



Press Release

Source: S3 Investment Company

## **S3 Investment Company Announces CEO Meetings in China with Redwood Capital Reverse Merger Clients**

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*Company pursuing new Redwood Capital clients and preparing pipeline for 2009 transactions*

DANVILLE, CA--(MARKET WIRE)--Jul. 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 announced that chairman and chief executive officer Jim Bickel has traveled to China to participate in meeting with existing Redwood Capital clients, to meet with additional prospective clients, and to prepare Redwood's pipeline of prospective clients for the 2009 calendar year.

S3 recently reported that it expects two current Redwood Capital clients to participate in successful reverse merger transactions and enter the U.S. public markets before the end of this year. The support provided by face-to-face meetings in China with the Redwood Capital management team, as well as with the management teams of Redwood's client companies, is integral to the process of moving each transaction forward.

"We are very interested in not only assisting with the transactions that we expect to close during the 2008 calendar year but also positioning the next group of clients in the Redwood Capital pipeline for successful reverse mergers in 2009," stated Mr. Bickel. "Our work in China is oriented around both these goals, and we believe that Redwood Capital is fully capable of meeting and possibly exceeding its performance in 2008 with the clients being readied for 2009."

The recent announcement of expectations for 2008 included issued management's statement that it anticipates one close for a Redwood Capital client in or around September and another anticipated to close in the October-November timeframe.

Redwood Capital participated 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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