



**Press Release**

**Source: S3 Investment Company**

## **S3 Investment Company CEO Schedules China Trip to Screen New Prospective Reverse Merger Clients for Redwood Capital Subsidiary**

Issued Thursday February 28, 11:16 am ET

*Mr. Bickel will also visit current Redwood Capital clients and review progress of SINO UJE subsidiary*

DANVILLE, CA--(MARKET WIRE)--Feb. 28, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that Chairman and Chief Executive Officer Jim Bickel is scheduled to travel to China on March 5, 2008 for meetings with up to 6 potential new reverse merger clients for S3's Redwood Capital subsidiary, and while in China, will visit with Redwood Capital two current clients, Changzhou Haijie Metallurgical Machinery Manufacturing Co. Ltd. and Wuhan International Trade College.

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.

Dalian Chuming recently announced its preliminary financial results for the 2007 calendar year. The Company anticipates reporting revenues of \$128 million, representing an 82 percent increase over 2006, and net income of \$12.1 million, representing a 49 percent increase from 2006.

Redwood Capital was issued 428,095 shares of Energroup Holdings Corporation as the equity portion of its payment for providing advisory services for the recently closed acquisition transaction involving Dalian Chuming. Institutional and accredited investors participated in a \$17.0 million private placement with Energroup Holdings Corporation, paying \$4.40 per share. At the placement price, the value of Redwood Capital's equity position would exceed \$1.8 million.

In addition to providing assistance in the screening and initial due diligence on potential Redwood Capital clients, Mr. Bickel will visit the offices of S3's SINO UJE subsidiary, which represents western products and services imported into the China market. Traditionally, SINO UJE has functioned as a distributor of medical and industrial high-tech products to markets throughout China, and the company recently entered into a representation agreement with Material Technologies, Inc., a California-based engineering, research and development company that specializes in technologies to measure microscopic fractures in metal structures and to monitor metal fatigue.

Material Technologies has been invited to meet with several companies to discuss prospective business opportunities in China, and SINO UJE is acting as its representative in China to assist with introductions to the appropriate individuals and departments within the Chinese government that are charged with the safety and development of the country's infrastructure.

While meeting with the SINO UJE management team, Mr. Bickel will discuss new product lines and review progress of preparations for an audit of SINO UJE's financials as part of efforts for S3 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 SINO UJE's financials and is expected to perform an audit of S3's Redwood Capital subsidiary as well.

"There is much to be accomplished on my upcoming trip, and I look forward to reporting tangible progress from China as well as providing a comprehensive review of the trip upon my return to the United States," commented Mr. Bickel.

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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