



**Press Release**

**Source: S3 Investment Company**

## **S3 Investment Company Announces First Targeted Transaction Under Redwood Capital Agreement with Kensington Cross**

Issued Wednesday April 9, am ET

DANVILLE, CA--(MARKET WIRE)--Apr. 9, 2008--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that under the agreement between S3 subsidiary Redwood Capital, Inc. and Kensington Cross, Ltd., a boutique U.S. investment banking firm, to fund private equity transactions ranging from \$20 million to \$100 million (US), an initial deal has been identified.

The targeted private Chinese company is an industrial warehousing operation seeking to expand its reach both within China and internationally.

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.

Kensington Cross recently named a new representative in its Beijing, China office. The new representative has begun working with Redwood Capital Managing Director Charlie Wu on deal flow and identifying appropriate candidates for private equity transactions.

“We are pleased to see our agreement with Kensington Cross move forward with tangible deal flow and identification of the first potential client,” commented Jim Bickel, chairman and chief executive officer of S3 Investment Company.

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.

Frederick S. Gnesin, Managing Director of Kensington Cross, stated, “Our presence in Beijing is now completed with the S3 partnership. This strategic alliance will augment Kensington's capability to address the needs of middle to large market-cap companies seeking substantial private investment capital infusion and exposure to the United States capital markets.”

Redwood Capital participated in a recently closed acquisition transaction involving Dalian Chuming, a pork processing company with \$70.4 million (US) in sales in 2006, and \$89.7 (US) 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. Energroupholdings 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.

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