

Press Release

S3 Investment Company Announces Formation of Redwood Group International to Accommodate Expanding Subsidiary Business Opportunities

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DANVILLE, CA--(MARKET WIRE)--Sep. 1, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) and its wholly owned Redwood Capital subsidiary today announced the formation of Redwood Group International, which will expand the structure of S3's subsidiary businesses to allow the company to pursue additional opportunities in the China market.

Redwood Group International is a company registered in Hong Kong and formed as a wholly owned subsidiary of S3 Investment Company. It, in turn, has two wholly owned operating subsidiaries, Redwood Capital, Inc. and Redwood Medical, Inc. Redwood Capital will continue to operate with its core focus of assisting private Chinese companies in accessing the North American capital markets by utilizing a network of investment banking relationships to achieve reverse merger (or reverse takeover) transactions. Redwood Medical has been established to serve companies seeking to import Western medical technologies and products into China, widely considered the largest consumer market in the world.

“Due to opportunities which have recently presented themselves, S3 has facilitated a restructure of its subsidiary business to diversify their operations,” said Jim Bickel, chairman and CEO of S3 Investment Company. “The medical technology supply landscape in China is very familiar to S3, having been part of a previous subsidiary company. Establishing this new business under the Redwood Capital banner provides a number of benefits, including greater operational control as well as the name recognition of Redwood and its management team in the China market.”

“In addition to the revenue potential of Redwood Medical and its projected benefit to the company's bottom line, we will also make use of additional news that this subsidiary is expected to generate to broaden awareness of S3 in the U.S. public markets. This change does not impact the holdings of our public company shareholders, other than to expand the opportunities for return as a result of greater operational diversity,” 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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