



**Press Release**

**Source: S3 Investment Company**

## **S3 Investment Company Retains Auditors and Compliance Officer to Begin Efforts to Achieve Fully Reporting Status and Re-Listing on the OTCBB**

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DANVILLE, CA--(MARKET WIRE)--Feb. 20, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that it has engaged an auditing firm to conduct audits of its subsidiary businesses in China as part of its efforts to achieve fully reporting status and reinstatement to the Over-the-Counter Bulletin Board (OTCBB) market.

Samuel H. Wong and Co. LLP, a leading certified public accounting firm with offices in the United States and Asia, has initiated work to audit S3's SINO UJE subsidiary and is expected to perform an audit of S3's Redwood Capital subsidiary as well. Samuel H. Wong and Co. is familiar with S3 and its subsidiary companies, having conducted the audit for Redwood Capital's reverse merger client, Dalian Chuming, which was successfully acquired by a U.S. public company in a reverse merger transaction in January 2008.

In addition to the subsidiary audits, S3 has hired a compliance officer to manage the process of completing and filing the audited financial reports required to file for an OTCBB listing. The audited financials to be filed are expected to include annual reports for the 2006, 2007 and 2008 calendar years.

With the completed financial reports, S3 has targeted an OTCBB application by September 2008.

“With all of the recent progress that S3 has made, particularly the recent close of the Dalian Chuming transaction, the time has come for S3 to be re-listed on the Over-the-Counter Bulletin Board, and we are pleased to begin the process,” stated Jim Bickel, chairman and chief executive officer of S3 Investment Company. “The company has a solid base of financial reporting in its not so distant past, having operated as a fully reporting bulletin board company until late 2006. We do not expect significant difficulties in achieving an OTCBB listing and look forward to progress toward that goal, even as we continue to build a client base for Redwood Capital and support the growth of SINO UJE in China.”

S3 recently announced that it had received a financing commitment that results in the company being fully funded for 2008. The funding covers all corporate expenses for the 2008 calendar year and would eliminate the need for any equity transactions to finance S3 operations for the year. As part of the financing terms, S3 committed to completing the audited financial reports required to file for an OTCBB listing.

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. Energrouph 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. Energrouph Holdings Corporation is traded under the symbol ENHD.

The company has two additional current Redwood Capital clients that are being positioned for acquisition/reverse merger transactions.

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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