



Press Release

Source: S3 Investment Company

S3 Investment Company Announces New Project Manager for Redwood Capital Subsidiary

Issued Thursday May 15, 11:47 am ET

DANVILLE, CA--(MARKET WIRE)--May 15, 2008--S3 Investment Company, Inc. (Other OTC: SIVC) and its wholly owned Redwood Capital subsidiary, which assists private Chinese companies in accessing the U.S. capital markets through reverse mergers into public companies, today announced that John Bai has been appointed as project manager for Redwood Capital. Mr. Bai brings to Redwood Capital extensive experience in international financial markets

Mr. Bai most recently worked with Redwood Capital's client, Dalian Chuming, a pork processing company that trades in the U.S. as Energroup Holdings Corporation under the symbol ENHD. Mr. Bai facilitated road shows and meetings with investors; coordinated public announcements, quarterly and annual earnings releases and conference calls; managed professional services providers including investor relations, legal and auditing; assisted the CFO in SEC regulations and compliance, filings and disclosure; and arranged Board meetings and shareholder meetings and prepared the relevant documents for each.

As part of the Dalian Chuming acquisition 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.

Previously, Mr. Bai worked as an investment advisor for a full-service investment dealer based in Canada. In this position, he introduced and recommended pre-IPO companies to investors; provided financing service for public companies through private financing; kept track of the general economy, forecasted sector trends and analyzed companies' financial reports, such as balance sheets and cash flows to understand the companies' financial status; and independently analyzed, evaluated and recommended stocks, stock options and bonds to clients with satisfactory results.

Mr. Bai also served as the manager for a private fund based in Los Angeles, California, where he increased the return for each of the three years he held his position. In this role, he applied financial theories, focused on quality stocks with strong fundamentals and growth potential, disciplined in entry points selection with technical analysis, and created effective stop/loss processes.

As project manager and then chief project manager for the Ministry of Aerospace of China, Mr. Bai negotiated \$20 million in savings in procurement of key components and significantly reduced the risk for a project valued in excess of \$100 million, conducted numerous negotiations and signed many contracts with prices below targets, extensively traveled internationally and domestically and significantly promoted and enhanced company's business and image.

"I am very pleased to join the Redwood Capital team in the capacity of project manager," commented Mr. Bai. "There continues to be tremendous opportunities for Redwood Capital in China, and I look forward to contributing to the company's ongoing growth."

Jim Bickel, chairman and chief executive officer of S3 Investment Company, who is currently conducting business in China, stated, "We are extremely fortunate to have a professional with the experience of Mr. Bai join Redwood Capital at this time. He has proven to be highly capable in a variety of financial market settings, and his recent experience with the Dalian Chuming transaction further elevates his value to Redwood Capital."

In the recent Dalian Chuming transaction, 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.

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.

Contact:
For S3 Investment Company
Gemini Financial Communications, Inc.
A. Beyer
(951) 677-8073
investors@s3investments.com