

Press Release

## **S3 Investment Company Comments on Quarterly Financial Report Filed by Redwood Capital Client**

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DANVILLE, CA--(GLOBE NEWSWIRE)--Jun. 3, 2010--S3 Investment Company, Inc. (Other OTC: SIVC) today commented on the recent quarterly financial results filed by Boyuan Construction Group, a client of its wholly owned Redwood Capital subsidiary. Boyuan Construction Group, which is currently traded on Canada's TSX Venture Exchange under the symbol BOY, is a fast-growing construction company in China of commercial, residential and municipal infrastructure projects.

In the quarterly report, which included financial results for the three and nine-month periods ended March 31, 2010, Boyuan Construction Group showed significant gains in several important categories, including revenues, gross profit and net income. Management commented that the company had signed new agreements in the period worth \$76.6 million, its largest total to date for a quarter and a further validation of its decision to expand into neighboring markets in Shandong, China.

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 clients, 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 the 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.otcmarkets.com](http://www.otcmarkets.com).

"Boyuan's quarterly financial report demonstrates that the company can perform well even during period in which China's economy traditionally shows less activity, namely the Chinese New Year holidays," said S3 Investment Company Chairman and CEO Jim Bickel.

Also today, S3 posted the required attorney letter for its most recent quarterly report disclosed through the OTC Markets system, which will maintain the company's "Current Information" status on the site.

"Maintaining a high level of transparency is an important element of our commitment to shareholders, and we are pleased to have again met the required timeframe to keep our 'Current Information' status intact. The filing has also been corrected to rectify a typographical error regarding the number of the company's authorized shares of common stock," Mr. Bickel added.

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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