



Press Release

Source: S3 Investment Company

S3 Investment Company Announces Update on CEO Trip to China with Signing of New Redwood Capital Client

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DANVILLE, CA--(MARKET WIRE)--Jan. 17, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today provided an update on CEO Jim Bickel's trip to China and the signing of a new reverse merger client for the company's Redwood Capital subsidiary. Mr. Bickel is in the midst of a two-week trip to China to meet with Redwood Capital reverse merger clients and potential new clients, as well as to conduct business on behalf of S3's SINO UJE subsidiary.

Redwood Capital, which provides advisory services for private Chinese companies seeking access to the U.S. public markets through reverse merger/acquisition transactions, 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. Energroupholdings 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. Energroupholdings Corporation is traded on the Over-the-Counter Bulletin Board market under the symbol ENHD.

The name of the new Redwood Capital client will be disclosed in Mr. Bickel's post-trip report to shareholders, which is expected after he returns to the United States later next week. With the signing of the new reverse merger client, Redwood Capital now has two reverse merger/acquisition transactions that it expects to close by the end of the 2008 calendar year.

"I am pleased to report the signing of a new client for our Redwood Capital subsidiary," commented Mr. Bickel. "The value of the equity portion earned by Redwood Capital for each closed reverse merger transaction provides significant benefit to S3, and we look forward to having two additional transactions close this year. A total of three closed transactions in 2008 will constitute a highly successful year for Redwood Capital and is expected to result in a substantial asset value for the company."

S3 recently announced that the company's Board of Directors had met and began formulating a plan to dividend shares of the stock of Redwood Capital's reverse merger clients to S3 shareholders of record at a future date. Further details and plans to implement such a strategy are expected to be discussed as they are developed.

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.

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