



Press Release

Source: S3 Investment Company

S3 Investment Company Announces Wuhan International Trade College as New Reverse Merger Client for Redwood Capital Subsidiary

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DANVILLE, CA--(MARKET WIRE)--Jan. 31, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that its Redwood Capital subsidiary has signed Wuhan International Trade College, the second largest vocational education school in Hubei Province, as its newest client. Redwood Capital is in the business of assisting private Chinese companies to access the U.S. capital markets through reverse mergers into U.S. public companies.

Wuhan International Trade College (<http://www.whicu.com>), a for-profit institution that has cooperative ties to universities in North America and Europe, has developed an aggressive growth strategy, which is expected to include the construction of new buildings to accommodate a rapidly growing enrollment and the acquisition of another existing private college.

The demand for higher education in China is rapidly increasing with the growth of the middle class and the need for educated workers to fill positions in the expanding Chinese economy. However, according to a 2005 report from the American Council on Education, the higher education system does not meet the needs of 85% of China's college-aged population.

“We are pleased to announce Wuhan International Trade College as the new client for our Redwood Capital subsidiary, and we look forward to working toward its entrance into the U.S. public markets,” said S3 chairman and chief executive officer Jim Bickel. “S3 has set a goal for Redwood Capital to reach 4 completed reverse merger transaction per year, and we believe that it is currently positioned to achieve a minimum of 3 in 2008. We will continue to update Redwood's progress on Wuhan International Trade College, as well as on its Changzhou Haijie Metallurgical Machinery Manufacturing client, as events warrant.”

Redwood Capital 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 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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