



Press Release

Source: S3 Investment Company

S3 Investment Company Announces Results of CEO Trip to China with Report on Subsidiary Operations Including New Redwood Capital Client and Representation Relationship for SINO UJE

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Six Additional Potential Clients Targeted by Redwood Capital Subsidiary

DANVILLE, CA--(MARKET WIRE)--Jan. 28, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today provided a report CEO Jim Bickel's recently concluded trip to China and his activities on behalf of S3's subsidiary businesses operating there. The report includes the recent signing of a new reverse merger client for the company's Redwood Capital subsidiary and discussions with additional potential reverse merger clients.

During the China trip, Mr. Bickel reviewed and conducted meetings with 6 potential clients, and management believes that 2 of the potential clients are positioned to execute a contract with Redwood Capital in the near term.

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. Energroup Holdings Corporation, a publicly traded Nevada corporation, 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 under the symbol ENHD.

S3 also expects to report on the status of the equity payment from the Dalian Chuming transaction to Redwood Capital within the next several days.

Mr. Bickel visited the offices of S3's SINO UJE subsidiary during this most recent trip and met with management regarding the status of current supplier relationships. He reviewed new potential business opportunities and reported that SINO UJE anticipates a new representation contract with a U.S. company seeking access to the China market very shortly.

"There is a tremendous amount of activity involving our subsidiary companies operating in China, and I am pleased to report that we will have a number of follow-up announcements concerning the business of both Redwood Capital and SINO UJE over the next few weeks,"

stated Mr. Bickel. “We will have the announcement of the name of our new Redwood client and company that signed a representation agreement for SINO UJE, as well as additional events that we expect to impact the revenues and future value of the company.

“Clearly, a key component of the value proposition presented by S3 is the equity component received by Redwood Capital with every closed reverse merger transaction. We expect that Redwood will receive the equity portion in the coming days, and we look forward to announcing that event once it has occurred,” Mr. Bickel added.

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.

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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