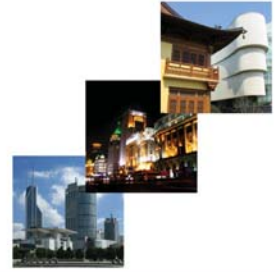




S3 INVESTMENT COMPANY

Trading Symbol: SIVC | www.s3investments.com



April 2009

Corporate Profile

S3 Investment Company, Inc. (OTC: SIVC) and its wholly owned Redwood Capital subsidiary are focused on assisting private Chinese companies in accessing the North American capital markets by utilizing a network of investment banking relationships to achieve reverse merger transactions.

Market Information

Trading Symbol: SIVC

Market: Over-the-Counter (OTC)

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Websites

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www.s3investments.com

Subsidiary Website:

Redwood Capital, Inc.
www.redwoodcapinc.com

Redwood Capital Client Boyuan Construction Completes RTO Transaction and Begins Trading on TSX Venture Exchange

Client's common stock traded under the symbol: BOY; Redwood receives 330,219 shares

Boyuan Construction Group, Inc., a client of S3 Investment Company's wholly owned Redwood Capital subsidiary, has completed the CDN\$48.75 million acquisition of SND Energy Ltd. through a reverse-takeover transaction.

As a result of the completed acquisition and concurrent financing, Boyuan's common shares and its convertible debentures have received listing approval from the TSX Venture Exchange. Trading of the company's common stock began trading on the TSX Venture Exchange under the symbol BOY on Wednesday, March 11, 2009.

For its participation as the Chinese merchant banking advisor to Boyuan Construction, Redwood Capital has been issued 330,219 shares of Boyuan Construction common stock.



Boyuan Construction Group, Inc. is a leading builder of commercial, residential and municipal infrastructure projects in China's fast-growing regions of the Yangtze River Delta and the city of Sanya on Hainan Island. Redwood Capital acted as Chinese merchant

banking advisor to Boyuan Construction for this transaction.

"We are very pleased that Redwood Capital was able to play a part in the transaction that brought Boyuan Construction into the North American capital markets with its listing on the TSX Venture Exchange," said Jim Bickel, CEO of S3 Investments, Inc.

Concurrent with the closing of the acquisition, Boyuan also announced that it has completed a private placement financing which generated gross proceeds of \$4.1 million in a unit offering, issuing secured convertible debentures and 512,500 common shares to accredited investors.



Haywood Securities Inc., which served as sponsor, also acted as co-lead agent for the private placement along with California-based Hunter Wise Securities, LLC.

Under the terms of the private placement financing, Boyuan investors will receive units priced at \$1,000 each, consisting of one listed convertible debenture and 125 free-trading common shares at \$2.00 per share, along with 250 warrants.

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S3 Confirms Work With Additional Redwood Capital Clients in China

S3 Investment Company has announced that in addition to its ongoing advisory work with Boyuan Construction Group, Inc., which recently began trading on the TSX Venture Exchange, Redwood Capital continues to assist additional client companies in China with acquisition transactions that are expected to result in their entry into the North American capital markets.

Redwood Capital's current clients conduct business in a variety of industries, including construction, building supplies, health care, and education.

"Redwood Capital is in various stages with each of its active clients, and we look forward to advancing the progress of our next expected entry into the North American capital markets until another closed transaction is achieved," commented Jim Bickel, CEO of S3 Investments, Inc.

"Each successfully closed transaction results in additional asset value for the company, with the value of the stock received becoming an asset on the books of S3's wholly owned subsidiary," Mr. Bickel added.

Redwood Capital Establishes Relationship With Big Four Auditing Firm for Qualifying Clients in China

Relationship will also be used as part of marketing services to clients in China

Redwood Capital, a wholly owned subsidiary of S3 Investment Company, has entered into a relationship with a Big Four auditing firm for it to serve as auditor for qualifying client companies in China and Canada.

As reported in the lead story of this newsletter, Redwood Capital served as a merchant banking advisor to client Boyuan Construction Group, Inc. as it completed the CDN\$48.75 million acquisition of SND Energy Ltd. As a result of the transaction, Boyuan Construction now trades on the Canada's TSX Venture Exchange under the ticker symbol BOY for its common shares.

In addition to the successful close of Boyuan Construction, Redwood Capital has recently signed additional private Chinese companies as clients, further expanding its pipeline of prospective listings and capital raises in 2009.

All of the company's affiliations with high level legal and accounting firms, including this newly announced relationship, are used as part of Redwood Capital's marketing efforts in China.

"We are pleased to have developed the relationship with a Big Four Auditor and believe it will assist in the process of closing future Redwood Capital transactions, as well as helping to facilitate the client's future success as a publicly traded company," said Jim Bickel, CEO of S3 Investments, Inc.

RECENT NEWS

3/31 - S3 Investment Company Announces Filing With OTC Disclosure Service

3/24 - S3 Investment Company Announces Work With Additional Redwood Capital Clients in China

3/17 - S3 Investment Company Announces Relationship With Big Four Auditing Firm for Qualifying Redwood Capital Clients in China and Canada

3/11 - S3 Investment Company Announces Commencement of Trading for Redwood Capital Client Boyuan Construction Under the Symbol BOY

3/10 - S3 Investment Company Announces Equity Position Received by Redwood Capital as a Result of Recent Reverse Merger Transaction

3/05 - S3 Investment Company CEO Comments on Completed Reverse Merger Transaction and Economic Data From China as Validation of the Redwood Capital Business Strategy

3/03 - S3 Investment Company Announces Completion of Acquisition and Private Placement by Redwood Capital Client Boyuan Construction

2/26 - S3 Investment Company Files Quarterly Reports to Bring Financial Information Current

Forward-looking Statements

Any statements contained in this newsletter related to future events of S3 Investment Company 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 undertakes no obligation to update any such statements to reflect actual events.

S3's Quarterly Reports Filed to Bring Company's Financial Information Current

On February 26, 2009, S3 announced that it had filed its quarterly reports for the two most recent fiscal quarters through the Pink Sheets OTC Disclosure and News Service, bringing its financial reporting through the service up to date.

The filings can be viewed by visiting <http://www.pinksheets.com/pink/quote/quote.jsp?symbol=sivc> and clicking on the "Filings" tab.

Pink OTC Markets Inc., which operates www.pinksheets.com and related websites, provides the leading inter-dealer electronic quotation and trading system in the over-the-counter (OTC) securities market.

The reports filed by the company reflect the fiscal quarters ended September 29, 2008 and December 30, 2008. The next report expected to be filed through the service will be for the quarter ending March 31, 2009.

"While we are pleased to have completed this step in bringing our financial reporting through the Pink Sheets OTC Disclosure service up to date, we do look for improved financial performance in future quarters as we achieve additional closings of transactions involving our Redwood Capital subsidiary," stated Jim Bickel, CEO of S3 Investments, Inc.

"By meeting the reporting requirements and subscribing to the Pink Sheets OTC Disclosure and News Service, we expect S3 to achieve the 'Current Information' designation, which will position S3 in the 'Transparent' category as defined by the Pink Sheets."

S3 has provided regular updates on the progress of the latest Redwood Capital client, Boyuan Construction, Inc. to have successfully achieved a listing in the North American capital markets. Boyuan Construction trades on the TSX Venture Exchange in Canada under the symbol BOY.

"Keeping S3 Investment's financial reporting current will also allow our shareholders and the public markets to track the company's anticipated revenue and asset growth through completed transactions involving Redwood Capital," Mr. Bickel added.

Redwood Capital Marketing Director Appointed to Board of Boyuan Construction

John Bai, Marketing Director of S3's wholly-owned Redwood Capital subsidiary, has been appointed to serve on the Board of Directors of Boyuan Construction Group, Inc., which now trades on Canada's TSX Venture Exchange. Mr. Bai holds Canadian citizenship and has experience as a registered investment advisor in Canada. Mr. Bai was appointed to serve on the Board of Boyuan Construction, in part, to assist with its transition into the North American public markets.

Mr. Bai also worked with Redwood Capital client Dalian Chuming, which now trades in the United States as Energroup Holdings Corporation under the symbol ENHD. Mr. Bai facilitated road shows and meetings with investors; coordinated public announcements, quarterly and annual earnings releases and conference calls; managed professional services providers including investor relations, legal and auditing; assisted the CFO in SEC regulations and compliance, filings and disclosure; and arranged Board meetings and shareholder meetings and prepared the relevant documents for each.

"Mr. Bai has the practical experience and background that will allow him to provide valuable Board level guidance for Boyuan Construction as it operates as a public company," commented Jim Bickel, CEO of S3 Investment Company, Inc.

As an investment advisor for a full-service investment dealer based in Canada, Mr. Bai introduced and recommended pre-IPO companies to investors; provided financing service for public companies through private financing; kept track of the general economy, forecasted sector trends and analyzed companies' financial reports, such as balance sheets and cash flows to understand the companies' financial status; and independently analyzed, evaluated and recommended stocks, stock options and bonds to clients with satisfactory results.

Mr. Bai also served as the manager for a private fund based in Los Angeles, where he increased the return for each of the three years he held his position.

As project manager and then chief project manager for the Ministry of Aerospace of China, Mr. Bai negotiated \$20 million in savings in procurement of key components and significantly reduced the risk for a project valued in excess of \$100 million, conducted numerous negotiations and signed many contracts with prices below targets, extensively traveled internationally and domestically and significantly promoted and enhanced company's business and image.

CEO Jim Bickel Comments on Completed Reverse Merger Transaction and Economic Data From China as Validation of the Redwood Capital Business Strategy

S3 Investment Company CEO Jim Bickel has commented on the recently closed transaction involving Boyuan Construction Group, Inc., a client of S3's wholly owned Redwood Capital subsidiary, and new economic data indicating that China's economy may lead the recovery from global economic recession as clear validation of the company's business strategy.

News that China will unveil a new stimulus package that is expected to further increase spending on domestic infrastructure and manufacturing had a positive impact in the world's stock markets and increased optimism that the world's third largest economy will lead a global economic recovery.

Shares of Chinese companies and international firms doing business in China rose on the news of the expected stimulus.

"China has developed into a major driver of global economic growth, and this is a primary reason that Redwood Capital has focused its attention on the China market," stated Mr. Bickel. "The fact that news of another stimulus package had such a far-reaching impact in global financial markets is a strong indication of the importance of China's economy, and we are pleased that Redwood Capital will continue to do business in such robust business climate."

As reported elsewhere in this newsletter, Redwood Capital acted as Chinese merchant banking advisor to Boyuan Construction for its recently completed CDN\$48.75 million acquisition of SND Energy Ltd. through a reverse-takeover transaction.

As a result of the completed acquisition and concurrent financing, Boyuan's common shares and its convertible debentures are now listed on the TSX Venture Exchange.

"Closing this type of transaction is always a noteworthy achievement, but to do so in our current economic climate borders on remarkable," said Mr. Bickel.

"I want to take this opportunity to applaud the efforts of our team at Redwood Capital, as well as our strategic partners who played a role in bringing this transaction to a successful close.

Redwood Client Boyuan Construction Begins Trading on TSX Venture Exchange

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Investors will be able to convert the debentures at any time during their four-year term into Boyuan common shares at \$2.00 per share. The warrants are exercisable at \$2.00 per share for the same four-year period. Each Boyuan debenture holder will also receive 250 rights and 250 additional rights. Each right and additional right entitles the holder to receive one new share upon execution of a unique make-good provision.

Under the make-good provision, Boyuan's Chairman has deposited into escrow 2,050,000 common shares, equal to the total dollar value of the private placement financing. In the event that Boyuan does not achieve after-tax net income of at least \$8.5 million for its fiscal year ending June 30, 2009 and \$11.5 million for the fiscal year ending June 30, 2010, the escrow agent will transfer, for no additional consideration, one escrowed share for each exercised right.

Should Boyuan not achieve the above earnings targets, half of the make-good escrow shares are transferable to the private placement investors within 30 days of the Company posting its audited financial results on SEDAR, for each of fiscal 2009 and 2010 respectively. Following the expiry of the additional rights exercise period, all shares remaining in escrow will be transferred back to Boyuan's management if they are not otherwise transferred to the offering's private placement investors.

The gross proceeds of the private placement financing will be used by Boyuan for working capital purposes as well as for the procurement of new construction equipment.

"Not only do we believe that Boyuan Construction is extremely well positioned for future growth, due in no small part to China's stimulus efforts that are expected to pour billions of dollars into construction-related projects, but we also believe that this successful close will provide Redwood Capital an even greater profile in China's business community. We will continue to point to our recent successes as we lay the foundation for additional business in 2009 and beyond."