

Press Release

S3 Investment Company Comments on the Initiation of Two New Construction Projects for a Redwood Capital Client Valued at \$14.6 Million

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DANVILLE, CA--(GLOBE NEWSWIRE)--May 28, 2010--S3 Investment Company, Inc. (Other OTC: SIVC) today commented on the announcement by a client of its wholly owned Redwood Capital subsidiary regarding the initiation of two separate, mixed development building projects in Sanya, on China's Hainan Island. The client, Boyuan Construction Group, a fast-growing construction company in China of commercial, residential and municipal infrastructure projects, recently announced that the projects have an aggregate value of US \$14.6 million.

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.

The first Boyuan Construction Group project encompasses the construction of seven buildings with a total area of 44,000 square meters in Sanya's hot spring resort area. The buildings will be used as service apartments to support the growing logistical and infrastructure requirements of Sanya's burgeoning tourism industry as well as for residential and commercial purposes. The project is valued at \$10.2 million and is expected to be completed in the first quarter of calendar 2011.

The second project involves the development of five buildings with a total area of 20,000 square meters. The buildings will be used for commercial purposes and as service apartments. The project is valued at US \$4.4 million and is also expected to be completed in the first quarter of calendar 2011.

Hainan Island is China's largest special economic zone.

“Boyuan Construction Group continues to achieve success in the China market, and we are pleased to see another two projects move forward,” said S3 Investment Company Chairman and CEO Jim Bickel.

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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