

Press Release

## **S3 Investment Company Files Quarterly Report with Consolidated Financial Statements Showing Net Income for the Period**

*Company to be reinstated to Current Information status at the OTC Disclosure Service*

Issued Wednesday, Dec. 9, 9:00 am ET

DANVILLE, CA--(MARKET WIRE)--Dec. 9, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) announced that the company has posted its consolidated financial report for the period ended September 30, 2009 on the Pink Sheets OTC Disclosure and News Service, and as a result, its status will be changed to "Current Information." The filing, which had been delayed due to turnover in the company's accounting personnel, shows the generation of net income for the period and reports the paying off of notes payable, resulting in additional forgiveness of company debt.

Beyond the quarter reported in the filing, the report's narrative includes management's expectation that both revenues and gross profit will increase in the 2<sup>nd</sup> quarter of the current fiscal year. The company also reported that as of September 30, 2009, it had net working capital of \$925,500 and cash of \$35,485 compared to net working capital of \$183,203 and cash of \$169,583 at June 30, 2009.

The full report can be viewed by visiting the Pink Sheets website at [www.pinksheets.com](http://www.pinksheets.com) and entering the company's stock trading symbol in the appropriate field.

"We are pleased to have our consolidated financial report completed and posted to the Pink Sheets OTC Disclosure and News Service," said S3 Investment Company Chairman and CEO Jim Bickel. "Maintaining the 'Current Information' status is a priority, and although we had a slight delay in reporting this quarter's financials, we do expect that our next quarterly filing, for the period ending December 31, 2009, will be prepared and submitted within the required timeframe.

"This report includes positive news related to S3's current financial status, and as the 2009 calendar year comes to a close, our business in China continues to expand, and we are working hard to make 2010 an even more successful year than 2009. We expect that our Redwood Capital subsidiary will close more transactions in the coming year, which will only add to the already considerable asset value that S3 has on its consolidated balance sheet. Additionally, we expect our Redwood Medical subsidiary to add another revenue stream as it ramps up its operations."

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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