

Press Release

S3 Investment Company Comments on New Construction Project for Redwood Capital Client

S3 CEO Jim Bickel recently met with Boyuan Construction Group's Chairman in China

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DANVILLE, CA--(MARKET WIRE)--Apr. 8, 2010--S3 Investment Company, Inc. (Other OTC: SIVC) today commented on the announcement by a client of its wholly owned Redwood Capital subsidiary that the building of a residential project valued at US \$6.9 million has been initiated. The client, Boyuan Construction Group, a fast-growing construction company in China of commercial, residential and municipal infrastructure projects, has begun the 50,000 square meter residential project being developed in Pinghu, an emerging city located in China's Zhejiang province.

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.

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, Redwood Capital received shares of Boyuan common stock. The value of the stock payments received from this and other transactions is reflected in the company's consolidated financial reports posted at www.otcm Markets.com.

"I was pleased to have the opportunity to meet with Boyuan Construction Group's Chairman while in China and look forward to the company's continued success," said S3 Investment Company Chairman and CEO Jim Bickel. "Additional new contracts and the resulting revenues are expected to have a positive impact on the value of the stock holdings of Redwood Capital. We will continue to monitor the progress of Boyuan Construction and other Redwood Capital clients as they prosper and grow in the burgeoning China market."

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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