

Press Release

S3 Investment Company Announces Completion of USD\$10 Million Financing for Redwood Capital Client

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DANVILLE, CA--(MARKET WIRE)--Oct. 22, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) today announced that a client of the company's wholly owned Redwood Capital subsidiary has completed a USD\$10 million equity offering. China Infrastructure Construction Corporation, which is listed on the Over-the-Counter Bulletin Board market under the symbol CHNC, is one of the major U.S.-listed providers of ready-mix concrete in Beijing. The financing is twice as large as the amount originally planned and will allow China Infrastructure Construction Corporation to build on its strength as one of Beijing's major ready-mix concrete suppliers.

Redwood Capital acted as a financial advisor for the equity offering and will receive cash and CHNC stock as a success fee for its participation.

While Redwood Capital has traditionally assisted private Chinese companies in accessing the North American capital markets through reverse merger transactions, the company has recently been retained by Chinese companies that are already listed in the U.S. public markets to assist with the process of raising additional capital.

Led by institutional investors in Asia and North America, the CHNC private placement offering was increased to USD\$10 million from an originally planned USD\$5 million. The Company sold a total of approximately 2,564,103 shares of its common stock, no par value, at \$3.90 per share in the offering. Immediately after the private placement there were approximately 11,118,397 shares of CHNC common stock outstanding.

CHNC through its PRC subsidiaries operates its ready-mix concrete facilities in China's capital under the brand of Chengzhi Qianmao Concrete Co, Ltd. ("Beijing Concrete"). In its most recent fiscal year ended May 31, 2009 CHNC achieved after-tax net income of USD\$10.5 million. As a condition of the financing, CHNC agreed to net income targets of USD\$14 million and USD\$18 million, subject to certain adjustments, for each of the fiscal years ending May 31, 2010 and 2011 respectively. CHNC management has stated that over the past six years, Beijing Concrete has enjoyed an average growth rate of over 30% annually.

"We are very pleased to have participated in the successful offering for China Infrastructure Construction Corporation," said S3 Chairman and CEO Jim Bickel. "The compensation that Redwood Capital will receive for its participation in this offering, which is based on the same formula as its work on behalf of previous clients, will appear as another significant asset on the balance sheet of S3 Investment Company. Continued client success is a testament to the hard work of our staff in China and is another validation of Redwood Capital's business model."

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, Inc.

S3 Investment Company, Inc. (<http://www.s3investments.com>) and its Redwood Group International subsidiary are focused on facilitating the success of two subsidiaries operating in the China market. Redwood Capital, Inc. assists private Chinese companies in accessing the North American capital markets by utilizing a network of investment banking relationships to achieve reverse merger transactions. For more information, please visit <http://www.redwoodcapinc.com>. Redwood Medical, Inc. assists companies seeking to import and distribute Western medical technologies and products into the China market.

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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