



Press Release

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S3 Investment Company Releases April 2008 Newsletter Highlighting Value of Successful Reverse Merger Transaction and New Client for Redwood Capital Subsidiary

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DANVILLE, CA--(MARKET WIRE)--Apr. 24, 2008--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today issued its April 2008 investor newsletter, which provides a re-cap of recent news related to the company, including updated financial information for Dalian Chuming, a client of its Redwood Capital subsidiary that was the target of a successfully closed acquisition transaction with a U.S. public company.

The newsletter also reviews the announcement of a new client for Redwood Capital, Shandong Yiteng Chemical Co., Ltd. a leading manufacturer of chemicals in China, including hydroxypropyl cellulose and polyanionic cellulose.

A PDF version of the April 2008 newsletter can be viewed on the company's website at <http://www.s3investments.com/media/news/>.

S3 Chairman and Chief Executive Officer Jim Bickel recently addressed the company's focus on reverse merger transactions by its Redwood Capital subsidiary, which assists private Chinese companies in accessing the U.S. capital markets through reverse mergers into U.S. public companies.

In his greeting to shareholders, Mr. Bickel lauded the success of the Chuming transaction and stated, "As the news has indicated, the last several months have been very busy ones for S3 and its operating subsidiaries.

"The highlight of this period would have to be the successful close of the Dalian Chuming acquisition by Energroup Holdings Corporation, publicly traded here in the U.S. Given the value of Dalian Chuming, as evidenced by its recently disclosed 2007 year-end financials, participating in this transaction was truly a watershed event in the history of Redwood Capital. Sourcing new deals becomes much easier after participating in a transaction of that magnitude.

"Management continues to work on the details of the plan to dividend shares of the stock of Redwood Capital's reverse merger clients to S3 shareholders of record at a future date. The company continues to explore all options in this regard with its SEC counsel, and we will discuss the plans to implement such a dividend as soon as possible. We must ensure that all of

the appropriate steps are followed and that all potential legal and SEC compliance issues are addressed.”

Dalian Chuming is a pork processing company that now trades in the U.S. as Energroup Holdings Corporation under the symbol ENHD. 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.

Energroup Holdings Corporation has since 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. 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. 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.

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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