



Press Release

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S3 Investment Company CEO Addresses Focus on Reverse Merger Transactions for Redwood Capital Subsidiary

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Updated Financials for Dalian Chuming Highlights Potential Value to S3 Shareholders

DANVILLE, CA--(MARKET WIRE)--Apr. 22, 2008--S3 Investment Company, Inc. (Other OTC: SIVC) CEO Jim Bickel today addressed the company's focus on reverse merger transactions by its Redwood Capital subsidiary, which recently announced a new client, Shandong Yiteng Chemical Co., Ltd. S3 is a holding company with two subsidiaries doing business in the China market but has recently focused the majority of its attention on Redwood Capital, which assists private Chinese companies in accessing the U.S. capital markets through reverse mergers into U.S. public companies.

"The Redwood Capital business has become an even greater focus for S3 recently, due to the priority we place on building value for shareholders," commented Mr. Bickel. "As the successful closed acquisition transaction involving Dalian Chuming demonstrates, the value of the equity portion of these transactions to Redwood Capital can be extremely significant."

Redwood Capital participated the 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 recently disclosed year-end 2007 financial results for Energroup Holdings Corporation show that Dalian Chuming is a robust company with the capacity for additional future growth, and we are tremendously pleased to have played a role in Chuming's entrance into the U.S. public markets," Mr. Bickel stated.

Energrouph Holdings Corporation reported that revenues for the year ended December 31, 2007 totaled \$124.7 million, a 77% increase over the \$70.4 million reported in 2006, which was driven by an increase in the average per-kilogram price customers paid coupled by an increase in overall sales volume. All of Chuming's revenues are realized from sales within China, and approximately 78% of its revenues were from fresh pork, 7% from frozen pork, and 15% from processed meats (approximately 2% of which is from seafood products). Each of Chuming's product categories reported significant year-over-year growth. More specifically, fresh pork sales increased 112%, frozen pork sales increased 22%, and processed meat and meat by-products increased 6.3%. Within the processed meats category, sales of Chuming's new processed seafood products that were launched toward the end of 2005, increased 130% as compared to the prior year. Additionally, Chuming began selling its products to over 170 new franchise operators.

Gross profit for 2007 was \$20.3 million, representing a 61% increase from the \$12.6 million reported in 2006. Overall, gross margins were 16.3% in 2007, compared to 17.9% in 2006. Total operating expenses for 2007 were \$6.2 million versus \$2.9 million for 2006 and the increase was directly attributed to the addition of new sales and marketing staff, plus advertising and promotional expenses, including television, radio and magazine placements, as part of an overall strategy to support Chuming's brand positioning in the over 3,600 retail locations that its products are sold through. In 2007, Chuming significantly increased its advertising budget from \$150,000 in 2006 to \$3.8 million in 2007. Total operating expenses for 2007 were 5.1% of sales versus 4.0% for 2006.

Operating income increased 70% to \$14.1 million in 2007 versus \$9.7 million for 2006, while operating margins were 11.3% compared to 13.8%.

After tax net income for 2007 increased 44% year-over-year to \$11.7 million from \$8.1 million and earnings per diluted share were \$0.67 in 2007 as compared with \$0.47 per share in the prior year, based upon 17.3 million shares outstanding.

“These results graphically highlight the reason that we are working very closely with Redwood Capital to reach, and perhaps even exceed, its goal of participating in at least one closed reverse merger transaction per quarter,” Mr. Bickel added.

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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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