



Press Release

Source: S3 Investment Company

S3 Investment Company Announces Shandong Yiteng Chemical as New Reverse Merger Client for Redwood Capital Subsidiary

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Additional Potential Clients Are Considered by Redwood Capital

DANVILLE, CA--(MARKET WIRE)--Apr. 16, 2008--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that Shandong Yiteng Chemical Co., Ltd. has been signed as a new reverse merger client for its Redwood Capital subsidiary, which assists private Chinese companies in accessing the U.S. capital markets through reverse mergers into U.S. public companies.

Shandong Yiteng Chemical Co., Ltd. (<http://www.sdytjt.com>), based in China's Shandong province, is a leading manufacturer of chemicals in China, including hydroxypropyl cellulose and polyanionic cellulose.

Redwood Capital participated in a recently closed acquisition transaction involving Dalian Chuming, a pork processing company that trades in the U.S. as Energroup Holdings Corporation under the symbol ENHD. As part of the transaction, Energroup Holdings Corporation, a Nevada corporation, acquired all of the issued and outstanding capital stock of Precious Sheen Investments Limited ("PSI"), a British Virgin Islands corporation and parent company of PRC-based Dalian Chuming.

Redwood Capital was issued 428,095 shares of Energroup Holdings Corporation as the equity portion of its payment for provided advisory services for the transaction. 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. At the most recent trading price of Energroup Holdings Corporation's common stock, the value of the equity position would exceed \$2.1 million.

"The addition of another quality Chinese private company client further strengthens the position of Redwood Capital and S3 Investment Company in the reverse merger sector," said S3 chairman and chief executive officer Jim Bickel. "Our participation in the successful close of the Chuming transaction significantly increased our profile in China, and we continue to see a consistent flow of potential clients for Redwood Capital to consider."

“Redwood Capital now has three active reverse merger clients in China and is considering several additional candidates. We look forward to future transaction closings and the significant equity value that they bring to the company’s balance sheet,” he added.

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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