



ASSET MANAGEMENT

PRESS RELEASE

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CREATION OF A JOINT VENTURE IN SHANGHAI

SG Asset Management (SG AM) and Fortune Trust & Investment Co (FTIC) signed, on July 23, 2002, a Joint Venture agreement in order to set up a Shanghai-based fund management company, Fortune SG AM Fund Management Co (FSFMC).

Subject to the approval of the relevant Chinese authorities and to the completion of the corporate structure, FSFMC will be operational in early 2003, and will be one of the first joint venture companies with a foreign partner in the fund management industry since China became a member of WTO in December 2001. FTIC and SG AM will hold respectively 67 % and 33 % stakes in FSFMC. (which, since July 2002, is the maximum allowed for a foreign partner). Both parties further agreed that, if so permitted by Chinese law, SGAM will have the right to increase its stake in the JV up to 49% by way of new capital injection.

Fortune was set up on October 19, 1998 by Baosteel Group as a step to achieving its strategic development in the financial industry. A non-bank financial institution with a registered capital of RMB1 Billion (USD121 Million), FTIC's focus is on asset management and investment in securities as its main business. Building its development on quality assets and an experienced management team, FTIC has become one of the biggest trust & investment companies in the PRC.

Shanghai Baosteel Group Corporation (BAOSTEEL) is one of the biggest iron & steel conglomerates in the world and one of the largest groups in China, with total assets of RMB163 Billion (USD19.7 Billion) at the end of 2001. Turnover for the whole group in FY2001 reached RMB71 Billion (USD8.6 Billion). Besides its core activity of iron and steel, BAOSTEEL has diversified its business into trade and finance. The fund management business is an important step in BAOSTEEL's strategic development in the Chinese market.

Ms. Xie Qihua, General Manager of Baosteel Group, said that in view of the booming fund industry in China, Fortune Trust had for a long time been considering establishing a fund management company of international standard. After the publication of regulations for "the establishment of fund management companies with foreign participation", Fortune Trust and SG AM entered into talks for setting up the joint-venture fund management company.

Philippe COLLAS Chairman and CEO of SG AM stated that "Partnership has always been the philosophy of our international strategy . SG AM wishes to actively participate with a view to the long term in the development of the Chinese fund management industry. We are very pleased to have concluded this joint venture agreement with a partner of the quality of Baosteel group".

Contact Presse SG AM :

For all countries except Asia

Laurent TISON
Ph : +33 (0)1 56 37 89 72
Laurent.tison@SGAM.com
France

In Asia

Albert RECULEAU
Ph : + 65 326 79 55
Albert.reculeau@socgen.com
Singapore

SG AM is the asset management subsidiary of the French Société Générale Group. With over € 272 billion under management and a product range made up of some 1,500 investment funds, SG AM is one of the top 20 players in the world. 1,900 specialists worldwide offer all types of clients (individual, corporate, institutional investors) access to all asset classes in all financial markets. Fitch-AMR has given the company an aa+ rating.

The Société Générale Group is one of the largest banks in the eurozone. The Group employs 85,000 people worldwide in three key businesses:

- Retail Banking: Société Générale serves 13,4 million retail customers worldwide.
- Asset Management & Private Banking: Société Générale ranks third in the eurozone in terms of assets under management (EUR 298 billion in 2001).
- Corporate & Investment Banking: SG is the fourth largest bank in the eurozone based on net banking income.

Société Générale is the only French bank to be included in the four major socially responsible investment indexes.