



Press Release

Source: S3 Investment Company

S3 Investment Company Board Discusses Plan to Dividend Shares of Redwood Capital Client Companies to S3 Shareholders

Issued Thursday January 10, 9:56 am ET

DANVILLE, CA--(MARKET WIRE)--Jan. 10, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that the company's Board of Directors has met and discussed a plan to dividend shares of the stock of Redwood Capital's reverse merger clients to S3 shareholders of record at a future date.

The meeting of the company's Board of Directors was held in December at the company's corporate offices in Danville, California. At the meeting, the Board began to formulate its strategy to deliver value to S3 shareholders through the dividend of a percentage of the post-close equity that Redwood Capital is expected to receive from each reverse merger transaction.

S3's Redwood Capital subsidiary participated in a recently closed acquisition transaction involving Dalian Chuming, a pork processing company with USD \$70.4 million in sales in 2006, and USD \$89.7 million in unaudited sales in the first three quarters of 2007. Energroup Holdings Corporation, a publicly traded Nevada corporation, has acquired all of the issued and outstanding capital stock of Precious Sheen Investments Limited, a British Virgin Islands corporation ("PSI") and parent company of PRC-based Dalian Chuming. Energroup Holdings Corporation is traded on the Over-the-Counter Bulletin Board market under the symbol ENHD.

Redwood Capital is working with additional current clients to complete acquisition transactions with U.S. public companies, and S3 chairman and chief executive officer Jim Bickel has traveled to China for meetings with potential new Redwood Capital clients.

"S3's Board is committed to providing tangible return to the company's shareholders, and a dividend of a percentage of the shares that Redwood receives as a result of its work on behalf of clients that achieve listings in the U.S. markets is expected to do just that," Jim Bickel, chairman and chief executive officer of S3 Investment Company. "Each Redwood client is expected to be a company with significant revenues, as the recently closed transaction demonstrates. We intend to keep S3 shareholders and the public markets up to date on the Board's dividend plans and they are further developed and then implemented."

Redwood Capital provides an array of services to private Chinese companies and utilizes its extensive network of investment banking relationships to facilitate the client's listing on a U.S. public market through a reverse merger transaction. Redwood Capital relies on a highly

experienced investment and corporate management team focused on the emerging presence of Chinese corporations in the global capital markets.

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>) is a holding company with two subsidiaries doing business in the China market. S3 holds a 100% equity interest in Redwood Capital (<http://www.redwoodcapinc.com>), which assists private Chinese companies in accessing U.S. capital markets by utilizing a network of investment banking relationships to achieve reverse merger transactions, and a 51% equity interest in SINO UJE (<http://www.sinouje.com>), a non-stocking distributor of medical and industrial high-tech products to markets throughout China.

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.

Contact:

Gemini Financial Communications, Inc.

A. Beyer

(951) 677-8073

investors@s3investments.com