



Press Release

Source: S3 Investment Company

S3 Investment Company Announces Redwood Capital Agreement with Kensington Cross for Transactions Ranging from \$20 - \$100 million

Issued Tuesday February 26, 11:39 am ET

DANVILLE, CA--(MARKET WIRE)--Feb. 26, 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 entered into a long-term agreement with Kensington Cross Ltd., a Delaware domiciled boutique investment banking firm with offices in Beijing, China, to fund private equity transactions.

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.

Kensington Cross and Redwood Capital together offer current and potential clients enhanced equity and joint venture alternatives transactions ranging from \$20 million to \$100 million (US).

Kensington Cross is expanding its operations into China and Latin America and is currently working on transactions in Costa Rica and China involving international flag hotels and industrial development projects respectively.

Jim Bickel, chairman and chief executive officer of S3 Investment Company, stated, "Kensington Cross approached Redwood Capital with a number of select private equity deals after having completed an exhaustive due diligence process. That alone generated an internal interest within Redwood to create the alliance between the firms, and we look forward to working with Kensington Cross on the potential deals that they bring."

"Although Redwood's primary focus will remain the China market, we will entertain transactions involving companies in additional worldwide markets as appropriate," Mr. Bickel added.

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.

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 Kensington Cross

Kensington Cross' consulting services are directed toward the areas of corporate restructuring, land acquisition/development and mergers and acquisitions. Our professionals assist in the valuation process, enhancing the value of a business through financial structuring. For more information regarding Kensington Cross, please visit <http://www.kensingtoncross.com>.

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.

Contact:

For S3 Investment Company
Gemini Financial Communications, Inc.
A. Beyer
(951) 677-8073
investors@s3investments.com

For Kensington Cross Ltd.
Frederick S. Gnesin,
Managing Director
888.999.9360 x 704
fsg@kensingtoncross.com