



Press Release

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S3 Investment Company Reports on Redwood Capital Subsidiary Participation in China International Private Equity Forum

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DANVILLE, CA--(MARKET WIRE)--Jun. 17, 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 reported on Redwood Capital's participation at the China International Private Equity Forum, which was held at the Tianjin International Exhibition Centre and Tianjin Grand Theatre in Tianjin, China on June 9 - 12, 2008.

Over 1,000 private Chinese companies seeking capital attended the conference, and Redwood Capital's booth, which it shared with Hunter Wise Financial Group LLC, its investment banking partner, was located at the "Capital Connection" pavilion. It was staffed 9 hours per day for 3 days by several Redwood Capital staff members who distributed new multi-lingual brochures specially created for the event. The booth was reported to be especially busy.

In excess of 30 companies meeting Redwood Capital's APO (Alternative Public Offering) criteria were interviewed and prioritized for follow-up after the forum.

Daniel J. McClory, Managing Director of Hunter Wise Financial Group and a member of Redwood Capital's investment committee, participated in a panel discussion at the event, which addressed the subject, "The Role of Intermediaries in Identifying and Completing Deals in China," a topic closely related to Redwood Capital's function in reverse merger/acquisition transactions.

Following Mr. McClory's panel presentation, five new U.S. and Asian institutional investors approached Mr. McClory and Redwood representatives to explore opportunities to finance Redwood Capital clients and to discuss dual-list opportunities on other overseas stock exchanges, such as Dubai.

During and around the forum, three current Redwood Capital clients presented updates on their operations and progress towards their developed and agreed APO timelines, which were developed and agreed upon with Redwood management.

"Redwood Capital staff did an excellent job preparing materials for the forum and representing the company at the booth, in conjunction with our partners from Hunter Wise," commented Jim Bickel, chairman and chief executive officer of S3. "A strong presence at this type of event is extremely important for Redwood Capital and its profile in China's business

community. Having Dan McClory on hand to speak about the critical role of intermediaries in reverse merger/acquisition transactions only added to the importance of Redwood Capital's presence at the forum. Our staff at Redwood Capital is already following up on the leads generated there, and we expect these new contacts to ultimately bear fruit for the company.

The Tianjin event was sponsored by The Association for Corporate Growth (ACG), the All China Federation of Industry & Commerce, and the Tianjin Municipal People's Government. It provided an introduction to investing in China and featured pre-screened private Chinese companies seeking Western investment, Chinese government officials, and a wide variety of private equity professionals, intermediaries, corporate development executives, lawyers, consultants and others interested in investing in China.

Redwood Capital and Hunter Wise participated together in a 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, ENHD, 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 ENHD as the equity portion of its payment for advisory services provided for the transaction. Institutional and accredited investors participated in a \$17.0 million private placement with Energroup Holdings Corporation, paying \$4.40 per share for their positions. 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. Most recently, ENHD reported after-tax net income for the quarter ended March 31, 2008 of \$4.2 million, a 41% increase over the \$3.0 million reported in the same period of 2007.

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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