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Non-collateralised Structured Products

issued by

J.P. Morgan Structured Products B.V. (“Issuer”)

(incorporated with limited liability in The Netherlands)

and unconditionally and irrevocably guaranteed by

JPMorgan Chase Bank, National Association

(a national banking association organized under the laws of United States of America)

**Announcement in relation to Early Termination and Suspension of
Trading of Affected Callable Bull/Bear Contracts**

linked to

Xiaomi Corporation (“Xiaomi CBBCs”)

This announcement serves to inform investors in the Xiaomi CBBCs:

- (a) that the last trading day of the Xiaomi CBBCs is scheduled to be 15 March 2021;
- (b) that the Xiaomi CBBCs will be suspended from trading and early terminated with effect on 16 March 2021; and
- (c) on further details about the Early Termination Event (as defined below).

OVERVIEW

As described further in Part 2 of this announcement, we may early terminate a series of callable bull/bear contracts (“**CBBCs**”) if it becomes illegal or impracticable (i) for us (as the Issuer) to perform our obligations under the CBBCs or for the Guarantor to perform its obligations under the guarantee as a result of a change in law event, or (ii) for us (as the Issuer) or any of our affiliates to maintain our hedging arrangement with respect to the CBBCs due to a change in law event.

Due to a recent change in the laws of the United States of America (“**United States**”) (as described further in Part 2):

- (a) an event as contemplated in the Early Termination Condition of each series of the Xiaomi CBBCs has occurred; and
- (b) we have determined to early terminate all the Xiaomi CBBCs on 16 March 2021 in accordance with the relevant terms and conditions.

Investors should note the following key dates (each as described further below) in respect of each series of the Xiaomi CBBCs:

Key Dates	Events
15 March 2021 (Monday)	The last trading day
	The last trading day of the Observation Period for Mandatory Call Event
	Valuation Date
16 March 2021 (Tuesday)	Trading suspension date
	Early Termination Date (as defined below)
	Delisting date
17 March 2021 (Wednesday)	The publication date of announcement in respect of the Early Termination Amount
19 March 2021 (Friday)	The Settlement Date (as defined below) for payment of the Early Termination Amount to each holder

Terms not defined in this announcement have the meanings given to them in the relevant base listing document and launch announcement and supplemental listing document relating to the Xiaomi CBBCs. References herein to “we” shall mean the Issuer, and the words “us” and “our” should be construed accordingly.

PART 1. EARLY TERMINATION AND SUSPENSION OF TRADING

We announce that:

- (a) an Early Termination Event has occurred pursuant to the Early Termination Condition (as described further below) of the terms and conditions of the CBBCs stated in the schedule attached to this announcement. In accordance with the Early Termination Condition, we have determined to early terminate all the Xiaomi CBBCs with effect on 16 March 2021 (the “**Early Termination Date**”). The Xiaomi CBBCs will (i) expire on the Early Termination Date, rather than the original scheduled expiry date stated in the schedule attached to this announcement, and (ii) be delisted after market close on the Early Termination Date;
- (b) the last trading day of the Xiaomi CBBCs is scheduled to be 15 March 2021;
- (c) the Observation Period will end on the trading day immediately preceding the Early Termination Date (scheduled to be 15 March 2021); and
- (d) pursuant to Rule 6.02 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), an application to suspend the trading of each series of the Xiaomi CBBCs stated in the schedule attached to this announcement with effect from 9:00 a.m. (Hong Kong time) on 16 March 2021 will be submitted to the Stock Exchange, and all the Xiaomi CBBCs will be suspended from trading with effect from 9:00 a.m. (Hong Kong time) on 16 March 2021.

PART 2. OCCURRENCE OF AN EARLY TERMINATION EVENT

Early Termination Condition

Pursuant to condition 13 of the Terms and Conditions of the Cash Settled Callable Bull/Bear Contracts over Single Stock (the “**Early Termination Condition**”) applicable to the relevant series of the Xiaomi CBBCs, we may terminate the relevant Xiaomi CBBCs prior to their respective original scheduled expiry dates if we determine in good faith and in a commercially reasonable manner that, for reasons beyond our control, it has become or it will become illegal or impracticable:

- (a) for us (as the Issuer) to perform our obligations under the Xiaomi CBBCs, or for the Guarantor to perform its obligations under the guarantee, in whole or in part as a result of:
 - (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or
 - (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),(each of (i) and (ii), a “**Change in Law Event**”); or
- (b) for us (as the Issuer) or any of our affiliates to maintain the Issuer’s hedging arrangements with respect to the Xiaomi CBBCs due to a Change in Law Event.

In such event, the amount payable by us (if any) will be the fair market value of the Xiaomi CBBCs, less our cost of unwinding any related hedging arrangements as determined by us.

Occurrence of a Change in Law Event and an Early Termination Event

Under the Issuer’s Hong Kong listed issuance programme for structured products (the “**Programme**”):

- (a) JPMorgan Chase Bank, National Association (a national banking association organized under the laws of the United States) is the Guarantor of structured products issued under the Programme, under which, it guarantees the timely and complete payment and performance, as and when due, of the obligations of the Issuer under the structured products issued under the Programme (including the Xiaomi CBBCs) in accordance with the product terms and conditions; and
- (b) J.P. Morgan Broking (Hong Kong) Limited (a company incorporated in Hong Kong) is appointed by the Issuer as its agent to provide liquidity for all structured products issued under the Programme, including the Xiaomi CBBCs (the “**Liquidity Provider**”).

The Guarantor, the Issuer and the Liquidity Provider are collectively referred to as the “**Issuer Group**” in this announcement.

Based on the publicly available information as of the date of this announcement with respect to the Executive Order 13959, as amended by Executive Order 13974, issued by the President of the United States (the “**Executive Order**”) and the frequently asked questions (including 858, 860, 861 and 864) related to the Executive Order, “Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies.” published by the Office of Foreign Assets Control (“**OFAC**”), the Issuer has determined in good faith and in a commercially reasonable manner that:

- (a) the Executive Order constitutes a Change in Law Event applicable to the Issuer Group;
- (b) the Early Termination Condition has been triggered due to such Change in Law Event; and

- (c) the Xiaomi CBBCs will be early terminated on the Early Termination Date in accordance with the Early Termination Condition (the “**Early Termination Event**”), at the applicable Early Termination Amount as described further in Part 3 below.

The Executive Order will affect the Xiaomi CBBCs with effect from 9:30 a.m. eastern standard time (US time) on 15 March 2021. The applicability of the prohibitions in the Executive Order to the Xiaomi CBBCs on 15 March 2021 are based on the guidance publicly available from OFAC as of 18 February 2021 (US time), and are subject to any additional guidance OFAC might issue either as to the scope of the prohibitions under the Executive Order or as to the effective date.

There may be other listed structured products linked to certain restricted companies that are subject to the Executive Order.

The United States government has publicly stated its intention to impose sanctions on additional restricted companies under the Executive Order, and those sanctions may affect other structured products linked to such restricted companies in the future.

We will monitor closely the developments with respect to the Executive Order and will publish further announcement to inform investors if any of our listed structured products is linked to such restricted companies pursuant to the Executive Order on a timely basis.

PART 3. EARLY TERMINATION ARRANGEMENT

Early Termination Amount

Pursuant to the Early Termination Condition, we will pay to each holder of the Xiaomi CBBCs a cash amount determined by us in good faith and in a commercially reasonable manner, being the fair market value in respect of the Xiaomi CBBCs held by such holder immediately prior to the early termination (ignoring such illegality or impracticability) less the cost to us of unwinding any related hedging arrangement as determined by J.P. Morgan Securities (Asia Pacific) Limited (as the agent) in its sole and absolute discretion (the “**Early Termination Amount**”).

As disclosed in the launch announcement and supplemental listing document applicable to each series of the Xiaomi CBBCs, the price of a CBBC linked to an underlying share will generally depend on the price of such underlying share, and a range of factors, including (amongst others):

- the strike price and call price of the CBBCs;
- the likelihood of the occurrence of a Mandatory Call Event;
- the time remaining to expiry;
- the interim interest rates and expected dividend payments or other distributions on the underlying share; and
- our related transaction cost.

In determining the Early Termination Amount for each series of the Xiaomi CBBCs, we intend to use our existing pricing model for the relevant series of the Xiaomi CBBCs (including Funding Cost from (and including) the Early Termination Date to (and including) the original scheduled Expiry Date). The key market factor inputs of such pricing model are:

- (a) The Closing Price of the underlying share fixed on the Valuation Date against the Strike Price.

For the Xiaomi CBBCs:

- (i) the **Closing Price** will be set by reference to the closing price of one underlying share on the Valuation Date; and

- (ii) the **Valuation Date** for the Xiaomi CBBCs will be the trading day immediately preceding the Early Termination Date.
- (b) Other factors determined as of the Early Termination Date, including:
 - (i) the interest rate and dividend rate of the underlying share, from (and including) the Early Termination Date to (and including) the original scheduled Expiry Date; and
 - (ii) the average of the implied Funding Cost applicable to the relevant series based on the mid-price of the Issuer's bid and ask quotes as at or immediately before market close in Hong Kong on the two trading days immediately preceding the trading suspension date (scheduled to be 12 March and 15 March 2021).

Investors must note that the valuation methodologies applicable to different listed structured products vary according to the actual terms of the relevant product and the relevant valuation model applied by us based on our actual underlying hedging arrangements as of the relevant time. Our current intended approach for the valuation methodology applicable to the Early Termination Amount of the Xiaomi CBBCs only applies to such product, and must not be construed as applicable to, or the benchmark for, other similar listed structured products (whether or not linked to the same underlying share) issued under the Programme.

We will notify each holder of the Xiaomi CBBCs of the actual amount of the Early Termination Amount no later than the trading day after the Early Termination Date (currently scheduled to be 17 March 2021) by publication of an announcement on the HKEXnews website.

Settlement process

The Early Termination Amount will be paid by transfer to the CCASS account through which the relevant Xiaomi CBBCs are held on the third CCASS Settlement Date after the Early Termination Date (currently scheduled to be 19 March 2021, "**Settlement Date**"). Payment of the Early Termination Amount to such account will be a complete discharge of our obligation to pay such Early Termination Amount. Investors should note that if you are not a CCASS investor participant and do not have a CCASS account, you will have to rely on your broker to ensure that the Early Termination Amount is credited to your account maintained with your broker (and if applicable, its custodian).

Any payment of the Early Termination Amount shall be made net of any taxes, duties, fees, levies and other charges incurred in respect of such payment or otherwise in connection with such early termination. Investors should also check with their brokers (if any) as to whether there are any charges payable to their brokers. We are not responsible for any tax, duties or charges imposed by any tax authority in respect of the payment of the Early Termination Amount or otherwise in connection with such early termination. Investors should obtain independent tax advice if they are in any doubt.

PART 4. TRADING IN THE XIAOMI CBBCS BEFORE EARLY TERMINATION DATE

Investors should exercise particular caution in trading the Xiaomi CBBCs before the trading suspension date of the Xiaomi CBBCs as the price of the Xiaomi CBBCs may fluctuate significantly, which may adversely affect investors' investment in the Xiaomi CBBCs.

PART 5. CONTACT DETAILS FOR INVESTORS' ENQUIRIES

Contact details

Investors in the Xiaomi CBBCs may obtain further information relating to the Early Termination Event as follows:

- (a) visit our designated website at <http://www.ipmwarrants.com.hk>; or
- (b) call our hotline at +852 2800 7878.

The announcement contains important information which may negatively affect your investment in the Xiaomi CBBCs. You must read this announcement carefully and (where appropriate) seek professional advice before investing in or dealing in the Xiaomi CBBCs.

J.P. Morgan Structured Products B.V.
Hong Kong, 19 February 2021

Schedule: List of Xiaomi CBBCs

The list of Xiaomi CBBCs is based on market information as of market close of 19 February 2021.

If a Mandatory Call Event occurs in respect of any series of CBBCs before the end of the Observation Period, such series of CBBCs will be terminated pursuant to its terms and conditions prior to the Early Termination Date.

	Stock code of Xiaomi CBBCs	Type	Underlying shares/ Stock code	Strike Price (HK\$)	Original Scheduled Expiry Date	Early Termination Date
1	52119	Bull CBBCs	Xiaomi Corporation (1810.HK)	24.50	20 August 2021	16 March 2021
2	52151	Bull CBBCs	Xiaomi Corporation (1810.HK)	19.50	21 May 2021	16 March 2021
3	52763	Bull CBBCs	Xiaomi Corporation (1810.HK)	22.50	16 July 2021	16 March 2021
4	53334	Bull CBBCs	Xiaomi Corporation (1810.HK)	25.50	16 July 2021	16 March 2021
5	61673	Bull CBBCs	Xiaomi Corporation (1810.HK)	15.58	21 May 2021	16 March 2021
6	61779	Bear CBBCs	Xiaomi Corporation (1810.HK)	36.60	13 August 2021	16 March 2021
7	62968	Bull CBBCs	Xiaomi Corporation (1810.HK)	16.58	9 April 2021	16 March 2021
8	65422	Bull CBBCs	Xiaomi Corporation (1810.HK)	20.50	18 June 2021	16 March 2021
9	68642	Bull CBBCs	Xiaomi Corporation (1810.HK)	23.40	13 August 2021	16 March 2021
10	69955	Bull CBBCs	Xiaomi Corporation (1810.HK)	18.50	18 June 2021	16 March 2021