

Press Release

## **S3 Investment Company Announces Additional New Contract for Redwood Capital Client**

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DANVILLE, CA--(MARKET WIRE)--Sep. 16, 2009--S3 Investment Company, Inc. (Other OTC: SIVC) has issued comments on another new contract announced by Boyuan Construction Group, Inc., a client of the company's wholly owned Redwood Capital subsidiary, which earlier this year entered into the North American capital markets and is now publicly traded on Canada's TSX Venture Exchange under the symbol BOY. Redwood Capital acted as the Chinese merchant banking advisor for Boyuan Construction Group in a reverse takeover transaction which resulted in the company being listed on the TSX Venture Exchange.

Boyuan Construction Group, a fast-growing construction company in China of commercial, residential and municipal infrastructure projects, announced that it has signed two new agreements to construct two separate buildings. The combined aggregate value of the contracts is \$26.3 million.

Under the terms of the agreements, Boyuan will construct a 23-story hotel in Sanya, one of China's most popular tourist destinations. The project, which is valued at \$11.7 million, is expected to be completed by the end of 2010.

Boyuan will also develop a commercial building in Shandong, one of China's most economically diversified provinces with high concentrations of manufacturing and oil and gas production activities. The project, valued at \$14.6 million, is expected to be completed October 1, 2011. Shandong represents a new market opportunity for Boyuan, particularly for commercial projects.

"Boyuan Construction Group continues to demonstrate its ability to attract new business in the growing China market, and given the Boyuan stock that Redwood Capital has received, this continued success is an important development for S3 shareholders," said Jim Bickel, chairman and CEO of S3 Investment Company.

Based in Jiaxing City, China, Boyuan Construction Group is in the business of residential and commercial building construction, municipal infrastructure and engineering projects. In its last three fiscal years ended June 30, 2008, Boyuan completed more than 120 projects for a number of private and public sector clients including Cargill and the Dalian Shide Group, a billion dollar conglomerate whose partners include DuPont, Mitsubishi and GE. Boyuan's current projects include residential, industrial and mixed-use developments, including a five-star hotel and a project at the Qingshan Nuclear Plant, China's first and largest nuclear facility. From its operating bases in Zhejiang Province and on Hainan Island, Boyuan focuses on construction projects in China's fast-growing regions of the Yangtze River Delta and the city of Sanya.

For its participation in bringing Boyuan Construction Group into the North American capital markets, Redwood Capital received 330,219 shares of Boyuan common stock. As a result of a second round of financing completed by Boyuan, Redwood Capital has received additional common stock of the company.

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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