

S3 Investment Company Announces Equity Position Received by Redwood Capital as a result of Recent Reverse Merger Transaction

Issued Tuesday, March 10, 10:07 am ET

Redwood Capital is issued 330,219 common shares of Boyuan Construction Group, Inc.

DANVILLE, CA--(MARKET WIRE)--Mar. 10, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) today announced that as a result of the participation of its wholly owned Redwood Capital subsidiary in the recently closed reverse-takeover transaction involving Boyuan Construction Group, Inc., Redwood Capital has been issued 330,219 Acquisition Common Shares. Redwood Capital acted as Chinese merchant banking advisor to Boyuan Construction for this transaction.

As a result of the completed acquisition and concurrent financing, Boyuan's common shares and its convertible debentures have received conditional listing approval from the TSX Venture Exchange. Information on Boyuan Construction's listing details, including ticker symbol and commencement of trading, will be disclosed pending final approval.

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.

Concurrent with the closing of the acquisition, Boyuan announced that it 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. 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. 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.

"The equity positions that Redwood Capital receives in exchange for its participation in client transactions have an immediate tangible value, and we are pleased to announce the receipt of the shares from our most recent successful close," commented Jim Bickel, CEO of S3 Investments, Inc. "We believe that Boyuan Construction is a strong company that will continue to grow, presenting the opportunity for our initial stock position in the company to increase in value over time."

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 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. For more information, please visit <http://www.redwoodcapinc.com>.

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.

Contacts

For S3 Investment Company
Gemini Financial Communications, Inc.
A. Beyer
(951) 677-8073
investors@s3investments.com