbanes Oxley governance.

“We are very pleased with the progress that has been made on the company’s annual financial reports, and look forward to their completion in September,” stated Jim Bickel, chairman and chief executive officer of S3. “Achieving fully reporting status is an important milestone, which we believe will help the company attract greater attention in the U.S. public markets and provide opportunities for us to upgrade several aspects of our public company operations.”

Mr. Bickel recently returned from China where he had traveled to participate in meetings with existing Redwood Capital clients, to meet with additional prospective clients, and to prepare Redwood’s pipeline of prospective clients for 2009. The company has projected up to three additional closed reverse merger transactions before the end of the 2008 calendar year, including one anticipated in or around September, another expected to close in the October-November timeframe and a third that may close before the end of 2008.

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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