



**Press Release**

**Source: S3 Investment Company**

## **S3 Investment Company Announces Close of Acquisition Involving Redwood Capital Client Dalian Chuming™**

Issued Tuesday January 8, 10:51 am ET

DANVILLE, CA--(MARKET WIRE)--Jan. 8, 2008--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that 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, 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.

Dalian Chuming is a client of S3’s wholly owned Redwood Capital subsidiary and Redwood Capital acted as an advisor to Dalian Chuming for this transaction. The acquisition was announced in an Energroup Holdings Corporation (traded on the Over-the-Counter Bulletin Board market under the symbol ENHD) press release issued on January 7, 2008.

“We are extremely pleased that the acquisition involving Dalian Chuming has been completed and that Redwood Capital was able to provide assistance to facilitate this transaction,” stated S3 Chairman and Chief Executive Officer Jim Bickel.

The acquisition was accomplished by means of a share exchange in which the former shareholders of PSI were issued a controlling stake in Energroup Holdings Corporation.

Dalian Chuming, with its Chuming™ brand food products, is the second largest pork processor in both the Liaoning Province and the Northeast Region of the People’s Republic of China, a region with a population of 108 million people. Chuming is ISO 9001 and HACCP certified, maintains industrialized hog slaughtering, processing and distribution facilities and is known for its international quality management standards and food safety certifications.

Chuming, with its integrated pork production “cold food” chain is the first company in China’s meat industry to receive “Green Food” Certification from the Ministry of Agriculture. An innovative project, which is unique to China, the “Green Food” status is an award given to companies that produce food using environmentally sustainable methods and meet certain technical standards of quality control, low levels of pollution, safety, and product quality.

Chuming has a unique wholesale-plus-retail distribution model, coupled with a premium brand and sells fresh, frozen and packaged meat and deli products directly to thousands of retail outlets including supermarkets and hypermarkets in China such as Wal-Mart, Metro, and Carrefour, three of the world’s top ten retailers. Chuming products are also sold by Hymall,

owned by Tesco of the U.K, over 3,000 convenience stores, and 500 Chuming™ branded free-standing franchise locations.

According to the U.S. Department of Agriculture, China is the largest pork producer and consumer in the world, with an estimated \$32 billion annual market. Overall, retail pork prices have nearly doubled in the PRC during the past 2 years.

For the nine months ending September 30, 2007, Chuming recorded unaudited sales of \$89.7 million and net income of \$8.3 million, compared to sales of \$50.2 million and net income \$6.3 million for the first nine months of 2006.

Simultaneous with the acquisition on December 31, 2007, the company completed a private placement with institutional and accredited investors led by Pinnacle China Fund, L.P. which resulted in gross proceeds to the company of \$17.0 million through the issuance of 3,863,636 million shares of common stock, which represents an approximate 18% stake in the company. As part of the private placement, management entered into a “make good” provision whereby it placed 3,863,636 million of management’s shares into an escrow to secure its obligations to meet specific future after-tax net income targets. In the event the company does not achieve its earnings targets of \$15.9 million in after-tax net income (“ATNI”) for 2008, and \$20.9 million in ATNI and fully-diluted earnings per share of \$0.99 for 2009, then 1,931,818 million shares held by management, respectively for each year will be transferred on an all-or-none basis to the investors in the private placement on a pro-rata basis.

About Dalian Chuming Precious Sheen Co., Ltd.

Chuming is a leading regional producer and distributor of fresh and prepared meat products focusing on pork, the PRC’s most consumed meat, in Northeastern China, which has a population of 108 million. Chuming distributes its premium pork products to more than 3,600 retail locations, including Wal-Mart, Metro, Carrefour, New-mart, Hymall and others, along with its own network of over 500 Chuming™ branded franchise stores. Chuming’s industrialized hog slaughtering, processing and distribution facilities maintain the ISO 9001 Quality Management System and Hazard Analysis and Critical Control Point (HACCP) certification. Chuming is the first company in China’s meat industry to receive “Green Food” Certification from the Ministry of Agriculture.

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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