

Press Release

## **S3 Investment Company Comments on New Redwood Capital Subsidiary Client and its Potential in China's Cattle Industry**

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DANVILLE, CA--(MARKET WIRE)--Mar. 1, 2010--S3 Investment Company, Inc. (Other OTC: SIVC) today commented on the newest client for its wholly owned Redwood Capital subsidiary and the client's potential in China's rapidly growing cattle industry. Beef consumption in China is up 300% from 10 years ago, and current beef consumption is only one-tenth of that in developed countries, which demonstrates that the Chinese beef market has significant opportunities for growth in the coming years.

Redwood Capital, which assists private Chinese companies in accessing the North American capital markets by achieving reverse merger transactions, is invested in the long-term success of its client companies, since it is partially compensated for its services with common stock of the client company. The value of the stock payments received from these transactions is reflected in the company's consolidated financial reports posted at [www.otcmarkets.com](http://www.otcmarkets.com).

The new Redwood Capital client is engaged in the research, development and production of cattle and beef products in China, and the client's goal is to become the country's leading brand of premium cattle and beef products. The company's projected 2010 revenues are up 50% over the 2009 fiscal year with 50% gross profit margins. 2009 revenues were up over 100% as compared with the same period for 2008.

The client is currently expanding its facilities to increase production capacity and adding staff to its sales network with a goal to significantly increase domestic sales and exports. The company possesses unique advantages over its competition, including research and development cooperation with Chinese universities, participation in the development of a national cattle synthesis standard, and a first class production and quality control system, which produces safe, green and non-polluting products.

China's government has put in place special tax and subsidy policies that benefit agriculture/cattle industries, including no-interest loans and land-use rights. In the 4<sup>th</sup> quarter of 2008, the Chinese government invested RMB50 billion in the domestic agriculture industry and has also invested RMB4000 billion recently to encourage growth in domestic demand. The government is also actively promulgating a plan for "safe meat" and is expected to raise the proportion of slaughtering automation to over 70% of all meat and actively enforce authorized slaughtering and quarantine.

Additional information about the client company, including audited financial information, will be once the planned listing and funding transaction is completed.

“We are very enthusiastic about this new Redwood Capital client and look forward a successful listing effort in the U.S. public markets,” said S3 Investment Company Chairman and CEO Jim Bickel. “As with any transaction such as this, there are no guarantees, but we believe that this client is well-prepared for a listing in North America and is positioned for long-term success as a public company.”

Over the past 12 months, Redwood Capital has participated in successful reverse merger and equity financing transactions for Chinese companies, including Boyuan Construction Group, now traded on the TSX Venture Exchange under the symbol BOY and China listed on the Over-the-Counter Bulletin Board under the symbol CHNC.

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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