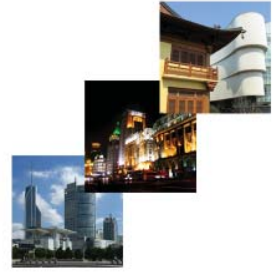




# S3 INVESTMENT COMPANY

Trading Symbol: SIVC | [www.s3investments.com](http://www.s3investments.com)



## May 2009 Newsletter

### 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)

### Contact

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### Websites

#### **Public Company Site:**

S3 Investment Company, Inc.  
[www.s3investments.com](http://www.s3investments.com)

#### **Subsidiary Website:**

Redwood Capital, Inc.  
[www.redwoodcapinc.com](http://www.redwoodcapinc.com)

## S3 Announces Two New Clients for Redwood Capital Subsidiary

### Both new clients - one in construction supply, the other in pharmaceuticals - currently trade in the U.S. public markets

S3 Investment Company, Inc., publicly traded under the symbol SIVC, has announced that its wholly owned Redwood Capital subsidiary, which provides Chinese clients with U.S. corporate finance and investment banking services, recently signed two new clients.

The two new Redwood Capital clients include a company that does business in the construction materials and supply industry and another in the pharmaceutical industry. Like prior Redwood Capital assignments, the new clients are based in China; however, these companies are already listed in the U.S. public markets.

Redwood Capital was first retained to assist with the process of raising capital

for the construction materials and supply company. Segments of China's construction industry, particularly in Tier 2 and Tier 3 cities, are projected to grow due to the continued rise in middle class incomes and the government's stimulus efforts, which have also focused on development of the country's infrastructure as

well as residential building. Building materials form an integral part of the infrastructure and construction industries in China.

"A new client for Redwood Capital is always good news for S3, but signing a company that has already achieved a listing in the U.S. capital markets opens new avenues for our business," said S3 CEO Jim Bickel at the time that the signing was announced.

**"A new client for Redwood Capital is always good news for S3, but signing a company that has already achieved a listing in the U.S. capital markets opens new avenues for our business."**

**S3 Investment Company  
CEO Jim Bickel**

"There are a number of China-based companies that previously listed in North America but have not been able to access capital to successfully implement their strategies as public companies.

"Redwood Capital and its affiliates are able to provide assistance in this area, as evidenced by the successful capital raises in recent reverse merger transactions involving our clients.

"We look forward to providing more information on the details of this Redwood Capital client and the company's efforts on its behalf."

Subsequent to the announcement of the first new client, S3 disclosed that Redwood Capital



(continued on page 3)

# S3 CEO Jim Bickel Participates in Live Interview on Investment Nation

**Mr. Bickel takes questions submitted by shareholders and discusses closed merger transactions, new Redwood Capital clients and management's expectations for remainder of 2009**

S3 Investment Company Chairman and CEO Jim Bickel was featured in a live interview with Investment Nation on Tuesday, April 21, 2009. The interview was held as an audio broadcast in the website's chatroom from 6:00 - 7:00 pm Eastern, and shareholders were given the opportunity to submit questions for Mr. Bickel to address during the session.

Investment Nation provides an online forum for shareholders and other investors to share facts, due diligence and investment ideas. Investment Nation was built to provide a forum for new and experienced investors to gather and share market information in a clean and professional environment.



Questions were submitted by shareholders and posed by Investment Nation's interviewer.

In the interview, Mr. Bickel discussed the recently closed transaction involving Boyuan Construction Group, Inc., a client of its wholly owned Redwood Capital subsidiary. He provided details of the "make good" provision associated with the transaction, as well as plans for additional capital raising efforts on behalf of Boyuan Construction.

Mr. Bickel also addressed another Redwood client, Dalian Chuming, which now trades in the United States as Energroup Holdings Corporation under the stock symbol ENHD, and commented on other signed Redwood Capital clients, including management's expectations for the remainder of the 2009 calendar year.

He explained the type of follow-on work that Redwood Capital provides for clients once their transactions have successfully closed and discussed Redwood's new relationship with the Big Four accounting firm, Deloitte Touche.

"I am pleased to have the opportunity to participate in the live interview on Investment Nation," said Mr. Bickel before the interview took place. "The close of the Boyuan Construction transaction was a milestone event for Redwood Capital, given the condition of the global capital markets, and the recent signing of a new client engagement indicates that Redwood continues to attract business, even in a challenging economic climate. I look forward to discussing the company, its strategy to build value for stockholders and our expectations for the coming months," he added.

Subsequent to the interview, Mr. Bickel commented, ""We utilize a very active shareholder communications program, and we plan to continue to make use of a variety of communications channels, including interviews like the one held with Investment Nation, to keep our shareholders informed and to make new investors aware of the opportunities presented by S3."

## RECENT NEWS

5/05 - S3 Investment Company Announces Redwood Capital Agreement With China Pharmaceutical Company for \$12 Million Raise

4/23 - S3 Investment Company Announces CEO Trip to China to Meet With Current Redwood Capital Clients and Potential New Clients

4/21 - S3 Investment Company Reminds Shareholders of Today's Live CEO Interview on Investment Nation

4/16 - S3 Investment Company Announces Scheduled Live Interview With CEO on Investment Nation

4/09 - S3 Investment Company Announces New Client for Redwood Capital Subsidiary

4/06 - S3 Investment Company Posts April 2009 Investor Newsletter Reviewing Recently Completed Redwood Capital Transaction

## 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.

## Stay Informed

S3 Investment Company invites its shareholders, as well as other newsletter readers, to subscribe to the company's Email Alert System at the S3 Investments website. All subscribers receive by email new press releases, investor newsletters, notices of new SEC filings or other written material that is publicly disclosed by the company. To subscribe, please visit the Investor Relations section of the S3 corporate website, [www.s3investments.com](http://www.s3investments.com), and fill in the appropriate fields.

## CEO Begins Trip to China to Meet with Current Redwood Capital Clients and Potential New Clients

S3 Chairman and CEO Jim Bickel has begun a trip to China where he is meeting with existing Redwood Capital clients, including Boyuan Construction Group, Inc., new clients that are now under contract, and several potential clients that are in various stages of pre-contract due diligence.

During his trip, Mr. Bickel is also expected to meet with Asian funds that may do business with Redwood Capital and its client companies in China.

"Face-to-face meetings in China are critical for the business of Redwood Capital, and I am pleased to have the opportunity to meet with new and existing clients, as well as assisting with the review and due diligence process for a group on potential Redwood clients," commented Mr. Bickel.

"I expect this time to be extremely well spent and look forward to reporting progress upon my return to the United States."

Redwood Capital, which provides Chinese clients with U.S. corporate finance and investment banking services, acted as the China merchant banking advisor in a recent transaction involving Boyuan Construction Group, which resulted in the company trading on the TSX Venture Exchange under the stock symbol BOY.

Boyuan Construction 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. For each successfully closed transaction, Redwood Capital receives shares of its client's common stock. In consideration for its services in the Boyuan Construction transaction, Redwood Capital received 330,219 Acquisition Common Shares.

Redwood Capital has also announced that it had signed a two new client engagements with companies already listed in the U.S. public markets. The two companies, one which does business in China's construction materials and supply industry, the other in China's pharmaceutical market, are discussed in the story on page 1 of this newsletter.

"Boyuan Construction and our newest clients will be very important stops on this trip," Mr. Bickel said.

## Redwood Capital, Inc. Announces the Signing of Two New Clients

(continued from page 1)

had signed a merchant banking advisory agreement with a pharmaceutical company based in China, the purpose of which is to raise the company US\$12 million for expansion.

This Redwood Capital client is currently listed in the U.S. public markets and achieved \$34 million in revenues and more than \$7 million in after-tax net income for fiscal year 2008.

If successful in raising the capital necessary for further expansion, the company is projecting that revenues and earnings will reach \$100 million and \$25 million in fiscal year 2010, respectively.

"We are pleased to report that Redwood Capital has added another strong company to its list of current clients," stated Mr. Bickel, who is currently traveling in China in support of the Redwood Capital business.

"China's pharmaceutical market is growing considerably faster than the country's GDP growth rate, and this company is well-positioned to further accelerate revenues and earnings once it has the capital necessary to fully implement its expansion strategy."

Previous to these two signings Redwood Capital participated as the China merchant banking advisor in a recent transaction involving Boyuan Construction Group, Inc., which resulted in Boyuan Construction trading on the TSX Venture Exchange under the stock symbol BOY.

Boyuan Construction is a leading builder of commercial, residential and municipal infrastructure projects in the fast-growing regions of the Yangtze River Delta and the city of Sanya on Hainan Island. In consideration for its services, Redwood Capital received 330,219 shares of common stock.

Mr. Bickel is currently traveling in China to meet with existing Redwood Capital clients, new clients, and several potential clients that are in various stages of pre-contract due diligence (see story on column 1 on this page). Included in his appointments are visits with the two new Redwood clients.