

Press Release

S3 Investment Company Comments on another Completed Round of Financing for Redwood Capital Client Boyuan Construction Group

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DANVILLE, CA--(MARKET WIRE)--Jul. 14, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) announced today that Boyuan Construction Group, a client of its wholly owned Redwood Capital subsidiary, has completion a non-brokered private placement offering with gross proceeds of CDN\$6,474,000. The net proceeds raised by the offering will be used to fund new construction projects and for general working capital purposes.

The private placement offering, effective June 30, consisted of 6,474 Units at a price of \$1,000 per unit. Each unit consists of one secured convertible debenture with a par value of \$750, 125 common shares each with a deemed value of \$2.00, 250 warrants to purchase common shares at \$2.00 each for a period of up to four years, as well as 250 non-transferable rights and 250 non-transferable additional rights, each entitling the holder to receive one share upon exercise of a "Make Good Provision." The units will be subject to a four-month hold period from the close of the offering.

Boyuan Construction Group, Inc., which trades on Canada's TSX Venture Exchange under the symbol BOY, 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. Boyuan Construction Group also recently reported that it had signed three new commercial construction project agreements with a total value of US \$33.6 million.

Redwood Capital provides Chinese clients with U.S. corporate finance and investment banking services and has acted as the China merchant banking advisor for recent acquisition and reverse takeovers, including the transaction that brought Boyuan Construction Group to the TSX Venture Exchange.

"Each new round of financing completed by Boyuan Construction Group represents another level of success for this client's entry into the North American capital markets and provides additional benefit to Redwood Capital," stated Jim Bickel, chairman and CEO of S3 Investment Company, who recently traveled to China in support of the company's business interests there. "Boyuan Construction Group continues to exceed our expectations, and we will continue to provide support wherever possible as this Redwood client grows as a public company."

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.

Contacts

For S3 Investment Company
Gemini Financial Communications, Inc.
(951) 677-8073
investors@s3investments.com