

**S3 Investment Company Announces Completion of Acquisition and Private Placement by Redwood Capital Client Boyuan Construction**  
**- Listing approval received from the TSX Venture Exchange -**

Issued Tuesday, March 3, 10:37 am ET

DANVILLE, CA--(MARKET WIRE)--Mar. 3, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) announced today that Boyuan Construction Group, Inc., a client of S3'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 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. 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. 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 Boyuan debentures, which will be listed separately on the TSX Venture Exchange, mature on February 27, 2013, and bear interest at an annual interest rate of 11.75% paid quarterly in cash.

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.

Boyuan also announced that it expects to file its second quarter financial results for the three months ended December 31, 2008 with SEDAR the week of March 9, 2009.

#### **About Boyuan Construction Group, Inc.**

Based in Jiaxing City, China, Boyuan Construction Group, Inc. is in the business of residential and commercial building construction, municipal infrastructure and engineering projects. In its last three fiscal years ending June 30, 2008, Boyuan completed more than 120 projects for a number of private and public sector clients including Cargill and the Dalian Shide Group, a billion dollar conglomerate whose partners include DuPont, Mitsubishi and GE. Boyuan's current backlog includes residential, industrial and mixed-use developments, including a five-star hotel and a project at the Qingshan Nuclear Plant, China's first and largest nuclear facility. From its operating bases in Zhejiang Province and on Hainan Island, Boyuan focuses on construction projects in China's fast-growing regions of the Yangtze River Delta and the city of Sanya.

#### **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.

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