



Press Release

Source: S3 Investment Company

S3 Investment Company Announces Closing Process for Redwood Capital Reverse Merger Client

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Focus on Redwood Capital as sole subsidiary of S3 is also addressed

DANVILLE, CA--(MARKET WIRE)--Oct. 22, 2008--S3 Investment Company, Inc. (Other OTC: SIVC) and its wholly owned Redwood Capital subsidiary, which assists private Chinese companies in accessing the U.S. capital markets through reverse mergers into public companies, today announced that a Redwood Capital reverse merger client is currently in the closing process and the transaction is expected to close in the near future as previously announced by the company.

The company recently announced that it expected two current Redwood Capital clients to participate in successful reverse merger transactions and enter the U.S. public markets before the end of the 2008 calendar year.

“Our focus at this time is to bring the first of our pending Redwood Capital transactions to a close,” stated S3 Chairman and Chief Executive Officer Jim Bickel. “Closing two transactions before the end of the calendar year, given the current condition of the global financial markets, would be quite an achievement, but we believe that it may be possible.”

Redwood Capital participated in a transaction involving Dalian Chuming, a pork processing company that trades in the U.S. as Energroup Holdings Corporation under the symbol ENHD. As part of the transaction, ENHD, a Nevada corporation, acquired all of the issued and outstanding capital stock of Precious Sheen Investments Limited (“PSI”), a British Virgin Islands corporation and parent company of PRC-based Dalian Chuming.

Redwood Capital was issued 428,095 shares of ENHD as the equity portion of its payment for advisory services provided for the transaction. Institutional and accredited investors participated in a \$17.0 million private placement with Energroup Holdings Corporation, paying \$4.40 per share for their positions. At the placement price, the value of Redwood Capital’s equity position would exceed \$1.8 million.

S3 also announced that SINO UJE, Ltd. is no longer an operating subsidiary of the company.

Regarding SINO UJE, Mr. Bickel commented, “It has become clear over the past year that the entire focus of S3 Investment Company should be on the operations of its Redwood Capital subsidiary and perhaps, in the future, additional potential acquisitions in the same or related

industry spaces. The business of Redwood Capital presents a much clearer path to shareholder value through the equity positions that are derived from completed reverse merger transactions and the dividend potential to S3 stockholders than SINO UJE did. SINO UJE's business would continue to require capital for expansion and did not fit well into S3's current business model. When circumstances changed regarding SINO UJE's status in China, S3 decided to continue with Redwood Capital's business as its focus."

Additional details related to SINO UJE will be included in the Form S-1 Registration Statement expected to be filed by the company near the end of October 2008.

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

S3 Investment Company, Inc. (<http://www.s3investments.com>) and its wholly owned Redwood Capital subsidiary are focused on assisting private Chinese companies in accessing U.S. 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.

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