

Press Release

S3 Investment Company Comments on Additional Contracts Valued at over \$57 Million Announced by Redwood Capital Client

Boyuan Construction Group signs three new contracts for construction projects in China

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DANVILLE, CA--(MARKET WIRE)--Feb. 9, 2010--S3 Investment Company, Inc. (Other OTC: SIVC) today commented on three new construction contracts valued at over \$57 million announced by a client of its Redwood Capital subsidiary. The new contracts were announced by Boyuan Construction Group, which is publicly traded on Canada's TSX Venture Exchange under the symbol BOY, and include two projects in Shandong province and one on Hainan Island, China. Redwood Capital, as part of the compensation it received as the Chinese merchant banking advisor for Boyuan Construction Group when it became listed on Canada's TSX Venture Exchange, received shares of Boyuan common stock. As of S3's last filed financial report, for the period ended September 30, 2009, Redwood Capital held 691,203 shares of Boyuan common stock.

The first of the three new projects announced by Boyuan was a contract valued at \$17.5 million to build a 20-story, 74,000 square meter hotel in Sanya, an emerging tourist destination located on Hainan Island, China, which is expected to be completed in early 2011. The second contract, which is valued at US \$22 million, is for the development of a 6-story, 200,000 square meter commercial complex in the city of Weifang, in China's Shandong province. The commercial complex, which will include furniture manufacturers and retailers, is expected to be completed by the end of 2010. The most recently announced contract is valued at \$18.1 million for the development of a 32-story, 99,000 square meter residential building, also in the city of Weifang. This project is expected to be completed by the second quarter of 2011.

Since the beginning of the 2010 calendar year, the total value of the contracts announced by Boyuan Construction Group exceeds \$76 million.

“This recent news announced by Boyuan Construction Group bodes well not only for its future in China's construction industry but also for the potential future value of the Boyuan stock that Redwood Capital holds,” stated S3 Investment Company Chairman and CEO Jim Bickel. “As Redwood Capital continues to attract new clients and work with its existing pipeline of Chinese companies, S3 will also report on the progress of Redwood clients that form the basis of the company's asset value.”

The stock holdings of S3's Redwood Capital subsidiary appear on the company's consolidated financial reports, which are posted on the Pink Sheets OTC Disclosure and News Service.

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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