



Press Release

Source: S3 Investment Company

S3 Investment Company Comments on Continued Growth of Redwood Capital Reverse Merger Client

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DANVILLE, CA--(MARKET WIRE)--Sept. 15, 2008--S3 Investment Company, Inc. (Other OTC: SIVC) Chief Executive Officer Jim Bickel today commented on the post reverse merger progress of Dalian Chuming, a client of S3's wholly owned Redwood Capital subsidiary that now trades in the U.S. as Energroup Holdings Corporation under the symbol ENHD.

Redwood Capital subsidiary, which assists private Chinese companies in accessing the U.S. capital markets through reverse mergers into public companies, participated in the transaction involving Dalian Chuming, a premier processor and supplier of fresh and prepared pork products in Dalian, China. 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.

"Energroup Holdings Corporation recently reported its second quarter 2008 financial results, which included an increase in earnings per share over the first quarter of 2008," commented Mr. Bickel. "This is particularly relevant to S3 shareholders given the Energroup Holdings Corporation stock that Redwood Capital received as a result of its participation in the Chuming transaction."

Redwood Capital was issued 428,095 shares of Energroup Holdings Corporation as the equity portion of its payment for advisory services provided as part of the Chuming transaction.

In the financial results for Energroup Holdings Corporation, it reported that through its direct and indirect subsidiaries known as Chuming, supermarket and franchise stores drive sales 57.8% up for the first six months of 2008 versus prior year and that net income increased 70% to \$9.9 million with EPS of \$0.47 for the 6 months ended June 30, 2008.

Additional details of the financial report can be found in a press release issued by Energroup Holdings Corporation on September 3, 2008 and in the quarterly report filed with the Securities and Exchange Commission on September 2, 2008.

"As we look toward additional anticipated closings before the end of the 2008 calendar year, we will continue to monitor the progress of Energroup Holdings Corporation and keep shareholders updated as frequently as possible," added Mr. Bickel. "Clients' stock value is an important aspect of the value proposition presented by Redwood Capital's business model, and

we are pleased to see Chuming continue to perform so well after it was acquired by a U.S. public company.”

Institutional and accredited investors participated in a \$17.0 million private placement with Energrouph Holdings Corporation, paying \$4.40 per share. At the placement price, the value of Redwood Capital’s equity position in Energrouph Holdings Corporation would exceed \$1.8 million. At the most recent trading price of Energrouph Holdings Corporation's common stock, the value of the equity position would exceed \$2.1 million.

S3 has announced that the company 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. One is anticipated in or around September and the other is expected to close in the October-November timeframe. An additional Redwood Capital client has been targeted for a reverse merger transaction, and that transaction may also close before the end of 2008.

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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