

## **S3 Investment Company CEO Comments on Completed Reverse Merger Transaction and Economic Data from China as Validation of the Redwood Capital Business Strategy**

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DANVILLE, CA--(MARKET WIRE)--Mar. 5, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) CEO Jim Bickel today commented on the recently closed transaction involving Boyuan Construction Group, Inc., a client of S3's wholly owned Redwood Capital subsidiary, and new economic data indicating that China's economy may lead the recovery from global economic recession as clear validation of the company's business strategy.

News that China will unveil a new stimulus package that is expected to further increase spending on domestic infrastructure and manufacturing had a positive impact in the world's stock markets and increased optimism that the world's third largest economy will lead a global economic recovery. Shares of Chinese companies and international firms doing business in China rose on the news of the expected stimulus.

"China has developed into a major driver of global economic growth, and this is a primary reason that Redwood Capital has focused its attention on the China market," stated Mr. Bickel. "The fact that news of another stimulus package had such a far-reaching impact in global financial markets is a strong indication of the importance of China's economy, and we are pleased that Redwood Capital will continue to do business in such robust business climate."

Redwood Capital acted as Chinese merchant banking advisor to Boyuan Construction for its recently completed CDN\$48.75 million acquisition of SND Energy Ltd. through a reverse-takeover transaction. 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.

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.

"Closing this type of transaction is always a noteworthy achievement, but to do so in our current economic climate borders on remarkable," said Mr. Bickel. "I want to take this opportunity to applaud the efforts of our team at Redwood Capital, as well as our strategic partners who played a role in bringing this transaction to a successful close. Not only do we believe that Boyuan Construction is extremely well positioned for future growth, due in no small part to China's stimulus efforts that are expected to pour billions of dollars into construction-related projects, but we also believe that this successful close will provide Redwood Capital an even greater profile in

China's business community. We will continue to point to our recent successes as we lay the foundation for additional business in 2009 and beyond."

**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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