



**Press Release**

**Source: S3 Investment Company**

## **S3 Investment Company Announces Representation Agreement for SINO UJE Subsidiary with Material Technologies, Inc. for the China Market**

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DANVILLE, CA--(MARKET WIRE)--Feb. 7, 2007--S3 Investment Company, Inc. (Other OTC: SIVC), a holding company with two subsidiaries doing business in the China market, today announced that its SINO UJE subsidiary has entered into a representation agreement with Material Technologies, Inc., a California-based engineering, research and development company that specializes in technologies to measure microscopic fractures in metal structures and to monitor metal fatigue.

Material Technologies (“MATECH”), a publicly traded company, recently announced that it had been invited to meet with several companies to discuss prospective business opportunities in China, and SINO UJE is acting as its representative in China to assist with introductions to the appropriate individuals and departments within the Chinese government that are charged with the safety and development of the country’s infrastructure.

MATECH's patented Electrochemical Fatigue Sensor (EFS) System is a nondestructive crack inspection technology, similar in concept to a medical EKG, which is used to determine if actively growing fatigue cracks are present. MATECH’s initial focus in China will be in the field of bridge inspections. However, its technology is applicable to many other market sectors, such as general aerospace, ships, cranes, power plants, nuclear facilities, chemical plants, mining equipment, and “heavy iron.”

As part of its relationship with SINO UJE, MATECH’s Chief Engineer, Dr. Brent Phares, will train a local SINO UJE representative on the fundamentals of the EFS System. It is anticipated that this training will lead to the establishment of a locally based marketing campaign executed by SINO UJE.

“With the Beijing Olympics rapidly approaching as well as increased growth across China due to its economic development, the country is placing more focus on the quality of its infrastructure,” commented Jim Bickel, chairman and chief executive officer of S3 Investment Company. “MATECH’s services are exactly what is needed to test bridges and other metal structures to diagnose potential problems before catastrophes occur.”

“We are pleased that they have chosen SINO UJE to represent MATECH in the China market, and we look forward to a long and mutually beneficial relationship with this company,” Mr. Bickel added.

About Material Technologies ([www.matechcorp.com/index.html](http://www.matechcorp.com/index.html))

MATECH is an engineering, research and development company specializing in technologies to measure microscopic fractures and flaws in metal structures and monitor metal fatigue in real time. The company's leading edge metal fatigue detection, measurement and monitoring solutions can accurately test the integrity of metal structures and equipment including bridges, railroads, airplanes, ships, cranes, power plants, mining equipment, piping systems and heavy iron.

MATECH owns the only nondestructive testing technology able to find growing cracks as minute as 0.01 inches-critical information that allows structural engineers to isolate and repair the more than 100,000 steel bridges in the US which have been classified as structurally deficient or functionally obsolete by the Federal Highway Administration. MATECH has exclusive rights to seven patents along with \$8.3 million in already completed contracts from the US Government for research, testing and validation of its innovative solutions.

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:

Gemini Financial Communications, Inc.

A. Beyer

(951) 677-8073

[investors@s3investments.com](mailto:investors@s3investments.com)