

Press Release

S3 Investment Company Announces Receipt of Payment for Recent Redwood Capital Client Closing

Issued Tuesday, Nov. 10, 11:03 am ET

Cash and value of stock compensation received exceeds \$500,000

DANVILLE, CA--(MARKET WIRE)--Nov. 10, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) today announced that the company's wholly owned Redwood Capital subsidiary has received payment valued at over \$500,000 in the form of cash and stock from the recent closing of a client equity offering.

Redwood Capital acted as a financial advisor for the equity offering, which totaled US\$10 million. Redwood Capital traditionally assists private Chinese companies in accessing the North American capital markets through reverse merger transactions, but the company has recently expanded its focus to include assisting with the process of raising additional capital already listed in the U.S. public markets.

"We are pleased that Redwood Capital has received payment from its participation in its most recent client closing," said S3 Investment Company Chairman and CEO Jim Bickel. "Each of the company's deals represents significant value for Redwood Capital and S3. While a percentage of the cash payment received is used to cover Redwood Capital's expenses and overhead and allows the company to sign additional clients and expand operations, the stock received is retained by the company and will appear as an asset on the consolidated financials of S3.

"In addition to the stock Redwood Capital received for the initial transaction, additional financing is planned for this client, so Redwood Capital expects that its stock position may grow when the additional financing is completed. This has occurred with previous client transactions, most notably the initial and follow-on financings of Boyuan Construction Group," Mr. Bickel added.

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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